

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**GENERTEC UNIVERSAL MEDICAL GROUP  
COMPANY LIMITED**

**通用環球醫療集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 2666)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**FINANCIAL HIGHLIGHTS**

- For the year ended 31 December 2024, the revenue amounted to approximately RMB13,663.5 million, representing an increase of 0.1% as compared with that of approximately RMB13,650.2 million for 2023, among which, the healthcare business recorded a revenue of approximately RMB8,488.3 million, up by 8.4% as compared to 2023, with its proportion to the total revenue increased to 62.1%.
- For the year ended 31 December 2024, the profit for the year amounted to approximately RMB2,258.3 million, representing an increase of 2.7% as compared with that of approximately RMB2,199.1 million for 2023, among which, the contribution from the healthcare business amounted to approximately RMB522.2 million, up by 15.0% as compared to 2023.
- For the year ended 31 December 2024, the profit for the year attributable to owners of the parent amounted to approximately RMB2,031.7 million, representing an increase of 0.5% as compared with that of approximately RMB2,020.9 million for 2023.
- As at 31 December 2024, the total assets amounted to approximately RMB86,032.3 million, representing an increase of 7.1% as compared with that of approximately RMB80,344.7 million as at 31 December 2023.
- As at 31 December 2024, the equity attributable to owners of the parent amounted to approximately RMB17,175.7 million, representing an increase of 9.6% as compared with that of approximately RMB15,677.7 million as at 31 December 2023.
- For the year ended 31 December 2024, the return on equity was 12.37%, and the return on total assets was 2.71%.

The Board is pleased to announce that the audited consolidated annual results of the Company and its subsidiaries for the year ended 31 December 2024 with the comparative figures for the year ended 31 December 2023 are as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 RMB'000
<b>REVENUE</b>	5	<b>13,663,485</b>	13,650,203
Cost of sales		<u>(9,071,645)</u>	<u>(9,078,344)</u>
Gross profit		<b>4,591,840</b>	4,571,859
Other income and gains	5	<b>614,514</b>	620,371
Selling and distribution costs		<b>(375,391)</b>	(397,168)
Administrative expenses		<b>(1,333,871)</b>	(1,168,436)
Impairment losses on financial assets, net		<b>(322,980)</b>	(192,099)
Loss on derecognition of financial assets measured at amortised cost		<b>(519)</b>	(1,624)
Other expenses		<b>(242,327)</b>	(534,016)
Finance costs		<b>(50,711)</b>	(39,054)
Share of profits and losses of:			
A joint venture		<b>32,031</b>	13,449
Associates		<u>(5,467)</u>	<u>(7,069)</u>
<b>PROFIT BEFORE TAX</b>	6	<b>2,907,119</b>	2,866,213
Income tax expense	9	<u>(648,785)</u>	<u>(667,141)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>2,258,334</b></u>	<u>2,199,072</u>
Attributable to:			
Owners of the parent		<b>2,031,740</b>	2,020,918
Non-controlling interests		<b>154,377</b>	88,735
Other equity instruments		<u>72,217</u>	<u>89,419</u>
		<u><b>2,258,334</b></u>	<u>2,199,072</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<i>11</i>		
Basic ( <i>expressed in RMB per share</i> )		<u><b>1.07</b></u>	<u>1.07</u>
Diluted ( <i>expressed in RMB per share</i> )		<u><b>1.02</b></u>	<u>0.99</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 RMB'000
<b>PROFIT FOR THE YEAR</b>		<b><u>2,258,334</u></b>	<b><u>2,199,072</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Effective portion of changes in fair value of hedging instruments arising during the year	18	<b>73,613</b>	28,631
Reclassification adjustments for losses included in the consolidated statement of profit or loss		<b>56,435</b>	445,861
Income tax effect		<b><u>(23,069)</u></b>	<u>(86,388)</u>
		<b>106,979</b>	388,104
Exchange differences on translation of foreign operations		<b><u>189</u></b>	<u>742</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		<b><u>107,168</u></b>	<u>388,846</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Actuarial losses on the post-retirement benefit obligations, net of tax	29	<b><u>(11,247)</u></b>	<u>(194)</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		<b><u>(11,247)</u></b>	<u>(194)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b><u>95,921</u></b>	<u>388,652</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>2,354,255</u></b>	<b><u>2,587,724</u></b>
Attributable to:			
Owners of the parent		<b>2,133,155</b>	2,409,665
Non-controlling interests		<b>148,883</b>	88,640
Other equity instruments		<b><u>72,217</u></b>	<u>89,419</u>
		<b><u>2,354,255</u></b>	<b><u>2,587,724</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

		31 December 2024	31 December 2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	5,886,511	4,391,417
Investment properties		19,192	–
Right-of-use assets	13(a)	1,740,394	1,161,459
Goodwill	14	380,996	286,538
Other intangible assets	15	303,792	161,266
Investment in a joint venture		1,085	496,472
Investments in associates	16	107,765	107,123
Financial assets at fair value through profit or loss	17	20,000	171,279
Derivative financial instruments	18	143,013	–
Loans and accounts receivables	20	43,075,977	41,543,421
Prepayments, other receivables and other assets	21	191,757	625,652
Restricted deposits	22	310,000	–
Deferred tax assets	28	773,883	702,163
Equity investments designated at fair value through other comprehensive income		2,778	2,778
<b>Total non-current assets</b>		<b>52,957,143</b>	<b>49,649,568</b>
<b>CURRENT ASSETS</b>			
Inventories	19	506,786	431,141
Contract assets		4,519	–
Loans and accounts receivables	20	28,501,307	25,718,469
Prepayments, other receivables and other assets	21	997,801	684,874
Derivative financial instruments	18	160,191	263,970
Restricted deposits		523,960	690,972
Cash and cash equivalents	22	2,379,306	2,848,973
Financial assets at fair value through profit or loss	17	500	45,362
Debt investments at fair value through other comprehensive income	23	782	11,415
<b>Total current assets</b>		<b>33,075,152</b>	<b>30,695,176</b>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	24	2,775,795	2,988,673
Other payables and accruals	25	3,487,959	4,400,914
Interest-bearing bank and other borrowings	26	22,188,635	22,537,605
Derivative financial instruments	18	500	26,608
Financial liabilities at fair value through profit or loss		333	–
Tax payable		164,374	119,641
<b>Total current liabilities</b>		<b>28,617,596</b>	<b>30,073,441</b>
<b>NET CURRENT ASSETS</b>		<b>4,457,556</b>	<b>621,735</b>

		<b>31 December 2024</b>	31 December 2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>57,414,699</u></b>	<b><u>50,271,303</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities at fair value through profit or loss		<b>75,000</b>	–
Derivative financial instruments	<i>18</i>	<b>6,879</b>	–
Other payables and accruals	<i>25</i>	<b>4,636,756</b>	4,481,851
Interest-bearing bank and other borrowings	<i>26</i>	<b>29,190,868</b>	24,092,476
Convertible bonds – host debts	<i>27</i>	<b>635,451</b>	1,019,519
Other non-current liabilities		<b>–</b>	309,499
<b>Total non-current liabilities</b>		<b><u>34,544,954</u></b>	<b><u>29,903,345</u></b>
<b>Net assets</b>		<b><u>22,869,745</u></b>	<b><u>20,367,958</u></b>
<b>EQUITY</b>			
<b>Equity attributable to the owners of the parent</b>			
Share capital	<i>30</i>	<b>5,297,254</b>	5,297,254
Equity component of convertible bonds		<b>42,649</b>	75,486
Reserves	<i>31</i>	<b><u>11,835,826</u></b>	<u>10,305,001</u>
		<b><u>17,175,729</u></b>	<u>15,677,741</u>
Other equity instruments	<i>37</i>	<b>1,678,008</b>	1,672,433
Non-controlling interests		<b><u>4,016,008</u></b>	<u>3,017,784</u>
<b>Total equity</b>		<b><u>22,869,745</u></b>	<b><u>20,367,958</u></b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Equity attributable to the owners of the parent														Total equity
	Share capital	Equity convertible bonds	Capital reserve*	Statutory reserve*	Share-based compensation reserve*	General and regulatory reserve*	Exchange fluctuation reserve*	Special reserve*	Hedge reserve*	Post-retirement benefit reserve*	Retained profits*	Total	Other equity instruments	Non-controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 30)		(Note 31)	(Note 31)	(Note 31)	(Note 31)	(Note 31)	(Note 31)					(Note 37)		
At 1 January 2024	5,297,254	75,486	(3,173)	1,300,201	13,097	851,728	33,450	63	(98,050)	(5,107)	8,212,792	15,677,741	1,672,433	3,017,784	20,367,958
Profit for the year	-	-	-	-	-	-	-	-	-	-	2,031,740	2,031,740	72,217	154,377	2,258,334
Other comprehensive income/(loss) for the period:															
Cash flow hedges, net of tax	-	-	-	-	-	-	-	-	106,979	-	-	106,979	-	-	106,979
Exchange differences on translation of foreign operations	-	-	-	-	-	-	189	-	-	-	-	189	-	-	189
Actuarial losses on the post-retirement benefit obligations, net of tax	-	-	-	-	-	-	-	-	-	(5,753)	-	(5,753)	-	(5,494)	(11,247)
Total comprehensive income for the year	-	-	-	-	-	-	189	-	106,979	(5,753)	2,031,740	2,133,155	72,217	148,883	2,354,255
Issue of renewable corporate bonds (Note 37)	-	-	-	-	-	-	-	-	-	-	-	-	497,528	-	497,528
Redemption of renewable corporate bonds (Note 37)	-	-	-	(2,305)	-	-	-	-	-	-	-	(2,305)	(497,695)	-	(500,000)
Acquisition of subsidiaries (Note 33)	-	-	3,173	-	-	-	-	-	-	-	-	3,173	-	872,534	875,707
Capital injection/reduction by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,850)	(12,850)
Distribution paid to holders of renewable corporate bonds	-	-	-	-	-	-	-	-	-	-	-	-	(66,475)	-	(66,475)
Dividends	-	-	-	-	-	-	-	-	-	-	(604,468)	(604,468)	-	(10,671)	(615,139)
Appropriation of special reserve - safety fund	-	-	-	-	-	-	-	104	-	-	-	104	-	96	200
Acquisition of non-controlling interests	-	-	-	(541)	-	-	-	-	-	-	-	(541)	-	232	(309)
Appropriation of statutory reserves	-	-	-	77,029	-	-	-	-	-	-	(77,029)	-	-	-	-
Appropriation of general and regulatory reserves	-	-	-	-	-	55,827	-	-	-	-	(55,827)	-	-	-	-
Redemption of convertible corporate bonds	-	(32,837)	1,707	-	-	-	-	-	-	-	-	(31,130)	-	-	(31,130)
At 31 December 2024	<u>5,297,254</u>	<u>42,649</u>	<u>1,707</u>	<u>1,374,384</u>	<u>13,097</u>	<u>907,555</u>	<u>33,639</u>	<u>167</u>	<u>8,929</u>	<u>(10,860)</u>	<u>9,507,208</u>	<u>17,175,729</u>	<u>1,678,008</u>	<u>4,016,008</u>	<u>22,869,745</u>

\* These reserve accounts comprise the consolidated reserves of RMB11,835,826,000 (2023: RMB10,305,001,000) in the consolidated statement of financial position.

Equity attributable to the owners of the parent

	Equity component of convertible bonds		Capital reserve*	Statutory reserve*	Share-based compensation reserve*	General and regulatory reserve*	Exchange fluctuation reserve*	Special reserve*	Hedge reserve*	Post-retirement benefit reserve*	Retained profits*	Total	Other equity instruments	Non-controlling interests	Total equity
	RMB'000 (Note 30)	RMB'000	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Note 37)	RMB'000	RMB'000
At 31 December 2022	5,297,254	75,486	27,045	1,253,384	12,038	807,709	32,708	-	(486,154)	(5,008)	6,955,653	13,970,115	1,660,414	4,072,484	19,703,013
Adjustment for business combination under common control	-	-	18,546	170	-	-	-	-	-	-	(8,449)	10,267	-	7,541	17,808
At 1 January 2023 (restated)	5,297,254	75,486	45,591	1,253,554	12,038	807,709	32,708	-	(486,154)	(5,008)	6,947,204	13,980,382	1,660,414	4,080,025	19,720,821
Profit for the year	-	-	-	-	-	-	-	-	-	-	2,020,918	2,020,918	89,419	88,735	2,199,072
Other comprehensive income/(loss) for the year:															
Cash flow hedges, net of tax	-	-	-	-	-	-	-	-	388,104	-	-	388,104	-	-	388,104
Exchange differences on translation of foreign operations	-	-	-	-	-	-	742	-	-	-	-	742	-	-	742
Actuarial losses on the post-retirement benefit obligations, net of tax	-	-	-	-	-	-	-	-	-	(99)	-	(99)	-	(95)	(194)
Total comprehensive income for the year	-	-	-	-	-	-	742	-	388,104	(99)	2,020,918	2,409,665	89,419	88,640	2,587,724
Issue of renewable corporate bonds	-	-	-	-	-	-	-	-	-	-	-	-	1,645,647	-	1,645,647
Redemption of renewable corporate bonds	-	-	(5,564)	-	-	-	-	-	-	-	-	(5,564)	(1,644,436)	-	(1,650,000)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	77,002	77,002
Capital injections by non-controlling equity shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	10,779	10,779
Distribution paid to holders of renewable corporate bonds	-	-	-	-	-	-	-	-	-	-	-	-	(78,611)	-	(78,611)
Dividends	-	-	-	-	-	-	-	-	-	-	(591,982)	(591,982)	-	(17)	(591,999)
Appropriation of special reserve - safety fund	-	-	-	-	-	-	-	63	-	-	-	63	-	61	124
Business combination under common control	-	-	(43,880)	(72,682)	-	-	-	-	-	-	-	(116,562)	-	-	(116,562)
Acquisition of non-controlling interests	-	-	3,853	-	-	-	-	-	-	-	-	3,853	-	(1,238,706)	(1,234,853)
Change in the equity of the joint venture under the equity method of accounting	-	-	(3,173)	-	-	-	-	-	-	-	-	(3,173)	-	-	(3,173)
Recognition of equity-settled share-based payments	-	-	-	-	1,059	-	-	-	-	-	-	1,059	-	-	1,059
Appropriation of statutory reserve	-	-	-	119,329	-	-	-	-	-	-	(119,329)	-	-	-	-
Appropriation of general and regulatory reserve	-	-	-	-	-	44,019	-	-	-	-	(44,019)	-	-	-	-
At 31 December 2023	<u>5,297,254</u>	<u>75,486</u>	<u>(3,173)</u>	<u>1,300,201</u>	<u>13,097</u>	<u>851,728</u>	<u>33,450</u>	<u>63</u>	<u>(98,050)</u>	<u>(5,107)</u>	<u>8,212,792</u>	<u>15,677,741</u>	<u>1,672,433</u>	<u>3,017,784</u>	<u>20,367,958</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<u><b>2,907,119</b></u>	<u>2,866,213</u>
Adjustments for:			
Finance costs and interest expense		<b>2,040,364</b>	2,353,562
Interest income	5	<b>(31,384)</b>	(49,741)
Share of profits and losses of a joint venture and associates		<b>(26,564)</b>	(6,380)
Derivative financial instruments – transactions not qualifying as hedges:			
– Unrealised fair value losses/(gains), net	6	<b>15,149</b>	(97,379)
– Realised fair value gains, net	5	<b>(308,582)</b>	(165,902)
Depreciation of property, plant and equipment		<b>501,592</b>	434,632
Depreciation of right-of-use assets		<b>61,682</b>	46,580
Depreciation of investment properties		<b>107</b>	–
Loss on disposal of property, plant and equipment, net	6	<b>1,001</b>	333
Gain on disposal of intangible assets, net		–	(10,584)
(Gain)/loss on disposal of right-of-use assets, net		<b>(278)</b>	358
Amortisation of intangible assets		<b>38,876</b>	27,453
Impairment of loans and accounts receivables and other receivables	6	<b>322,980</b>	192,099
Impairment of contract assets	6	<b>(56)</b>	–
Equity-settled share-based compensation expense	6	–	1,059
Foreign exchange losses, net	6	<b>202,014</b>	507,345
Interest income from continuing involvement in transferred assets	5	<b>(24,124)</b>	(34,388)
Gain on unlisted debt investments, at fair value	5	<b>(6,831)</b>	(25,561)
Fair value gains from financial assets at fair value through profit or loss		–	(475)
Fair value losses from financial liabilities at fair value through profit or loss		<b>333</b>	–
Gain on bargain purchase	5	<b>(31,926)</b>	–
Proceeds from disposal of a subsidiary		<b>(1,273)</b>	–
Special reserve – safety fund appropriation		<b>200</b>	124
Impairment of property, plant and equipment	6	–	35
Impairment of inventories	6	<u><b>343</b></u>	<u>1,697</u>
		<b>5,660,742</b>	6,041,080



	2024	2023
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Decrease in inventories	<b>32,616</b>	47,571
Increase in loans and accounts receivables	<b>(2,250,346)</b>	(2,455,782)
Decrease/(increase) in debt investments at fair value through other comprehensive income	<b>10,633</b>	(11,077)
Increase in contract assets	<b>(1,520)</b>	–
Decrease in prepayments, deposits and other receivables and other assets	<b>259,677</b>	34,654
Increase in amounts due from related parties	<b>(108,930)</b>	(3,992)
(Decrease)/increase in trade and bills payables	<b>(776,192)</b>	557,172
(Decrease)/increase in other payables and accruals	<b>(1,059,554)</b>	1,337,502
Increase in amounts due to related parties	<b>54,134</b>	91,233
	<hr/>	<hr/>
Net cash flows from operating activities before interest and tax	<b>1,821,260</b>	5,638,361
Interest received	<b>52,808</b>	82,929
Income tax paid	<b>(735,760)</b>	(727,325)
	<hr/>	<hr/>
Net cash flows from operating activities	<b>1,138,308</b>	4,993,965
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of a subsidiary	<b>(43)</b>	–
Realised gains on derivative financial instruments not qualifying as hedges	<b>308,582</b>	165,902
Realised gains on financial assets at fair value through profit or loss	<b>8,294</b>	15,481
Cash paid for acquisition of property, plant and equipment, intangible assets and other long term assets	<b>(1,255,068)</b>	(896,833)
Proceeds from disposal of items of property, plant and equipment	<b>12,039</b>	66
Acquisition of subsidiaries	<b>(239,147)</b>	(292,988)
Business combination under common control	–	(116,562)
Dividends received from an associate	–	5
Dividends received from a joint venture	<b>15,631</b>	–
Withdrawal of time deposits	–	150,000
Other receipt of investments	<b>570</b>	5,110
Purchase of financial assets at fair value through profit or loss	<b>(20,000)</b>	(264,000)
Proceeds from disposal of financial assets at fair value through profit or loss	<b>84,179</b>	254,822
Purchase of shareholding for associates	<b>–</b>	(80,000)
	<hr/>	<hr/>
Net cash flows used in investing activities	<b>(1,084,963)</b>	(1,058,997)

	<b>2024</b>	<b>2023</b>
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of renewable corporate bonds	<b>497,528</b>	1,645,647
Redemption of renewable corporate bonds	<b>(500,000)</b>	(1,650,000)
Capital injections from non-controlling shareholders	–	10,779
Redemption of convertible bonds	<b>(425,976)</b>	–
Increase in amounts due to related parties	<b>1,622,433</b>	2,745,975
Decrease in amounts due to related parties	<b>(3,938,393)</b>	(2,597,516)
Acquisition of non-controlling interests	<b>(308)</b>	(1,180,042)
Cash received from borrowings	<b>42,814,977</b>	42,981,740
Repayments of borrowings	<b>(38,012,173)</b>	(42,067,861)
Principal portion of lease payments	<b>(178,121)</b>	(716,796)
Interest paid	<b>(1,945,233)</b>	(2,315,037)
Withdrawal/(placement) of restricted deposits	<b>218,099</b>	(53,987)
Dividends paid	<b>(615,139)</b>	(591,999)
Other cash receipts relating to financing activities	<b>427,988</b>	599,326
Other cash payments relating to financing activities	<b>(486,352)</b>	(603,865)
	<u><b>(520,670)</b></u>	<u>(3,793,636)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	<b>(467,325)</b>	141,332
Cash and cash equivalents at beginning of year	<b>2,848,973</b>	2,705,342
Effect of exchange rate changes on cash and cash equivalents	<b>(2,342)</b>	2,299
	<u><b>2,379,306</b></u>	<u>2,848,973</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>2,853,266</b>	3,539,945
Less: Restricted deposits	<b>(473,960)</b>	(690,972)
Cash and cash equivalents as stated in the statement of financial position	<b>22</b> <u><b>2,379,306</b></u>	<u>2,848,973</u>
Cash and cash equivalents as stated in the statement of cash flows	<u><b>2,379,306</b></u>	<u>2,848,973</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2024

### 1. CORPORATE AND GROUP INFORMATION

Genertec Universal Medical Group Company Limited (the “Company”) is a limited liability company which was incorporated in Hong Kong on 19 April 2012. Pursuant to the special resolutions of shareholders dated 6 February 2015 and 10 June 2015, respectively, the Company changed its name from Universal International Leasing Co., Limited to Universal Medical Services & Health Management Company Limited and then to Universal Medical Financial & Technical Advisory Services Company Limited. Pursuant to the special resolution of shareholders dated 5 June 2018, the Company changed its name from Universal Medical Financial & Technical Advisory Services Company Limited to Genertec Universal Medical Group Company Limited. The registered office of the Company is located at Room 702, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 8 July 2015.

The Company and its subsidiaries (the “Group”) are principally engaged in providing financing to its customers under finance lease arrangements, the provision of advisory services, the sale of medical equipment and goods, medical equipment leases under operating lease arrangements, the hospital and healthcare management business, the provision of medical services, life cycle management of equipment assets, intelligent medical health and elder care and the provision of other services as approved by the Ministry of Commerce of the People’s Republic of China (the “PRC”) in the Chinese Mainland.

### 2. ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, financial assets and liabilities at fair value through profit or loss, equity investments and debt investments at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structure 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 statements of the subsidiaries are prepared for the same reporting period 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 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>3</sup>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
Amendments to HKAS 21	<i>Lack of Exchangeability</i> <sup>1</sup>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, 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 HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

*Annual Improvements to HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- *HKFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKAS 7 Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. However, 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 financial statements:

#### ***Classification between finance leases and operating leases***

Leases are required to be classified as either finance leases (which transfer substantially all the risks and rewards of ownership, and give rise to asset and liability recognition by the lessee and a receivable by the lessor) and operating leases (which result in asset and liability recognition by the lessee, with the asset remaining recognised by the lessor).

The determination of whether the Group has transferred substantially all the risks and rewards incidental to ownership depends on an assessment of the relevant arrangements relating to the lease and this involves critical judgements by management.

#### **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, 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 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. 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.

### ***Deferred tax assets***

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and 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.

### ***Impairment of financial instruments***

The measurement of impairment losses under HKFRS 9 across debt instruments recorded at amortised cost or at FVOCI and loans and accounts receivables requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of appropriate models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- (i) The Group's internal credit grading model, which assigns the probability of defaults to the individual grades
- (ii) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment
- (iii) Development of ECL models, including the various formulas and the choice of inputs
- (iv) Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on the probability of defaults, the exposure of defaults and the loss given defaults

The Group will regularly review the expected credit loss model in the context of actual loss experience and adjust it when necessary.

### ***Fair value of financial instruments***

For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models or other valuation models.

Valuation techniques make use of observable market information to the greatest extent, however, when the observable market information cannot be obtained, management will have to make assumptions on the credit risk, market volatility and correlations of the Group and the counterparties, and any changes in these underlying assumptions will affect the fair value of financial instruments.

### ***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 amount of goodwill at 31 December 2024 was RMB380,996,000 (2023: RMB286,538,000). Further details are given in Note 14.

## **4. OPERATING SEGMENT INFORMATION**

For management purposes, the Group is organised into two operating segments, namely the finance business and the healthcare business based on the internal organisational structure, management's requirement and the internal reporting system:

- The finance business comprises primarily (a) direct finance leasing; (b) sale-and-leaseback; (c) factoring; (d) operating leases; and (e) advisory services.
- The healthcare business comprises primarily (a) medical and healthcare services; (b) hospital operation; (c) import and export trade and domestic trade of medical-related goods; (d) equipment life cycle management; (e) medical digitalization services; and (f) intelligent medical health and elder care.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

Segment revenue, results and assets mainly include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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

As at and for the year ended 31 December 2024

	Finance business <i>RMB'000</i>	Healthcare business <i>RMB'000</i>	Adjustments and eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue:</b>				
Sales to external customers	5,193,130	8,470,355	–	13,663,485
Intersegment sales	34,037	17,921	(51,958)	–
Cost of sales	(2,199,061)	(7,086,495)	213,911	(9,071,645)
Other income and gains	549,427	288,058	(222,971)	614,514
Selling and distribution costs and administrative expenses	(726,587)	(1,008,421)	25,746	(1,709,262)
Impairment losses on financial assets, net	(304,410)	(18,570)	–	(322,980)
Loss on derecognition of financial assets measured at amortised cost	(519)	–	–	(519)
Share of losses of associates	(2,449)	(3,018)	–	(5,467)
Share of profit of a joint venture	–	32,031	–	32,031
Other expenses	(222,755)	(19,572)	–	(242,327)
Finance costs	(1,939)	(72,509)	23,737	(50,711)
Profit before tax	2,318,874	599,780	(11,535)	2,907,119
Income tax expense	(571,242)	(77,543)	–	(648,785)
Profit after tax	<u>1,747,632</u>	<u>522,237</u>	<u>(11,535)</u>	<u>2,258,334</u>
<b>Segment assets</b>	<u>74,811,321</u>	<u>16,457,247</u>	<u>(5,236,273)</u>	<u>86,032,295</u>
<b>Segment liabilities</b>	<u>62,406,975</u>	<u>5,582,478</u>	<u>(4,826,903)</u>	<u>63,162,550</u>
<b>Other segment information:</b>				
Impairment losses recognised in the statement of profit or loss	304,410	18,857	–	323,267
Depreciation and amortisation	64,698	537,559	–	602,257
Investments in associates	52,710	55,055	–	107,765
Investment in a joint venture	–	1,085	–	1,085
Capital expenditure	106,584	1,148,484	–	1,255,068

As at and for the year ended 31 December 2023

	Finance business <i>RMB'000</i>	Healthcare business <i>RMB'000</i>	Adjustments and eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue:</b>				
Sales to external customers	5,823,120	7,827,083	–	13,650,203
Intersegment sales	58,912	5,759	(64,671)	–
Cost of sales	(2,576,827)	(6,763,527)	262,010	(9,078,344)
Other income and gains	585,607	298,860	(264,096)	620,371
Selling and distribution costs and administrative expenses	(835,325)	(736,038)	5,759	(1,565,604)
Impairment losses on financial assets, net	(184,404)	(7,695)	–	(192,099)
Loss on derecognition of financial assets measured at amortised cost	(1,624)	–	–	(1,624)
Share of losses of associates	(4,844)	(2,225)	–	(7,069)
Share of profit of a joint venture	–	13,449	–	13,449
Other expenses	(514,296)	(19,720)	–	(534,016)
Finance costs	(330)	(99,722)	60,998	(39,054)
Profit before tax	2,349,989	516,224	–	2,866,213
Income tax expense	(605,145)	(61,996)	–	(667,141)
Profit after tax	<u>1,744,844</u>	<u>454,228</u>	<u>–</u>	<u>2,199,072</u>
<b>Segment assets</b>	<u>73,018,465</u>	<u>14,807,996</u>	<u>(7,481,717)</u>	<u>80,344,744</u>
<b>Segment liabilities</b>	<u>61,565,029</u>	<u>5,893,474</u>	<u>(7,481,717)</u>	<u>59,976,786</u>
<b>Other segment information:</b>				
Impairment losses recognised in the statement of profit or loss	184,404	9,427	–	193,831
Depreciation and amortisation	55,153	453,512	–	508,665
Investments in associates	55,158	51,965	–	107,123
Investment in a joint venture	–	496,472	–	496,472
Capital expenditure	148,993	747,840	–	896,833

## Geographical information

### (a) Revenue from external customers

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Chinese Mainland	<u>13,663,485</u>	<u>13,650,203</u>

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

(b) All non-current assets of the operations, excluding financial instruments, right-of-use assets and property, plant and equipment, are located in the Chinese Mainland.

## Information about a major customer

There was no revenue derived from a single customer which amounted to 10% or more of the total revenue of the Group during the year.

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b><u>Revenue</u></b>		
Finance lease income	34,262	416,378
Receivables income arising from sale-and-leaseback arrangements	4,679,680	4,259,517
Factoring income	44,489	132,096
Revenue from contracts with customers	8,877,181	8,826,759
Revenue from other sources – Others	64,607	60,526
Taxes and surcharges	<u>(36,734)</u>	<u>(45,073)</u>
Total revenue	<u>13,663,485</u>	<u>13,650,203</u>

## Revenue from contracts with customers

### (i) *Disaggregated revenue information*

#### For the year ended 31 December 2024

<u>Segments</u>	Finance business RMB'000	Healthcare business RMB'000	Total RMB'000
<b>Types of goods or services</b>			
Service fee income	449,025	63,138	512,163
Sale of finished goods	–	346,434	346,434
Intelligent medical health and elder care	–	137,734	137,734
Equipment life cycle management	–	585,247	585,247
Healthcare service income	–	7,295,603	7,295,603
Total	<u>449,025</u>	<u>8,428,156</u>	<u>8,877,181</u>
<b>Geographical market</b>			
Chinese Mainland	<u>449,025</u>	<u>8,428,156</u>	<u>8,877,181</u>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	–	346,434	346,434
Services transferred at a point in time	449,025	7,459,444	7,908,469
Services transferred over time	–	622,278	622,278
Total	<u>449,025</u>	<u>8,428,156</u>	<u>8,877,181</u>

#### For the year ended 31 December 2023

<u>Segments</u>	Finance business RMB'000	Healthcare business RMB'000	Total RMB'000
<b>Types of goods or services</b>			
Service fee income	1,037,750	67,406	1,105,156
Sale of finished goods	–	478,600	478,600
Healthcare service income	–	7,243,003	7,243,003
Total	<u>1,037,750</u>	<u>7,789,009</u>	<u>8,826,759</u>
<b>Geographical market</b>			
Chinese Mainland	<u>1,037,750</u>	<u>7,789,009</u>	<u>8,826,759</u>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	–	478,600	478,600
Services transferred at a point in time	1,037,750	7,310,409	8,348,159
Total	<u>1,037,750</u>	<u>7,789,009</u>	<u>8,826,759</u>

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

**For the year ended 31 December 2024**

<u>Segments</u>	<b>Finance business RMB'000</b>	<b>Healthcare business RMB'000</b>	<b>Total RMB'000</b>
<b>Revenue from contracts with customers</b>			
External customers	449,025	8,428,156	8,877,181
Intersegment sales	–	14,894	14,894
Subtotal	449,025	8,443,050	8,892,075
Intersegment adjustments and eliminations	–	(14,894)	(14,894)
Total	<u>449,025</u>	<u>8,428,156</u>	<u>8,877,181</u>

**For the year ended 31 December 2023**

<u>Segments</u>	<b>Finance business RMB'000</b>	<b>Healthcare business RMB'000</b>	<b>Total RMB'000</b>
<b>Revenue from contracts with customers</b>			
External customers	1,037,750	7,789,009	8,826,759
Intersegment sales	19	5,759	5,778
Subtotal	1,037,769	7,794,768	8,832,537
Intersegment adjustments and eliminations	(19)	(5,759)	(5,778)
Total	<u>1,037,750</u>	<u>7,789,009</u>	<u>8,826,759</u>

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

	<b>2024 RMB'000</b>	<b>2023 RMB'000</b>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Service fee income	81,833	67,025
Sale of finished goods	22,028	31,040
Healthcare services	144,628	165,809
Total	<u>248,489</u>	<u>263,874</u>

(ii) *Performance obligations*

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

*Sale of finished goods*

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 90 to 180 days from delivery. Some contracts provide customers with a right of return which gives rise to variable consideration subject to certain restrictions.

*Service fee income*

The performance obligation is satisfied at the point in time as services are rendered and short-term advances are normally required before rendering the services.

*Healthcare service income*

The performance obligation is satisfied at the point in time as services are rendered.

*Equipment life cycle management*

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services.

*Intelligent medical health and elder care*

The performance obligation is satisfied over time or at the point in time as services are rendered and short-term advances are normally required before rendering the services.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b><u>Other income and gains</u></b>		
Interest income	31,384	49,741
Government grants (note 5a)	204,208	225,577
Derivative financial instruments – transactions not qualifying as hedges:		
– Unrealised fair value gains, net	–	97,379
– Realised fair value gains, net	308,582	165,902
Gain on unlisted debt investments, at fair value	6,831	25,561
Interest income from continuing involvement in transferred assets	24,124	34,388
Fair value gains from financial assets at fair value through profit or loss	–	475
Gain on bargain purchase	31,926	–
Others	7,459	21,348
	<u>614,514</u>	<u>620,371</u>
Total other income and gains	<u>614,514</u>	<u>620,371</u>

**5a. GOVERNMENT GRANTS**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Government special subsidies	<u>204,208</u>	<u>225,577</u>



## 6. PROFIT BEFORE TAX

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of borrowings included in cost of sales	1,989,653	2,314,508
Cost of inventories sold	386,210	339,875
Cost of medical services	4,041,078	4,077,373
Cost of intelligent medical health and elder care	126,244	–
Cost of equipment life cycle management	247,613	–
Cost of others	36,358	40,658
Depreciation of property, plant and equipment*	499,907	434,208
Loss on disposal of property, plant and equipment, net	1,001	333
Depreciation of right-of-use assets*	60,621	45,836
Amortisation of intangible assets*	36,633	26,625
Lease payments not included in the measurement of lease liabilities	26,571	35,836
Auditor's remuneration – audit services	3,496	3,515
– other services (include interim review)	3,832	3,716
	<u>7,328</u>	<u>7,231</u>
Total	<u>7,328</u>	<u>7,231</u>
Research and development expenses	66,780	35,875
Employee benefit expense*		
(including directors' remuneration (Note 7))		
– Equity-settled share-based compensation expense	–	1,059
– Wages and salaries	2,385,058	2,043,436
– Pension scheme contributions (defined contribution schemes)	351,426	290,232
– Other employee benefits	1,188,747	1,013,624
	<u>3,925,231</u>	<u>3,348,351</u>
Total	<u>3,925,231</u>	<u>3,348,351</u>
Impairment of loans and accounts receivables, other receivables and subordinated tranches of asset-backed securities	322,980	192,099
Impairment of inventories	343	1,697
Impairment of property, plant and equipment	–	35
Impairment of contract assets	(56)	–
Foreign exchange losses, net	202,014	507,345
Cash flow hedges (transfer from equity to offset foreign exchange)	221,170	484,947
Others- foreign exchange (gains)/losses	(19,156)	22,398
Derivative financial instruments – transactions not qualifying as hedges:		
– Unrealised fair value losses/(gains), net	15,149	(97,379)
– Realised fair value gains, net	(308,582)	(165,902)
	<u>(308,582)</u>	<u>(165,902)</u>

\* The depreciation of property, plant and equipment, right-of-use assets, the amortisation of intangible assets and the employee benefit expense from research and development activities are included in research and development expenses.

## 7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to 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 as follows:

	<b>Group</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Fees	<u>1,468</u>	<u>1,452</u>
Other emoluments:		
Salaries, allowances and benefits in kind	3,052	3,917
Performance related bonuses*	3,573	7,733
Pension scheme contributions	<u>693</u>	<u>683</u>
Subtotal	<u>7,318</u>	<u>12,333</u>
Total	<u><u>8,786</u></u>	<u><u>13,785</u></u>

\* Certain executive directors of the Company are entitled to bonus payments which are determined based on the business performance of the Group.

On 31 December 2019, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company. As at 31 December 2023, the unvested share options under the share option scheme had expired and the share option scheme ended.

### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Mr. Li Yinquan	367	363
Mr. Chow Siu Lui	367	363
Mr. Chan, Hiu Fung Nicholas	367	363
Mr. Xu Zhiming	<u>367</u>	<u>363</u>
Total	<u><u>1,468</u></u>	<u><u>1,452</u></u>

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

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

	Fees <i>RMB'000</i>	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance related bonuses <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
<b>2024</b>					
<b>Executive directors:</b>					
Mr. Chen Shisu <sup>(i)</sup>	–	634	910	151	1,695
Ms. Wang Lin	–	879	1,246	178	2,303
Ms. Peng Jiahong <sup>(ii)</sup>	–	453	325	107	885
Subtotal	–	1,966	2,481	436	4,883
<b>Chief executive:</b>					
Mr. Wang Wenbing	–	1,086	1,092	257	2,435
<b>Non-executive directors:</b>					
Mr. Chan Kai Kong	–	–	–	–	–
Mr. Xu Ming	–	–	–	–	–
Mr. Tong Chaoyin	–	–	–	–	–
Mr. Zhu Ziyang	–	–	–	–	–
Subtotal	–	–	–	–	–
Total	–	3,052	3,573	693	7,318
<b>2023</b>					
<b>Executive directors:</b>					
Ms. Peng Jiahong	–	1,447	2,810	253	4,510
Ms. Wang Lin <sup>(iii)</sup>	–	370	520	75	965
Mr. Yu Gang <sup>(iv)</sup>	–	653	1,593	123	2,369
Subtotal	–	2,470	4,923	451	7,844
<b>Chief executive:</b>					
Mr. Wang Wenbing	–	1,447	2,810	232	4,489
<b>Non-executive directors:</b>					
Mr. Chan Kai Kong	–	–	–	–	–
Mr. Xu Ming	–	–	–	–	–
Mr. Tong Chaoyin	–	–	–	–	–
Mr. Zhu Ziyang	–	–	–	–	–
Subtotal	–	–	–	–	–
Total	–	3,917	7,733	683	12,333

Notes:

- (i) Appointed on 16 May 2024
- (ii) Resigned on 16 May 2024
- (iii) Appointed on 25 July 2023
- (iv) Resigned on 21 June 2023

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2023: Nil).

## 8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2023: the five highest paid employees during the year included two directors), details of whose remuneration are set out in Note 7 above. Details of the remuneration for the year of the remaining two (2023: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Salaries, allowances and benefits in kind	<b>750</b>	2,611
Performance related bonuses	<b>3,942</b>	9,538
Pension scheme contributions	<b>421</b>	712
	<u>5,113</u>	<u>12,861</u>
Total	<b>5,113</b>	12,861

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

	<b>Number of employees</b>	
	<b>2024</b>	2023
HKD2,000,001 to HKD2,500,000 (RMB1,852,001 to RMB2,315,000)	<b>1</b>	–
HKD3,000,001 to HKD3,500,000 (RMB2,778,001 to RMB3,241,000)	<b>1</b>	–
HKD3,500,001 to HKD4,000,000 (RMB3,241,001 to RMB3,704,000)	–	2
HKD6,500,001 to HKD7,000,000 (RMB6,019,001 to RMB6,482,000)	–	1
	<u>2</u>	<u>3</u>
Total	<b>2</b>	3

On 31 December 2019, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company. As at 31 December 2023, the unvested share options under the share option scheme had expired and the share option scheme ended.

## 9. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current – Chinese Mainland		
Charge for the year	754,104	712,184
(Overprovision in)/charge for prior years	(3,601)	2,210
Deferred tax	<u>(101,718)</u>	<u>(47,253)</u>
Total tax charge for the year	<u><b>648,785</b></u>	<u><b>667,141</b></u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the year (2023: 16.5%).

The income tax provision of the Group in respect of its operations in Chinese Mainland has been calculated at the applicable tax rate of 25% on the estimated assessable profits for the year, based on existing legislation, interpretations and practices in respect thereof. Casstar Medical Technology Wuxi Co., Ltd. and Shandong Jb Softinfo Technology Co., Ltd. have been recognised as High and New-technology Enterprises by the Science and Technology Commission and are therefore entitled to a preferential tax rate of 15%.

A reconciliation of the tax charge applicable to profit before tax using the statutory/applicable rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax charge at the effective tax rate is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit before tax	<u><b>2,907,119</b></u>	<u><b>2,866,213</b></u>
At the statutory income tax rate	713,440	713,449
Expenses not deductible for tax purposes	15,633	21,861
Income not subject to tax	(113,384)	(96,356)
Losses/(profits) attributable to a joint venture and associates	1,330	(1,595)
Adjustment on current income tax in respect of prior years	(3,601)	2,210
Unrecognised tax losses	16,488	15,184
Additional deductible expense	(10,892)	(22,604)
Utilisation of previously unrecognised tax losses	(729)	(8)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	<u><b>30,500</b></u>	<u><b>35,000</b></u>
Income tax expense as reported in the consolidated statement of profit or loss	<u><b>648,785</b></u>	<u><b>667,141</b></u>

The share of tax attributable to associates and a joint venture amounting to RMB85,000 (2023: Nil) and approximately nil (2023: RMB4,632,000), respectively, is included in “Share of losses of associates” and “Share of profit of a joint venture” in the consolidated statement of profit or loss.

## Pillar Two income taxes

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year and prior year 2023. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is slightly below 15%. The Group does not expect a material exposure to Pillar Two income taxes.

## 10. DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Proposed final dividend – HKD0.35 (2023: HKD0.35) per ordinary share	<u>609,523</u>	<u>606,275</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## 11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,891,539,661 (2023: 1,891,539,661) outstanding during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2023, the unvested share options under the Share Option Scheme have expired and were not included in the calculation of diluted earnings per share.

The calculations of basic and diluted earnings per share are based on:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit attributable to ordinary equity holders of the parent	2,031,740	2,020,918
Interest on convertible bonds	<u>15,348</u>	<u>40,774</u>
Profit attributable to ordinary equity holders of the parent, before the above impact arising from convertible bonds	<u>2,047,088</u>	<u>2,061,692</u>

	Number of shares	
	2024	2023
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<u><b>1,891,539,661</b></u>	<u>1,891,539,661</u>
Effect of dilution – weighted average number of ordinary shares:		
Convertible bonds	<u><b>118,708,319</b></u>	<u>191,349,754</u>
Weighted average number of ordinary shares for diluted earnings per share	<u><b>2,010,247,980</b></u>	<u>2,082,889,415</u>

## 12. PROPERTY, PLANT AND EQUIPMENT

31 December 2024

	Transportation equipment <i>RMB'000</i>	Office equipment <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Medical equipment <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Buildings <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024								
Cost	38,480	65,507	633,474	1,618,737	289,787	2,367,290	796,870	5,810,145
Accumulated depreciation	<u>(16,536)</u>	<u>(42,396)</u>	<u>(253,864)</u>	<u>(736,438)</u>	<u>(93,234)</u>	<u>(276,260)</u>	<u>-</u>	<u>(1,418,728)</u>
Net carrying amount	<u><b>21,944</b></u>	<u><b>23,111</b></u>	<u><b>379,610</b></u>	<u><b>882,299</b></u>	<u><b>196,553</b></u>	<u><b>2,091,030</b></u>	<u><b>796,870</b></u>	<u><b>4,391,417</b></u>
At 1 January 2024, net of accumulated depreciation	21,944	23,111	379,610	882,299	196,553	2,091,030	796,870	4,391,417
Additions	3,601	3,690	21,081	328,239	299,691	-	766,637	1,422,939
Acquisition of subsidiaries (Note 33)	3,173	2,164	49,369	203,383	95,098	201,496	177,306	731,989
Disposals of a subsidiary	(511)	(589)	(7,421)	(33,268)	(17,404)	(18,952)	-	(78,145)
Depreciation provided during the year	(3,781)	(7,087)	(127,470)	(245,475)	(48,820)	(68,959)	-	(501,592)
Transfers	-	3,945	71,287	19,781	-	1,247,365	(1,342,378)	-
Disposals	<u>(19)</u>	<u>(731)</u>	<u>(4,948)</u>	<u>(708)</u>	<u>-</u>	<u>(73,691)</u>	<u>-</u>	<u>(80,097)</u>
At 31 December 2024, net of accumulated depreciation	<u><b>24,407</b></u>	<u><b>24,503</b></u>	<u><b>381,508</b></u>	<u><b>1,154,251</b></u>	<u><b>525,118</b></u>	<u><b>3,378,289</b></u>	<u><b>398,435</b></u>	<u><b>5,886,511</b></u>
At 31 December 2024								
Cost	44,060	73,317	758,881	2,105,793	617,037	3,700,154	398,435	7,697,677
Accumulated depreciation	<u>(19,653)</u>	<u>(48,814)</u>	<u>(377,373)</u>	<u>(951,542)</u>	<u>(91,919)</u>	<u>(321,865)</u>	<u>-</u>	<u>(1,811,166)</u>
Net carrying amount	<u><b>24,407</b></u>	<u><b>24,503</b></u>	<u><b>381,508</b></u>	<u><b>1,154,251</b></u>	<u><b>525,118</b></u>	<u><b>3,378,289</b></u>	<u><b>398,435</b></u>	<u><b>5,886,511</b></u>

As at 31 December 2024, the Group has not obtained the property ownership certificates for buildings with a net book value of RMB2,237,771,000 (31 December 2023: RMB1,254,127,000). The Group was in the process of applying for the property ownership certificates for the above buildings as at 31 December 2024.

As at 31 December 2024, no property, plant and equipment (31 December 2023: Nil) were pledged to secure general banking facilities granted to the Group.

### 31 December 2023

	Transportation equipment RMB'000	Office equipment RMB'000	Electronic equipment RMB'000	Medical equipment RMB'000	Leasehold improvements RMB'000	Buildings RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2023								
Cost (restated)	34,740	59,799	538,511	1,312,704	162,003	2,305,602	401,694	4,815,053
Accumulated depreciation (restated)	<u>(13,329)</u>	<u>(33,539)</u>	<u>(186,165)</u>	<u>(499,737)</u>	<u>(63,587)</u>	<u>(198,397)</u>	<u>-</u>	<u>(994,754)</u>
Net carrying amount (restated)	<u>21,411</u>	<u>26,260</u>	<u>352,346</u>	<u>812,967</u>	<u>98,416</u>	<u>2,107,205</u>	<u>401,694</u>	<u>3,820,299</u>
At 1 January 2023, net of accumulated depreciation (restated)								
depreciation (restated)	21,411	26,260	352,346	812,967	98,416	2,107,205	401,694	3,820,299
Additions	3,817	5,499	38,512	297,753	97,383	15,537	475,902	934,403
Acquisition of subsidiaries	419	327	32,913	7,408	30,401	-	64	71,532
Depreciation provided during the year	(3,626)	(8,962)	(77,197)	(237,337)	(29,647)	(77,863)	-	(434,632)
Impairment during the year	(15)	-	(20)	-	-	-	-	(35)
Transfers	-	-	33,128	1,511	-	46,151	(80,790)	-
Disposals	<u>(62)</u>	<u>(13)</u>	<u>(72)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150)</u>
At 31 December 2023, net of accumulated depreciation	<u>21,944</u>	<u>23,111</u>	<u>379,610</u>	<u>882,299</u>	<u>196,553</u>	<u>2,091,030</u>	<u>796,870</u>	<u>4,391,417</u>
At 31 December 2023								
Cost	38,480	65,507	633,474	1,618,737	289,787	2,367,290	796,870	5,810,145
Accumulated depreciation	<u>(16,536)</u>	<u>(42,396)</u>	<u>(253,864)</u>	<u>(736,438)</u>	<u>(93,234)</u>	<u>(276,260)</u>	<u>-</u>	<u>(1,418,728)</u>
Net carrying amount	<u>21,944</u>	<u>23,111</u>	<u>379,610</u>	<u>882,299</u>	<u>196,553</u>	<u>2,091,030</u>	<u>796,870</u>	<u>4,391,417</u>



### 13. LEASES

#### The Group as a lessee

The Group has lease contracts for various items of properties and equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 38 years to indefinite useful life, and no ongoing payments will be made under the terms of these land leases. The right-of-use land for certain hospitals, allocated from the government, is restricted to change its use nature. Leases of properties and equipment generally have lease terms between 2 and 20 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	<u>Right-of-use assets</u>		
	<b>Property and Equipment RMB'000</b>	<b>Leasehold land RMB'000</b>	<b>Total RMB'000</b>
As at 31 December 2022 and 1 January 2023 (restated)	230,721	924,073	1,154,794
Additions	33,357	–	33,357
Acquisition of subsidiaries	14,856	–	14,856
Depreciation charge	(42,841)	(3,739)	(46,580)
Revision of a lease term arising from a change in the non-cancellable period of a lease	5,390	–	5,390
Disposals	(358)	–	(358)
As at 31 December 2023 and 1 January 2024	241,125	920,334	1,161,459
Additions	396,845	61,000	457,845
Acquisition of subsidiaries (Note 33)	48,083	184,801	232,884
Depreciation charge	(70,976)	(4,161)	(75,137)
Revision of a lease term arising from a change in the non-cancellable period of a lease	(391)	–	(391)
Disposals of a subsidiary	(561)	–	(561)
Disposals	(3,578)	(32,127)	(35,705)
As at 31 December 2024	<u>610,547</u>	<u>1,129,847</u>	<u>1,740,394</u>

**(b) Lease liabilities**

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Carrying amount at 1 January	330,163	989,927
New leases	1,024,676	1,483,357
Accretion of interest recognised during the year	37,156	62,913
Payments	(181,149)	(2,225,561)
Acquisition of subsidiaries (Note 33)	48,349	14,137
Disposals	(3,855)	–
Disposals of a subsidiary	(452)	–
Revision of a lease term arising from a change in the non-cancellable period of a lease	(391)	5,390
	<u>1,254,497</u>	<u>330,163</u>
Carrying amount at 31 December	<u>1,254,497</u>	<u>330,163</u>
Analysed into:		
Current portion	692,658	84,245
Non-current portion	561,839	245,918

The maturity analysis of lease liabilities is disclosed in note 41 to the financial statements.

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on lease liabilities	37,156	62,913
Depreciation charge of right-of-use assets	75,137	46,580
Expense relating to short-term leases (include in administrative expenses)	26,571	35,836
	<u>138,864</u>	<u>145,329</u>
Total amount recognised in profit or loss	<u>138,864</u>	<u>145,329</u>

**(d) The total cash outflow for leases is disclosed in note 34(c) to the financial statements.**

## 14. GOODWILL

	<i>RMB'000</i>
At 1 January 2023:	
Cost	102,253
Accumulated impairment	<u>—</u>
Net carrying amount	<u><u>102,253</u></u>
Cost at 1 January 2023, net of accumulated impairment	102,253
Acquisition of subsidiaries	184,285
Impairment during the year	<u>—</u>
Cost and net carrying amount at 31 December 2023	<u><u>286,538</u></u>
At 31 December 2023	
Cost	286,538
Accumulated impairment	<u>—</u>
Net carrying amount	<u><u>286,538</u></u>
Cost at 1 January 2024, net of accumulated impairment	286,538
Acquisition of subsidiaries (Note 33)	94,458
Impairment during the year	<u>—</u>
Cost and net carrying amount at 31 December 2024	<u><u>380,996</u></u>
At 31 December 2024:	
Cost	380,996
Accumulated impairment	<u>—</u>
Net carrying amount	<u><u>380,996</u></u>

Goodwill acquired through business combinations is allocated to each of the acquired subsidiaries which are the cash-generating units (“CGUs”) for impairment testing within the healthcare business.

The recoverable amount of each CGUs within the healthcare business has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period which can be justified approved by senior management. The post-tax discount rates applied to the cash flow projections are 10.92% to 14% (2023: 11.48% to 14%). The implied pre-tax discount rates for the cash flow projections are 11.38% to 14% (2023: 13.5% to 16.6%). As at 31 December 2024, the Group assessed the impairment of goodwill and the recoverable amount exceeded the carrying amount, and hence the goodwill was not regarded as impaired (2023: Nil).

Assumptions were used in the value in use calculation of each CGUs within the healthcare business for 31 December 2024 and 31 December 2023. The following describes each key assumption on which management has based its cash flows projections to undertake impairment testing of goodwill.

*Budgeted gross margin* – the basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year immediately before the budget year, increased for expected efficiency improvement, and expected market development.

*Discount rates* – the discount rates used reflect specific risks relating to the unit. The values assigned to the key assumptions on market development, and the discount rates are comparable to external information sources.

## 15. OTHER INTANGIBLE ASSETS

	Software <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	152,713	8,553	161,266
Additions	109,808	399	110,207
Acquisition of subsidiaries (Note 33)	76,665	–	76,665
Disposals	(3,861)	–	(3,861)
Disposal of a subsidiary	(1,609)	–	(1,609)
Amortisation provided during the year	<u>(37,090)</u>	<u>(1,786)</u>	<u>(38,876)</u>
At 31 December 2024	<u><u>296,626</u></u>	<u><u>7,166</u></u>	<u><u>303,792</u></u>
At 31 December 2024:			
Cost	415,657	14,537	430,194
Accumulated amortisation	<u>(119,031)</u>	<u>(7,371)</u>	<u>(126,402)</u>
Net carrying amount	<u><u>296,626</u></u>	<u><u>7,166</u></u>	<u><u>303,792</u></u>
31 December 2023			
At 1 January 2023:			
Cost	136,072	8,534	144,606
Accumulated amortisation	<u>(61,245)</u>	<u>(4,188)</u>	<u>(65,433)</u>
Net carrying amount	<u><u>74,827</u></u>	<u><u>4,346</u></u>	<u><u>79,173</u></u>
Cost at 1 January 2023, net of accumulated amortisation	74,827	4,346	79,173
Additions	114,360	56	114,416
Acquisition of subsidiaries	699	5,549	6,248
Disposals	(11,118)	–	(11,118)
Amortisation provided during the year	<u>(26,055)</u>	<u>(1,398)</u>	<u>(27,453)</u>
At 31 December 2023	<u><u>152,713</u></u>	<u><u>8,553</u></u>	<u><u>161,266</u></u>
At 31 December 2023 and at 1 January 2024:			
Cost	237,293	14,139	251,432
Accumulated amortisation	<u>(84,580)</u>	<u>(5,586)</u>	<u>(90,166)</u>
Net carrying amount	<u><u>152,713</u></u>	<u><u>8,553</u></u>	<u><u>161,266</u></u>

## 16. INVESTMENTS IN ASSOCIATES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Share of net assets	<u>107,765</u>	<u>107,123</u>

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Carrying amount of the investments	<u>107,765</u>	<u>107,123</u>
Share of the associates' profit or loss for the year	<u>(5,467)</u>	<u>(7,069)</u>

## 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Unlisted debt investments, at fair value	500	216,641
Unlisted equity investments, at fair value	<u>20,000</u>	<u>—</u>
Total	<u>20,500</u>	<u>216,641</u>
Analysed into:		
Current portion	500	45,362
Non-current portion	<u>20,000</u>	<u>171,279</u>
	<u>20,500</u>	<u>216,641</u>

The above debt investments 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.

The above debt investments at 31 December 2024 included a carrying amount of RMB500,000 (31 December 2023: RMB216,641,000), and they were investments of asset-backed securities. The Group does not have the current ability to direct the activities of those products that significantly affect their returns. The Group's maximum exposure to those debt investments approximates to their carrying amounts.

The above equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

## 18. DERIVATIVE FINANCIAL INSTRUMENTS

	2024		2023	
	Assets <i>RMB'000</i>	Liabilities <i>RMB'000</i>	Assets <i>RMB'000</i>	Liabilities <i>RMB'000</i>
Forward currency contracts	247,457	1,559	208,513	25,324
Interest rate swaps	52,254	5,820	32,935	1,284
Cross-currency interest rate swaps	3,493	–	22,522	–
Total	<u>303,204</u>	<u>7,379</u>	<u>263,970</u>	<u>26,608</u>
Portion classified as non-current:				
Forward currency contracts	91,477	1,559	–	–
Interest rate swaps	51,536	5,320	–	–
Current portion	<u>160,191</u>	<u>500</u>	<u>263,970</u>	<u>26,608</u>
	<u>303,204</u>	<u>7,379</u>	<u>263,970</u>	<u>26,608</u>

### *Cash flow hedge under HKFRS 9*

During the year, the Group newly designated 23 (2023: 3) forward currency contracts, 22 (2023: 4) interest rate swap contracts and 1 (2023: nil) cross-currency interest rate swaps, as hedges for future cash flows arising from borrowings which will be settled in United States dollars and Hong Kong dollars.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the forward currency contracts, interest rate swap contracts and cross-currency interest rate swaps match the terms of the bank loans (i.e., notional amount, expected payment date and interest rate). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the forward currency contracts, interest rate swap contracts and cross-currency interest rate swaps are identical to the hedged risk components. To measure the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The Group holds forward currency contracts, with a positive net fair value of RMB160,225,000 (31 December 2023: RMB81,254,000) and a total notional amount of USD1,112,800,000 (31 December 2023: USD815,123,000). These forward currency contracts were designated as hedging instruments in cash flow hedges of currency risks arising from bank loans denominated in United States dollars.

The Group holds interest rate swap contracts, with a positive net fair value of RMB13,544,000 (31 December 2023: RMB15,844,000), and a total notional amount of USD370,000,000 (31 December 2023: USD69,250,000) whereby the Group pays a fixed rate of interest on the USD notional amount at 3.30% to 4.88% per annum. The swaps are being used to hedge the interest rate exposure of six (31 December 2023: two) floating rate long-term borrowings denominated in United States dollars with a total face value of USD370,000,000 (31 December 2023: USD69,250,000); a positive net fair value of RMB33,062,000 (31 December 2023: RMB17,091,000), and a total notional amount of HKD5,612,100,000 (31 December 2023: HKD2,745,150,000) whereby the Group pays a fixed rate of interest on the HKD notional amount at 2.79% to 4.45% per annum (31 December 2023: 2.00% to 4.44%). The swaps are being used to hedge the interest rate exposure of sixteen (31 December 2023: five) floating rate long-term borrowings denominated in Hong Kong dollars with a total face value of HKD5,612,100,000 (31 December 2023: HKD2,745,150,000).

The Group holds cross-currency interest rate swaps, with a positive net fair value of RMB3,493,000 (31 December 2023: RMB22,522,000), and a total notional amount of USD31,000,000 (31 December 2023: USD34,744,000) whereby the Group pays a fixed rate of interest on the USD notional amount at 2.88% (31 December 2023: 3.72% to 3.93%) per annum. These swaps were designated as hedging instruments in cash flow hedges of currency risks arising from bank loans denominated in United States dollars and are being used to hedge the interest rate exposure of one (31 December 2023: six) floating rate long-term borrowings denominated in United States dollars with the total face value of USD31,000,000 (31 December 2023: USD34,744,000).

The Group holds the following forward currency contracts, interest rate swap contracts and cross-currency interest rate swaps:

	Maturity						Total
	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	
<b>As at 31 December 2024</b>							
<b>Forward currency contracts</b>							
Notional amount ( <i>in USD'000</i> )	156,000	52,000	50,000	-	-	854,800	1,112,800
Average forward rate ( <i>USD/RMB</i> )	7.03	6.97	6.90	-	-	6.75	
<b>Interest rate swap contracts</b>							
Notional amount ( <i>in USD'000</i> )	50,000	-	50,000	-	-	270,000	370,000
Average fixed rate	4.88%	-	3.91%	-	-	3.76%	
Notional amount ( <i>in HKD'000</i> )	1,238,000	-	-	-	-	4,374,100	5,612,100
Average fixed rate	4.43%	-	-	-	-	3.29%	
<b>Cross-currency interest rate swaps</b>							
Notional amount ( <i>in USD'000</i> )	31,000	-	-	-	-	-	31,000
Average forward rate ( <i>USD/RMB</i> )	7.20	-	-	-	-	-	
Average fixed rate	2.88%	-	-	-	-	-	
<b>Hedge rate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	-	-	<b>100%</b>	



	Maturity						Total
	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	
<b>As at 31 December 2023</b>							
<b>Forward currency contracts</b>							
Notional amount ( <i>in USD'000</i> )	63,600	113,500	621,523	16,500	–	–	815,123
Average forward rate ( <i>USD/RMB</i> )	7.00	7.06	6.61	6.77	–	–	
<b>Interest rate swap contracts</b>							
Notional amount ( <i>in USD'000</i> )	–	–	69,250	–	–	–	69,250
Average fixed rate	–	–	2.17%	–	–	–	
Notional amount ( <i>in HKD'000</i> )	775,000	800,000	1,170,150	–	–	–	2,745,150
Average fixed rate	4.44%	3.80%	3.24%	–	–	–	
<b>Cross-currency interest rate swaps</b>							
Notional amount ( <i>in USD'000</i> )	4,528	30,216	–	–	–	–	34,744
Average forward rate ( <i>USD/RMB</i> )	6.46	6.42	–	–	–	–	
Average fixed rate	3.72%	3.92%	–	–	–	–	
<b>Hedge rate</b>	100.00%	100.00%	100.00%	100.00%	–	–	

The impacts of the hedging instruments on the statement of financial position are as follows:

	Notional amount <i>USD/HKD'000</i>	Carrying amount <i>RMB'000</i>	Line item in the statement of financial position	Change in fair value <i>RMB'000</i>
<b>As at 31 December 2024</b>				
Forward currency contracts ( <i>USD/RMB</i> )	1,112,800	160,225	Derivative financial instruments (asset/liabilities)	78,971
Interest rate swaps ( <i>in USD'000</i> )	370,000	13,544	Derivative financial instruments (asset/liabilities)	(2,300)
Interest rate swaps ( <i>in HKD'000</i> )	5,612,100	33,062	Derivative financial instruments (asset/liabilities)	15,971
Cross-currency interest rate swaps ( <i>USD/RMB</i> )	31,000	3,493	Derivative financial instruments (assets)	(19,029)
<b>As at 31 December 2023</b>				
Forward currency contracts ( <i>USD/RMB</i> )	815,123	81,254	Derivative financial instruments (asset/liabilities)	59,108
Interest rate swaps ( <i>in USD'000</i> )	69,250	15,844	Derivative financial instruments (assets)	(21,371)
Interest rate swaps ( <i>in HKD'000</i> )	2,745,150	17,091	Derivative financial instruments (assets)	(8,336)
Cross-currency interest rate swaps ( <i>USD/RMB</i> )	34,744	22,522	Derivative financial instruments (assets)	(770)

The impacts of the hedged items on the statement of financial position are as follows:

	<b>Cash flow hedge reserve</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Unsecured bank loans	<u><b>206,260</b></u>	<u>262,695</u>

The effects of the cash flow hedge on the statement of profit or loss and the statement of comprehensive income are as follows:

#### Year ended 31 December 2024

	<u>Total hedging gain/(loss) recognised in other comprehensive income</u>			<u>Amount reclassified from other comprehensive income to profit or loss</u>			Line item in the statement of profit or loss
	Gross			Gross			
	amount RMB'000	Tax effect RMB'000	Total RMB'000	amount RMB'000	Tax effect RMB'000	Total RMB'000	
Forward currency contracts	78,971	(3,260)	75,711	39,683	(20,378)	19,305	Other expense
Cross-currency interest rate swaps	(19,029)	4,757	(14,272)	16,752	(4,188)	12,564	Other expense
Interest rate swaps	13,671	-	13,671	-	-	-	N/A
Total	<u>73,613</u>	<u>1,497</u>	<u>75,110</u>	<u>56,435</u>	<u>(24,566)</u>	<u>31,869</u>	

#### Year ended 31 December 2023

	<u>Total hedging gain/(loss) recognised in other comprehensive income</u>			<u>Amount reclassified from other comprehensive income to profit or loss</u>			Line item in the statement of profit or loss
	Gross			Gross			
	amount RMB'000	Tax effect RMB'000	Total RMB'000	amount RMB'000	Tax effect RMB'000	Total RMB'000	
Forward currency contracts	59,108	(19,795)	39,313	444,688	(66,493)	378,195	Other expense
Cross-currency interest rate swaps	(770)	193	(577)	1,173	(293)	880	Other expense
Interest rate swaps	(29,707)	-	(29,707)	-	-	-	N/A
Total	<u>28,631</u>	<u>(19,602)</u>	<u>9,029</u>	<u>445,861</u>	<u>(66,786)</u>	<u>379,075</u>	

#### *Derivative financial instruments – transactions not qualifying as hedges:*

Forward currency contracts with total nominal amounts of USD290,000,000 (2023: total nominal amounts of USD432,477,000) and interest rate swaps with total nominal amounts of USD135,000,000 (2023: total nominal amounts of USD175,000,000) are not designated for hedge purposes and are measured at fair value through profit or loss. Unrealised losses on the fair value of these financial derivatives amounting to RMB15,149,000 (2023: unrealised gains RMB97,379,000) was included in the statement of profit or loss during the year ended 31 December 2024.

## 19. INVENTORIES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Finished goods	<u>506,786</u>	<u>431,141</u>

## 20. LOANS AND ACCOUNTS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loans and accounts receivables due within 1 year	28,501,307	25,718,469
Loans and accounts receivables due after 1 year	<u>43,075,977</u>	<u>41,543,421</u>
Total	<u>71,577,284</u>	<u>67,261,890</u>

### 20a. Loans and accounts receivables by nature

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Gross lease receivables (note 20b)	3,229,311	4,648,711
Less: Unearned finance income	<u>(1,178,368)</u>	<u>(1,534,107)</u>
Net lease receivables (note 20b) **	2,050,943	3,114,604
Receivables arising from sale-and-leaseback arrangements (note 20c) **	68,281,494	62,698,125
Factoring receivables (note 20d) **	<u>944,982</u>	<u>1,535,856</u>
Subtotal of interest-earning assets **	71,277,419	67,348,585
Accounts receivable (note 20e) *	2,457,418	1,790,060
Notes receivable (note 20f)	<u>12,003</u>	<u>41,478</u>
Subtotal of loans and accounts receivables	73,746,840	69,180,123
Less:		
Provision for lease receivables	(486,754)	(630,018)
Provision for receivables arising from sale-and-leaseback arrangements	(1,555,513)	(1,221,210)
Provision for factoring receivables	<u>(80,639)</u>	<u>(33,745)</u>
Provision for interest-earning assets (note 20g) **	(2,122,906)	(1,884,973)
Provision for accounts receivable (note 20e)	<u>(46,650)</u>	<u>(33,260)</u>
Total	<u>71,577,284</u>	<u>67,261,890</u>

\* These balances included balances with related parties which are disclosed in note 20i to the financial statements.

\*\* These balances are included in the interest-earning assets disclosed in note 20g.

20b(1). An ageing analysis of the lease receivables, determined based on the age of the receivables since the effective dates of the relevant lease contracts, as at the end of the reporting period is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Gross lease receivables:		
Within 1 year	185,377	12,759
1 to 2 years	8,406	–
2 to 3 years	–	–
3 years and beyond	<u>3,035,528</u>	<u>4,635,952</u>
Total	<u><u>3,229,311</u></u>	<u><u>4,648,711</u></u>
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net lease receivables:		
Within 1 year	152,638	10,245
1 to 2 years	6,724	–
2 to 3 years	–	–
3 years and beyond	<u>1,891,581</u>	<u>3,104,359</u>
Total	<u><u>2,050,943</u></u>	<u><u>3,114,604</u></u>

20b(2). The table below illustrates the gross and net amounts of the lease receivables the Group expects to receive in the following consecutive accounting years:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Gross lease receivables:		
Due within 1 year	1,247,679	1,885,326
Due in 1 to 2 years	971,836	1,347,270
Due in 2 to 3 years	560,352	774,988
Due after 3 years and beyond	<u>449,444</u>	<u>641,127</u>
Total	<u><u>3,229,311</u></u>	<u><u>4,648,711</u></u>

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Net lease receivables:		
Due within 1 year	<b>504,473</b>	1,043,354
Due in 1 to 2 years	<b>753,836</b>	950,529
Due in 2 to 3 years	<b>455,527</b>	613,745
Due after 3 years and beyond	<b>337,107</b>	506,976
	<u>337,107</u>	<u>506,976</u>
 Total	 <b><u>2,050,943</u></b>	 <u>3,114,604</u>

There was no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements of the Group that needed to be recorded as at the end of the reporting period.

As at 31 December 2024, the amounts of the gross lease receivables and net lease receivables pledged as security for the Group's borrowings were RMB175,005,000 and RMB151,173,000 (As at 31 December 2023: Nil and Nil), respectively.

**20c(1). An ageing analysis of receivables arising from sale-and-leaseback arrangements, determined based on the age of the receivables since the effective dates of the relevant loan contracts, as at the end of the reporting period is as follows:**

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>25,513,006</b>	25,172,504
1 to 2 years	<b>18,234,480</b>	16,118,369
2 to 3 years	<b>12,492,596</b>	12,699,822
3 years and beyond	<b>12,041,412</b>	8,707,430
	<u>12,041,412</u>	<u>8,707,430</u>
 Total	 <b><u>68,281,494</u></b>	 <u>62,698,125</u>

20c(2). The table below illustrates the amounts of receivables arising from sale-and-leaseback arrangements the Group expects to receive in the following consecutive accounting years:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Due within 1 year	26,083,346	22,795,624
Due in 1 to 2 years	20,400,207	18,639,344
Due in 2 to 3 years	12,656,213	12,288,560
Due after 3 years and beyond	<u>9,141,728</u>	<u>8,974,597</u>
Total	<u><u>68,281,494</u></u>	<u><u>62,698,125</u></u>

As at 31 December 2024, the Group's receivables arising from sale-and-leaseback arrangements pledged or charged as security for the Group's bank and other borrowings amounted to RMB11,507,847,000 (31 December 2023: RMB8,799,229,000).

20d. An ageing analysis of the factoring receivables, determined based on the age of the receivables since the recognition date of the factoring receivables, as at the end of the year is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	–	688,496
More than 1 year	<u>944,982</u>	<u>847,360</u>
Total	<u><u>944,982</u></u>	<u><u>1,535,856</u></u>

20e(1). An ageing analysis of the accounts receivable, determined based on the age of the receivables since the recognition date of the accounts receivable, as at the end of the year is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	2,188,136	1,636,210
More than 1 year	<u>269,282</u>	<u>153,850</u>
Total	<u><u>2,457,418</u></u>	<u><u>1,790,060</u></u>

Accounts receivable arose from the sale of medical equipment and medicines, equipment life cycle management, intelligent medical health and elder care and the provision of medical services. Except for some specific contracts, the Group generally does not provide credit terms to customers.

## 20e(2). Provision for accounts receivable

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns.

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

### As at 31 December 2024

	Ageing		
	Within 1 year <i>RMB'000</i>	Over 1 years <i>RMB'000</i>	Total <i>RMB'000</i>
Gross carrying amount	2,188,136	269,282	2,457,418
Expected credit loss	16,236	30,414	46,650
Average expected credit loss rate	0.74%	11.29%	1.90%

### As at 31 December 2023

	Ageing		
	Within 1 year <i>RMB'000</i>	Over 1 years <i>RMB'000</i>	Total <i>RMB'000</i>
Gross carrying amount	1,636,210	153,850	1,790,060
Expected credit loss	11,257	22,003	33,260
Average expected credit loss rate	0.69%	14.30%	1.86%

## 20f. An ageing analysis of the notes receivable, determined based on the age of the receivables since the recognition date of the notes receivable, as at the end of the year is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	<u>12,003</u>	<u>41,478</u>

**20g. Analysis of interest-earning assets**

<b>As at 31 December 2024</b>	<b>Stage I (12-month ECLs) RMB'000</b>	<b>Stage II (Lifetime ECLs) RMB'000</b>	<b>Stage III (Lifetime ECLs – impaired) RMB'000</b>	<b>Total RMB'000</b>
Total interest-earning assets	62,985,736	7,588,418	703,265	71,277,419
Allowance for impairment losses	<u>(992,197)</u>	<u>(766,068)</u>	<u>(364,641)</u>	<u>(2,122,906)</u>
Interest-earning assets, net	<u><b>61,993,539</b></u>	<u><b>6,822,350</b></u>	<u><b>338,624</b></u>	<u><b>69,154,513</b></u>
<b>As at 31 December 2023</b>	<b>Stage I (12-month ECLs) RMB'000</b>	<b>Stage II (Lifetime ECLs) RMB'000</b>	<b>Stage III (Lifetime ECLs – impaired) RMB'000</b>	<b>Total RMB'000</b>
Total interest-earning assets	60,239,150	6,446,992	662,443	67,348,585
Allowance for impairment losses	<u>(945,255)</u>	<u>(591,420)</u>	<u>(348,298)</u>	<u>(1,884,973)</u>
Interest-earning assets, net	<u><b>59,293,895</b></u>	<u><b>5,855,572</b></u>	<u><b>314,145</b></u>	<u><b>65,463,612</b></u>

**20h. Movements in provision for interest-earning assets**

The Group has applied the general approach to providing for expected credited losses (“ECLs”) prescribed by HKFRS 9, which permits the use of either a twelve-month basis or a lifetime basis to record expected credit losses based on an expected credit loss model for interest-earning assets.

The Group has conducted an assessment of ECLs according to forward-looking information and used appropriate models and a large number of assumptions in its expected measurement of credit losses. These models and assumptions relate to the future macroeconomic conditions and the borrower’s creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Group has adopted judgement, assumptions and estimation techniques in order to measure ECLs according to the requirements of accounting standards, such as the criteria for judging significant increases in credit risk, definition of credit-impaired financial assets, parameters for measuring ECLs and forward-looking information.



<b>2024</b>				
	<b>Stage I (12-month ECLs) RMB'000</b>	<b>Stage II (Lifetime ECLs) RMB'000</b>	<b>Stage III (Lifetime ECLs – impaired) RMB'000</b>	<b>Total RMB'000</b>
At beginning of the year	945,255	591,420	348,298	1,884,973
Impairment losses for the year	(143,121)	335,065	114,943	306,887
Conversion to Stage I	268,308	(268,308)	–	–
Conversion to Stage II	(78,245)	134,135	(55,890)	–
Conversion to Stage III	–	(26,244)	26,244	–
Written off	–	–	(69,064)	(69,064)
Recoveries of interest-earning assets previously written off	–	–	110	110
At end of the year	<u>992,197</u>	<u>766,068</u>	<u>364,641</u>	<u>2,122,906</u>
<b>2023</b>				
	<b>Stage I (12-month ECLs) RMB'000</b>	<b>Stage II (Lifetime ECLs) RMB'000</b>	<b>Stage III (Lifetime ECLs – impaired) RMB'000</b>	<b>Total RMB'000</b>
At beginning of the year	688,107	639,852	366,792	1,694,751
Impairment losses for the year	93,066	18,481	78,375	189,922
Conversion to Stage I	195,699	(195,699)	–	–
Conversion to Stage II	(31,617)	156,471	(124,854)	–
Conversion to Stage III	–	(27,685)	27,685	–
Recoveries of interest-earning assets previously written off	–	–	300	300
At end of the year	<u>945,255</u>	<u>591,420</u>	<u>348,298</u>	<u>1,884,973</u>

## 20i. Balances with related parties

The balances of loans and accounts receivables of the Group included the balances with related parties are as follows:

Accounts receivable:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Genertec Group and subsidiaries of Genertec Group:		
China Meheco Beijing Baitai-Borui Technology Co., Ltd.	9,254	51
China National Instruments Import & Export (Group) Corporation	4,793	1,805
Shenyang Aerospace Hospital	4,603	4,650
Genertec Group Health Management Technology Co., Ltd.	3,783	–
General Medical Devices (Beijing) Co., Ltd.	2,666	–
Genertec Group Beijing Yongzheng Pharmaceutical Co., Ltd.	974	–
Shandong Electric Power Central Hospital	373	–
General Medical Xi'an Hospital	199	–
363 Hospital	192	–
Shanghai Electric Power Hospital	106	–
China XinXing Construction & Development Co., Ltd.	104	–
Genertec Group Machine Tool Engineering Research Institute Co., Ltd. Xi'an Branch	27	2,684
General Medical Qinling Hospital	17	–
Chengfei Hospital	5	–
Baoshihua (Hainan) Internet Hospital Co., Ltd.	1	–
	<hr/>	<hr/>
Associates:		
Genertec Group Digital Intelligent Technology Co., Ltd.	1,422	–
Beijing Mili Zhongkang Elderly Care Technology Co., Ltd.	1,409	–
Qingniao Yiju (Jinjiang) Elderly Care Service Co., Ltd.	553	–
Zunyi Qingniao Jiale Health Care Service Co., Ltd.	162	–
Jinjiang Qingniao Shijia Rehabilitation Hospital Co., Ltd.	11	–
Shanghai Qingniao Yunqi Technology Co., Ltd.	5	–
	<hr/>	<hr/>
Joint venture:		
Fuzhou Qingsheng Yijiafu Health & Senior Care Industry Co., Ltd.	54	–
	<hr/>	<hr/>
Total due from related parties	<u>30,713</u>	<u>9,190</u>

The above related parties are subsidiaries of China General Technology (Group) Holding Company Limited (“Genertec Group”).

The balances with the related parties are unsecured, interest-free and repayable on demand.

## 21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	<i>Note</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Current:			
Prepayments		<b>217,759</b>	87,457
Other receivables		<b>594,601</b>	527,698
Other current assets		<b>107,141</b>	71,108
Due from related parties	<i>21a</i>	<b>112,398</b>	24,991
Total – current		<b>1,031,899</b>	711,254
Non-current:			
Subordinated tranches of asset-backed securities		–	200,983
Continuing involvement in transferred assets		–	309,499
Prepayments for non-current assets		<b>77,959</b>	90,445
Other receivables for non-current assets		<b>3,690</b>	3,663
Interest receivables for non-current assets		<b>10,108</b>	–
Other non-current assets		<b>100,000</b>	25,941
Total – non-current		<b>191,757</b>	630,531
Impairment allowance		<b>(34,098)</b>	(31,259)
Total		<b>1,189,558</b>	1,310,526

## 21a. Balances with related parties

Particulars of amounts due from related parties are as follows:

		2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Due from related parties			
Genertec Group and subsidiaries of Genertec Group:			
Genertec Hong Kong International Capital Limited	(i)	93,801	–
China General Technology (Group) Holding Company Limited	(ii)	3,129	70
China Xinxing Construction & Development Co., Ltd.	(ii)	3,040	1
Instrimpex International Tendering Co., Ltd.	(ii)	120	–
China National Instruments Import & Export (Group) Corporation	(ii)	38	–
China International Tendering Co., Ltd.	(ii)	21	–
Genertec International Logistics Co., Ltd.	(ii)	1	1
Genertec Group Asset Management Co., Ltd.	(ii)	–	3,476
Genertec Finance Co., Ltd.	(ii)	–	253
China General Consulting & Investment Co., Ltd.	(ii)	–	5
Joint venture:			
Fuzhou Qingsheng Yijiafu Health & Senior Care Industry Co., Ltd.	(ii)	5	–
Associates:			
Genertec Group Healthcare Digital Technology (Beijing) Co., Ltd.	(ii)	10,596	21,185
Qingdao Xihaian Supply & Marketing Group Qingniao Senior Service Co., Ltd.	(ii)	1,200	–
Qingniao Shouer kang (Chongqing) Senior Care Service Co., Ltd.	(ii)	354	–
Genertec Group Health Management Technology Co., Ltd.	(ii)	80	–
Zunyi Qingniao Jiale Health Care Service Co., Ltd.	(ii)	13	–
Total due from related parties		<u>112,398</u>	<u>24,991</u>

The balance with the related parties are unsecured and interest-free.

- (i) The balance of Genertec Hong Kong International Capital is unsecured and the interest rate was charged at rates ranging from 1.00% to 2.70% per annum.
- (ii) The balance with the related parties are unsecured and interest-free.

## 22. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cash and bank balances	2,853,266	3,539,945
Time deposits	<u>360,000</u>	<u>–</u>
Subtotal	3,213,266	3,539,945
Less: Restricted deposits:		
Pledged deposits and restricted bank deposits	(473,960)	(690,972)
Time deposits with original maturity of more than three months	<u>(360,000)</u>	<u>–</u>
Cash and cash equivalents	<u><u>2,379,306</u></u>	<u><u>2,848,973</u></u>

As at 31 December 2024, the cash and bank balances of the Group denominated in RMB amounted to RMB3,168,050,000 (31 December 2023: RMB3,395,033,000). RMB is freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, 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 either fixed or floating rates based on daily bank deposit rates.

As at 31 December 2024, cash of RMB468,685,000 (31 December 2023: RMB671,852,000) was pledged and restricted for bank and other borrowings.

As at 31 December 2024, cash of RMB5,275,000 (31 December 2023: RMB19,120,000) was pledged for bank acceptances, letters of credit and others.

As at 31 December 2024, cash of RMB1,410,785,000 (31 December 2023: RMB1,534,481,000) was deposited with Genertec Finance Co., Ltd., a related party.

## 23. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Measured at fair value:		
Notes receivable	<u><u>782</u></u>	<u><u>11,415</u></u>

## 24. TRADE AND BILLS PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bills payables	301,181	966,478
Trade payables	2,312,945	1,905,748
Due to related parties (note 24b)	<u>161,669</u>	<u>116,447</u>
Total	<u><u>2,775,795</u></u>	<u><u>2,988,673</u></u>

The trade and bills payables are non-interest-bearing and are normally repayable within one year.

### 24a. An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	2,464,073	2,742,560
1 to 2 years	193,538	222,336
2 to 3 years	95,886	4,710
Over 3 years	<u>22,298</u>	<u>19,067</u>
Total	<u><u>2,775,795</u></u>	<u><u>2,988,673</u></u>

## 24b. Balances with related parties

Particulars of the amounts due to related parties are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Due to related parties:		
Trade payables:		
Genertec Group and subsidiaries of Genertec Group:		
China Meheco Beijing Baitai-Borui Technology Co., Ltd.	95,319	40,499
China Xinxing Construction Engineering Co., Ltd.	50,506	73,231
Handan General Pharmaceutical Co., Ltd.	3,886	371
Hebei General Huachuang Medical Equipment Co., Ltd.	1,784	1,424
Genertec Group Digital Intelligent Technology Co., Ltd.	1,297	–
China Meheco Med-Tech Service Co., Ltd.	814	–
China National Instruments Import & Export (Group) Corporation	385	–
Instrimpex International Tendering Co., Ltd.	376	–
Hebei General Pharmaceutical Co., Ltd.	316	–
Genertec Group Beijing Yongzheng Pharmaceutical Co., Ltd.	118	339
Genertec Group Asset Management Co., Ltd	114	–
China Post and Telecommunications Equipment Beijing Co., Ltd.	107	185
Genertec Italia s.r.l.	81	–
Genertec International Logistics Co., Ltd.	79	–
Beijing Rongli Industry General Company	41	84
Beijing Meikang Baitai Pharmaceutical Technology Co., Ltd.	7	79
General Technology Group Yongzheng Pharmaceutical Qinhuangdao Co., Ltd.	4	–
State Grid Corporation of China Beijing Electric Power Hospital	3	7
Genertec Group Engineering Design Co., Ltd.	1	–
General Technology Liaoning Pharmaceutical Co., Ltd.	1	–
China Telecommunication Construction No.5 Engineering Co., Ltd.	–	228
	<hr/>	<hr/>
Associates:		
Genertec Group Healthcare Digital Technology (Beijing) Co., Ltd.	4,933	–
Baotou Gangxing Qingniao Elderly Care Service Co., Ltd.	93	–
Qingniao Shouer kang (Chongqing) Elderly Care Service Co., Ltd	5	–
	<hr/>	<hr/>
Joint venture:		
Fuzhou Qingsheng Yijiafu Health and Elderly Care Industry Co., Ltd	1,399	–
	<hr/>	<hr/>
Total due to related parties	<u>161,669</u>	<u>116,447</u>

The balances with the related parties are unsecured, interest-free or based on the payment schedules agreed between the Group and the respective parties.

## 25. OTHER PAYABLES AND ACCRUALS

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Current:			
Lease deposits due within one year		<b>930,478</b>	1,039,304
Accrued salaries		<b>530,837</b>	439,161
Welfare payables		<b>73,138</b>	62,447
Current portion of post-retirement benefit obligation	<i>29</i>	<b>6,959</b>	6,895
Contract liabilities	<i>25a</i>	<b>357,724</b>	248,489
Due to related parties	<i>25b</i>	<b>31,443</b>	303,829
Other taxes payable		<b>121,853</b>	148,103
Interest payable		<b>313,180</b>	260,676
Funds collected on behalf of special purpose entities in relation to asset-backed securitisations*		<b>335,179</b>	1,073,211
Other payables		<b>787,168</b>	818,799
		<hr/>	<hr/>
Total – current		<b>3,487,959</b>	4,400,914
Non-current:			
Lease deposits due after one year		<b>3,559,259</b>	3,494,480
Accrued salaries		<b>869,681</b>	865,455
Non-current portion of retirement benefit obligation	<i>29</i>	<b>88,348</b>	82,946
Deferred income**		<b>114,229</b>	28,926
Other payables		<b>5,239</b>	10,044
		<hr/>	<hr/>
Total – non-current		<b>4,636,756</b>	4,481,851
		<hr/>	<hr/>
Total		<b>8,124,715</b>	8,882,765
		<hr/> <hr/>	<hr/> <hr/>

\* The Group transferred loans and accounts receivables to special purpose entities. The Group collected the receivables on behalf of special purpose entities and would pay the funds based on the payment schedule agreed between the Group and the special purpose entities.

\*\* Government grants received for which related expenditure have not yet been undertaken are included in deferred income in the statement of financial position.



**25a. Details of contract liabilities are as follows:**

	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000	1 January 2023 RMB'000 (restated)
Service fee income	<b>151,591</b>	81,833	67,025
Sale of finished goods	<b>9,292</b>	22,028	31,040
Intelligent medical health and elder care	<b>15,582</b>	–	–
Equipment life cycle management	<b>38,981</b>	–	–
Healthcare service	<b>142,278</b>	144,628	165,809
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<b><u>357,724</u></b>	<b><u>248,489</u></b>	<b><u>263,874</u></b>

Contract liabilities include short-term advances received to deliver goods and render services.

**25b. Balances with related parties**

Details of the amounts due to related parties are as follows:

	<b>2024 RMB'000</b>	2023 RMB'000
Due to related parties:		
Genertec Group and subsidiaries of Genertec Group:		
Genertec Hong Kong International Capital Limited	<b>20,097</b>	21,462
Genertec Group Asset Management Co., Ltd	<b>7,697</b>	–
China XinXing Construction & Development Co., Ltd.	<b>2,368</b>	2,318
Baoshihua Pharmaceutical Technology (Beijing) Co., Ltd.	<b>26</b>	–
Hainan General Sanyang Pharmaceutical Co., Ltd.	<b>26</b>	–
Handan General Pharmaceutical Co., Ltd.	<b>20</b>	–
China General Technology (Group) Holding Company Limited	<b>17</b>	–
Instrimpex International Tendering Co., Ltd.	<b>10</b>	–
	<u>          </u>	<u>          </u>
Associates:		
Qingniao Yiju (Jinjiang) Elderly Care Service Co., Ltd	<b>761</b>	–
Genertec Group Healthcare Digital Technology (Beijing) Co., Ltd.	<b>115</b>	134,707
	<u>          </u>	<u>          </u>
Joint ventures:		
Fuzhou Qingsheng Yijiafu Health and Elderly Care Industry Co., Ltd	<b>306</b>	–
Sichuan Huankang Hospital Management Co., Ltd.	–	138,626
Sichuan Zhongqi Healthcare Industry Co., Ltd.	–	6,716
	<u>          </u>	<u>          </u>
Total due to related parties	<b><u>31,443</u></b>	<b><u>303,829</u></b>

The balance with related parties were unsecured and repayable based on the payment schedule agreed between the Group and the related parties.

## 26. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2024			31 December 2023		
	Effective annual interest rate (%)	Maturity	RMB'000	Effective annual interest rate (%)	Maturity	RMB'000
Current:						
Bank loans						
– secured	2.60~4.25	2025	207,400	2.70~2.80	2024	400,000
– unsecured	2.40~5.94	2025	5,249,083	2.50~6.56	2024	6,200,697
Current portion of long-term bank loans:						
– secured	2.42~3.45	2025	3,098,783	2.90~3.95	2024	2,586,417
– unsecured	2.50~5.35	2025	4,689,806	2.50~6.93	2024	6,791,666
Lease liabilities						
– secured	3.50	2025	640,750	4.50	2024	67,337
– unsecured	3.95~4.90	2025	51,908	4.75~4.90	2024	16,908
Bonds payables						
– secured	2.08~4.50	2025	1,154,956	–	–	–
– unsecured	1.83~3.65	2025	7,095,949	2.28~3.79	2024	6,445,381
Due to a related party						
– unsecured	–	–	–	2.85~2.95	2024	29,199
Total – current			<u>22,188,635</u>			<u>22,537,605</u>
Non-current:						
Bank loans						
– secured	2.42~3.35	2026~2029	5,144,249	2.90~3.85	2025~2028	5,346,383
– unsecured	2.50~5.56	2026~2039	9,747,536	2.50~3.75	2025~2030	5,090,152
Bonds payables						
– secured	2.20~6.50	2026~2027	807,855	–	–	–
– unsecured	2.13~3.65	2027~2029	10,591,709	3.00~3.65	2025~2028	8,993,483
Lease liabilities						
– secured	–	–	–	4.50	2025	31,700
– unsecured	3.95~4.90	2026~2031	561,839	4.75~4.90	2025~2031	214,218
Due to related parties						
– unsecured	3.50~7.93	2026~2027	<u>2,337,680</u>	3.65~6.81	2025~2027	<u>4,416,540</u>
Subtotal – non-current			<u>29,190,868</u>			<u>24,092,476</u>
Convertible bonds						
– host debts (Note 27)	2.00	2026	<u>635,451</u>	2.00	2026	<u>1,019,519</u>
Total – non-current			<u>29,826,319</u>			<u>25,111,995</u>
Total			<u><u>52,014,954</u></u>			<u><u>47,649,600</u></u>

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Analysed into:		
Bank loans repayable:		
Within one year	13,245,072	15,978,780
In the second year	5,342,155	5,834,915
In the third to fifth years, inclusive	9,146,350	4,280,412
Beyond five years	<u>403,280</u>	<u>321,208</u>
Subtotal	<u>28,136,857</u>	<u>26,415,315</u>
Other borrowings repayable:		
Within one year	8,943,563	6,558,825
In the second year	593,832	4,958,695
In the third to fifth years, inclusive	14,340,702	9,553,227
Beyond five years	<u>-</u>	<u>163,538</u>
Subtotal	<u>23,878,097</u>	<u>21,234,285</u>
Total	<u><u>52,014,954</u></u>	<u><u>47,649,600</u></u>

The carrying amounts of borrowings are denominated in the following currencies:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Hong Kong dollar	5,196,805	3,054,146
RMB	41,498,042	38,504,534
United States dollar	<u>5,320,107</u>	<u>6,090,920</u>
Total	<u><u>52,014,954</u></u>	<u><u>47,649,600</u></u>

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Fixed interest rate	27,496,520	24,431,290
Variable interest rate	<u>24,518,434</u>	<u>23,218,310</u>
Total	<u><u>52,014,954</u></u>	<u><u>47,649,600</u></u>

*Notes:*

- (a) The Company's wholly-owned subsidiaries, China Universal Leasing Co., Ltd. ("CULC") and Genertec Universal International Financial Leasing (Tianjin) Co., Ltd. ("TJ-Leasing"), issued three batches of leasing asset-backed securities with the aggregate principal amount of RMB4,321,000,000 to institutional investors through asset management plans. The asset-backed securities have senior tranches and subordinated tranches. The Group received proceeds of RMB3,908,000,000 from the senior tranches which have expected annualised yields ranging from 2.50% to 6.00% and maturity periods from one year to five years. As at 31 December 2024, the amortised cost of the debt securities issued amounted to RMB1,962,811,000 (31 December 2023: Nil).
- (b) As at 31 December 2024, the Group's bank and other borrowings secured by loans and accounts receivable, cash and bank balances and restricted deposits were RMB9,227,529,000 (31 December 2023: RMB8,429,333,000).
- (c) As at 31 December 2024, the principal amounts of the Group's borrowings from related parties were RMB1,837,680,000 from Genertec Hong Kong International Capital Limited and RMB500,000,000 from China General Technology (Group) Holding Company Limited (31 December 2023: RMB2,116,540,000 from Genertec Hong Kong International Capital Limited, RMB2,300,000,000 from China General Technology (Group) Holding Company Limited and RMB29,199,000 from Genertec Finance Co., Ltd.).
- (d) As at 31 December 2024, China General Technology (Group) Holding Company Limited provided a comfort letter for bank borrowings in an amount of RMB9,045,489,000 (31 December 2023: RMB1,730,976,000).

## **27. CONVERTIBLE BONDS**

On 25 March 2021, Genertec Universal Medical Development (BVI) Co., Ltd., a wholly-owned subsidiary of the Company, issued the Convertible Bonds under the Specific Mandate (the "Convertible Bonds") with a nominal value of USD150,000,000. The Convertible Bonds will be unconditionally and irrevocably guaranteed by the Company. The Convertible Bonds are convertible at the option of the bondholders into ordinary shares of the Company with the initial conversion price of HKD6.56 per share at any time on or after 25 March 2021 (the "Issue Date") and up to 5:00 p.m. on the fifteenth day prior to 25 March 2026 (the "Maturity Date"). The conversion price of the Convertible Bonds was adjusted from HKD6.56 per share to HKD6.47 per share with effect from 18 June 2021 as a result of the declaration of the final dividend for the year ended 31 December 2020, and was further adjusted from HKD6.47 per share to HKD6.28 per share with effect from 16 June 2022 as a result of the declaration of the final dividend for the year ended 31 December 2021, and then to HKD6.09 per share with effect from 16 June 2023 as a result of the declaration of the final dividend for the year ended 31 December 2022, and then to HKD5.89 per share with effect from 19 June 2024 as a result of the declaration of the final dividend for the year ended 31 December 2023. The Convertible Bonds are redeemable at the option of the bondholders at 100.00 percent of their principal amount on 25 March 2024 or 2025. According to the notice issued by certain bondholders in 22 February 2024, USD60 million out of the Bonds were required to be redeemed and were deemed on 25 March 2024 by the Group at 100.00 percent of their principal amount together with interest accrued but not paid. Any of the Convertible Bonds not converted will be redeemed on 25 March 2026 at 100.00 percent of their principal amount. The Convertible Bonds carry interest at a rate of 2.0 percent per annum, and interest is payable semi-annually in arrears on 25 March and 25 September.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The changes in liability of convertible bonds during the year are as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Liability component at 1 January	<b>1,019,519</b>	982,982
Interest expense	<b>15,348</b>	40,774
Interest paid	<b>(16,968)</b>	(21,015)
Redeemed	<b>(425,976)</b>	–
Exchange realignment	<b>43,528</b>	16,778
	<b><u>635,451</u></b>	<u>1,019,519</u>
Liability component at 31 December (Note 26)	<b><u>635,451</u></b>	<u>1,019,519</u>

## 28. DEFERRED TAX

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

### Deferred tax assets

	Impairment	Salary and welfare payable	Cash flow hedges	Fair value loss on derivative financial instruments	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gross deferred tax assets at 1 January 2024	<b>468,130</b>	238,337	71,208	–	5,323	782,998
Credited to the statement of profit or loss during the year	<b>61,586</b>	10,659	(48,221)	–	77,154	101,178
Credited to reserves	–	–	(22,987)	–	–	(22,987)
Business combination (Note 33)	<b>7,118</b>	–	–	–	532	7,650
	<b><u>536,834</u></b>	<u>248,996</u>	<u>–</u>	<u>–</u>	<u>83,009</u>	<u>868,839</u>
Gross deferred tax assets at 31 December 2024	<b><u>536,834</u></b>	<u>248,996</u>	<u>–</u>	<u>–</u>	<u>83,009</u>	<u>868,839</u>
Gross deferred tax assets at 1 January 2023 (restated)	422,490	199,645	160,324	10,165	7,939	800,563
Credited to the statement of profit or loss during the year	44,815	38,692	(2,728)	(10,165)	(3,291)	67,323
Credited to reserves	–	–	(86,388)	–	–	(86,388)
Business combination	825	–	–	–	675	1,500
	<b><u>468,130</u></b>	<u>238,337</u>	<u>71,208</u>	<u>–</u>	<u>5,323</u>	<u>782,998</u>
Gross deferred tax assets at 31 December 2023	<b><u>468,130</u></b>	<u>238,337</u>	<u>71,208</u>	<u>–</u>	<u>5,323</u>	<u>782,998</u>

## Deferred tax liabilities

	Lease deposits <i>RMB'000</i>	Cash flow hedges <i>RMB'000</i>	Fair value gain on derivative financial instruments <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Gross deferred tax liabilities at 1 January 2024	51,241	–	9,147	20,447	80,835
Charged to the statement of profit or loss during the year	(4,463)	10,235	12,099	(18,411)	(540)
Credited to reserves	–	82	–	–	82
Business combination (Note 33)	–	–	–	14,579	14,579
Gross deferred tax liabilities at 31 December 2024	<u>46,778</u>	<u>10,317</u>	<u>21,246</u>	<u>16,615</u>	<u>94,956</u>
Gross deferred tax liabilities at 1 January 2023 (restated)	48,129	–	–	9,883	58,012
Charged to the statement of profit or loss during the year	3,112	–	9,147	7,811	20,070
Business combination	–	–	–	2,753	2,753
Gross deferred tax liabilities at 31 December 2023	<u>51,241</u>	<u>–</u>	<u>9,147</u>	<u>20,447</u>	<u>80,835</u>

For the purpose of presentation of the consolidated statement of financial position, deferred tax assets and liabilities have been offset as the deferred taxes relate to the same taxable entity and the same taxation authority, and net deferred tax assets are presented as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	<u>773,883</u>	<u>702,163</u>

The Company has tax losses arising in Hong Kong of RMB218,179,000 (2023: RMB202,425,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose and tax losses arising in Chinese Mainland of RMB80,792,000 (2023: RMB60,134,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company that has been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the Chinese Mainland in respect of earnings generated from 1 January 2008.

At 31 December 2024, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland (2023: Nil). In the opinion of the directors, part of Chinese Mainland subsidiaries' profits will be retained to expand the operations in Chinese Mainland and it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately RMB7,625,372,000 (2023: RMB6,669,541,000).

## 29. POST-RETIREMENT BENEFIT OBLIGATIONS

The Group provides eligible retirees with other post-retirement benefits, including retirement subsidies, transportation allowance as well as other welfare. The expected cost of providing these post-retirement benefits is actuarially determined and recognised by using the projected unit credit method, which involves a number of assumptions and estimates, including the inflation rate, discount rate, etc.

The plan is exposed to interest rate risk and the risk of changes in the life expectancy for pensioners.

The most recent actuarial valuation of the post-retirement benefit obligations was carried out at 31 December 2024 using the projected unit credit actuarial valuation method.

The post-retirement benefit obligations recognised in the consolidated statement of financial position are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Post-retirement benefit obligations	95,307	89,841
Less: current portion	<u>(6,959)</u>	<u>(6,895)</u>
Non-current portion	<u><u>88,348</u></u>	<u><u>82,946</u></u>

The principal actuarial assumptions utilised as at the end of the reporting period are as follows:

	<b>2024</b>	2023
Discount rate for post-retirement benefits	<b>1.85%</b>	2.90%
Mortality rate	<b>China Insurance Life Mortality Table (2010-2013). CL5 for Male and CL6 for Female</b>	China Insurance Life Mortality Table (2010-2013). CL5 for Male and CL6 for Female
Total military welfare expense growth rate	<b>6.00%</b>	6.00%
Growth rate of work-related injury and living expenses	<b>2.50%</b>	2.50%

A quantitative sensitivity analysis for significant assumptions at the end of the reporting period is shown below:

	<b>Increase in rate %</b>	<b>Increase/ (decrease) in post-retirement benefit obligations RMB'000</b>	<b>Decrease in rate %</b>	<b>Increase/ (decrease) in post-retirement benefit obligations RMB'000</b>
<b>2024</b>				
Discount rates for post-retirement benefits	<b>0.25</b>	<b>(2,580)</b>	<b>0.25</b>	<b>2,696</b>
Annual increase rate of military welfare expense	<b>0.25</b>	<b>848</b>	<b>0.25</b>	<b>(817)</b>
Annual increase rate of work-related injury and living expenses	<b>0.25</b>	<b>6</b>	<b>0.25</b>	<b>(6)</b>
		<b>Increase/ (decrease) in post-retirement benefit obligations RMB'000</b>		<b>Increase/ (decrease) in post-retirement benefit obligations RMB'000</b>
<b>2023</b>				
Discount rates for post-retirement benefits	0.25	(2,361)	0.25	2,465
Annual increase rate of military welfare expense	0.25	722	0.25	(696)
Annual increase rate of work-related injury and living expenses	0.25	7	0.25	(7)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net post-retirement benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



Expected contributions to be made in the future years out of the post-retirement benefit obligations were as follows:

	<b>2024</b>	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	<b>6,959</b>	6,895
Between 2 and 5 years	<b>26,174</b>	26,040
Between 6 and 10 years	<b>28,503</b>	28,603
Over 10 years	<b>63,155</b>	66,211
	<hr/>	<hr/>
Total expected payments	<b>124,791</b>	127,749
	<hr/> <hr/>	<hr/> <hr/>

The average duration of the post-retirement benefit obligations at the end of 2024 was 10.64 years (2023: 10.32 years).

The movements in the post-retirement benefit obligations were as follows:

	<i>RMB'000</i>
1 January 2024	<b>89,841</b>
<i>Pension cost charged to profit or loss:</i>	
Past service cost	<b>1,822</b>
Net interest	<b>2,399</b>
Effect of transfer out	<b>(2,273)</b>
	<hr/>
Subtotal included in profit or loss	<b>1,948</b>
<i>Remeasurement profits in other comprehensive income:</i>	
Changes of the financial assumptions	<b>7,454</b>
Experience adjustments	<b>3,793</b>
	<hr/>
Subtotal included in other comprehensive income	<b>11,247</b>
Benefits settled	<b>(7,729)</b>
	<hr/>
31 December 2024	<b>95,307</b>
	<hr/> <hr/>

	<i>RMB'000</i>
1 January 2023	92,103
<i>Pension cost charged to profit or loss:</i>	
Past service cost	2,102
Net interest	<u>2,760</u>
Subtotal included in profit or loss	4,862
<i>Remeasurement profits in other comprehensive income:</i>	
Changes of the financial assumptions	2,733
Experience adjustments	<u>(2,539)</u>
Subtotal included in other comprehensive income	194
Benefits settled	<u>(7,318)</u>
31 December 2023	<u><u>89,841</u></u>

### 30. SHARE CAPITAL

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Issued and fully paid:		
1,891,539,661 (2023: 1,891,539,661) ordinary shares	<u><b>5,297,254</b></u>	<u>5,297,254</u>

### 31. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

#### *Capital reserve*

The capital reserve mainly comprised: (i) the share-based compensation reserve comprising the fair value of the shares awarded under the share transfer to the management of the Group recognised in accordance with the accounting policy adopted for equity compensation benefits, (ii) the excess/deficiency of the carrying amount of net assets over the purchase consideration for subsidiaries acquired under common control, and (iii) the excess/deficiency of the considerations paid for/received from over the changes in the carrying amounts of non-controlling interests in the acquisitions of further interests in subsidiaries or disposal of partial interests in subsidiaries, respectively.

### ***Statutory reserve***

Pursuant to the relevant laws and regulations and the articles of association of the subsidiaries of the Company in Chinese Mainland, if a subsidiary is registered as a Sino-foreign joint venture, it is required to, at the discretion of the board of directors, transfer a portion of its profits after taxation reported in its statutory financial statements prepared under the applicable PRC accounting standards to the statutory reserve.

If a subsidiary is registered as a wholly-foreign-invested enterprise or a domestic limited liability company, it is required to appropriate 10% of each year's statutory net profits to the statutory reserve according to the PRC accounting standards and regulations (after offsetting previous years' losses) to the statutory reserve. The PRC subsidiary may discontinue the contribution when the aggregate sum of the statutory reserve is more than 50% of its registered capital. Upon contribution to the statutory reserve using its post-tax profit, a company may make further contributions to the statutory reserve using its post-tax profit in accordance with a resolution of the board of directors. The appropriation to statutory and discretionary reserves must be made before distribution of dividends to owners. These reserves shall only be used to make up for previous years' losses, to expand production operations, or to increase the capital of the PRC subsidiary. The statutory reserve can be transferred to paid-in capital, provided that the balance of the statutory reserve after such transfer is not less than 25% of its registered capital.

### ***Exchange fluctuation reserve***

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with a functional currency other than RMB.

### ***Share-based compensation reserve***

The share-based compensation reserve of the Group comprises the recognition of the equity-settled share-based payments under the Share Option Scheme for share options which are yet to be exercised. The amount will either be transferred to the share capital account or shares held for the share award scheme when the related share options are exercised or awards are vested.

### ***General and regulatory reserve***

The Group maintains a general reserve within equity, through the appropriation of profit, which sets aside to guard against losses on risk assets.

### ***Special reserve***

The special reserve mainly represents the funds set aside for the purpose of certain safety production activities. Pursuant to certain regulations issued by the State Administration of Work Safety of the PRC and other relevant regulatory bodies, the subsidiary, Yangquan Medical Oxygen Factory, set aside funds mainly for construction service activities at prescribed rates. These funds can be used for maintenance and/or improvements of safety of these activities, and are not available for distribution to shareholders.

## 32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2024	2023
Percentage of equity interest held by non-controlling interest:		
Genertec Universal Huayang Shanxi Healthcare Industry Co.,Ltd.	<b>49.00%</b>	49.00%
Genertec Ansteel Hospital Management Co., Ltd.	<b>48.85%</b>	48.85%
	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
Profit for the year allocated to non-controlling interests:		
Genertec Universal Huayang Shanxi Healthcare Industry Co., Ltd.	<b>13,516</b>	15,147
Genertec Ansteel Hospital Management Co., Ltd.	<b>38,408</b>	32,661
Accumulated balances of non-controlling interests at the reporting dates:		
Genertec Universal Huayang Shanxi Healthcare Industry Co., Ltd.	<b>688,892</b>	675,280
Genertec Ansteel Hospital Management Co., Ltd.	<b>630,064</b>	597,150

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	<b>Genertec Universal Huayang Shanxi Healthcare Industry Co., Ltd. RMB'000</b>	<b>Genertec Ansteel Hospital Management Co., Ltd. RMB'000</b>
<b>2024</b>		
Revenue	<b>855,260</b>	<b>939,876</b>
Total expenses	<b>827,677</b>	<b>861,249</b>
Profit for the year	<b>27,583</b>	<b>78,627</b>
Total comprehensive income for the year	<b>27,583</b>	<b>67,380</b>
Current assets	<b>1,330,701</b>	<b>769,095</b>
Non-current assets	<b>586,134</b>	<b>825,174</b>
Current liabilities	<b>(505,155)</b>	<b>(204,032)</b>
Non-current liabilities	<b>(5,777)</b>	<b>(99,027)</b>
Net cash flows from operating activities	<b>70,485</b>	<b>130,461</b>
Net cash flows used in investing activities	<b>(14,407)</b>	<b>(117,306)</b>
Net cash flows used in financing activities	<b>-</b>	<b>(780)</b>
Net increase in cash and cash equivalents	<b>56,078</b>	<b>12,375</b>

	Genertec Universal Huayang Shanxi Healthcare Industry Co., Ltd.	Genertec Ansteel Hospital Management Co., Ltd.
2023	RMB'000	RMB'000
Revenue	898,661	915,157
Total expenses	867,750	849,839
Profit for the year	30,911	65,318
Total comprehensive income for the year	<u>30,911</u>	<u>65,123</u>
Current assets	1,240,021	759,581
Non-current assets	620,134	770,835
Current liabilities	(473,829)	(211,365)
Non-current liabilities	<u>(8,205)</u>	<u>(95,220)</u>
Net cash flows from operating activities	35,072	92,787
Net cash flows used in investing activities	(8,545)	(94,773)
Net cash flows used in financing activities	<u>—</u>	<u>(948)</u>
Net increase/(decrease) in cash and cash equivalents	<u>26,527</u>	<u>(2,934)</u>

### 33. BUSINESS COMBINATIONS

The acquisition of subsidiaries accounted for as business combinations is set out as follows:

On 1 March 2024, Genertec Universal Medical Technology Services (Tianjin) Co., Ltd., a wholly-owned subsidiary of the Group, acquired a 60.00% equity interest in Shandong Tuozhuang Medical Technology Co., Ltd. at a consideration of RMB82,500,000.

On 1 May 2024, Genertec Universal Medical Technology Services (Tianjin) Co., Ltd., a wholly-owned subsidiary of the Group, acquired a 70.00% equity interest in Beijing Zhongtaihe Medical Equipment Co., Ltd. at a consideration of RMB49,000,000.

On 1 June 2024, Universal Yuegu Medical Technology (Tianjin) Co., Ltd., a wholly-owned subsidiary of the Group, acquired 100.00% equity interests in Zhengzhou Yuegu Hospital Co., Ltd., Xinyang Yuegu Hemodialysis Service Management Co., Ltd., Xinmi Yuegu Hemodialysis Service Management Co., Ltd., Chifeng Yuegu Medical Service Co., Ltd. and Laiyang Yuegu Hemodialysis Co., Ltd. at a consideration of RMB22,112,000.

On 20 September 2024, Genertec Universal Hospital Investment & Management (Tianjin) Co., Ltd. (“Hospital Investment Co., Ltd.”), a wholly-owned subsidiary of the Group, acquired 41.20% equity interests in Shandong University of Traditional Chinese Medicine Affiliated Ophthalmology Hospital at a consideration of RMB133,596,000. According to the articles of association of Shandong University of Traditional Chinese Medicine Affiliated Ophthalmology Hospital, the Group held the majority of seats in the board of directors of Shandong University of Traditional Chinese Medicine Affiliated Ophthalmology

Hospital, and led their major financial and operating decisions. Therefore, the Group had substantial control over Shandong University of Traditional Chinese Medicine Affiliated Ophthalmology Hospital and included it in the scope of consolidation as a subsidiary.

On 1 October 2024, China Universal Leasing Co., Ltd., a wholly-owned subsidiary of the Company, acquired 51.00% equity interests in Shandong Jb Softinfo Technology Co., Ltd. at a consideration of RMB198,900,000.

The Group implemented the integrated management of Sichuan Huankang Hospital Management Co., Ltd. (“Sichuan Huankang”) and Staff Hospital of China MCC 19 Group Co., Ltd. (“China MCC19 Group Hospital”) in order to promote the complementary advantages and synergistic development of the hospitals in Panzihua area. On 1 January 2024, Hospital Investment Co., Ltd. contributed China MCC19 Group Hospital as additional capital to Sichuan Huankang, which resulted in an increase in the equity interests from 53.30% to 61.28%. On 31 October 2024, the Group reached a mutual agreement with the shareholders of Sichuan Huankang, under which the Group can make the major financial and operation decisions for Sichuan Huankang. Therefore, the Group has substantial control over Sichuan Huankang. Upon completion of the transaction, Sichuan Zhongqi Health Industry Co., Ltd., a wholly-owned subsidiary of Sichuan Huankang, is the promoter of Pangang Group General Hospital and Pangang Group Chengdu Hospital. The Group includes Sichuan Huankang and its subsidiaries in the scope of consolidation as subsidiaries.

The fair values of the identifiable assets and liabilities of all the subsidiaries acquired during the period as at the date of acquisition were as follows:

	<b>Fair value recognised on acquisition RMB'000</b>
<b><u>Assets</u></b>	
Property, plant and equipment (Note 12)	731,989
Right-of-use assets (Note 13(a))	232,884
Investment properties	19,299
Investments in associates and joint venture	7,804
Contract assets	2,943
Deferred tax assets (Note 28)	7,650
Cash and cash equivalents	93,349
Loans and accounts receivables	558,824
Prepayments, other receivables and other assets	601,763
Receivable of consideration to be paid as capital injection	179,089
Inventories	115,858
Restricted deposits	360,709
Financial assets at fair value through profit or loss	215,604
Other intangible assets (Note 15)	<u>76,665</u>
Total assets	<u>3,204,430</u>

	<b>Fair value recognised on acquisition</b> <i>RMB'000</i>
<b><u>Liabilities</u></b>	
Trade and bills payables	279,826
Other payables and accruals	667,132
Interest-bearing bank loans	133,057
Lease liabilities (Note 13(b))	48,349
Tax payable	1,182
Deferred tax liabilities (Note 28)	<u>14,579</u>
 Total liabilities	 <u>1,144,125</u>
 Total identifiable net assets at fair value	 2,060,305
Non-controlling interests	(872,534)
Goodwill on acquisition	94,458
Gain on bargain purchase	<u>(31,926)</u>
	<i>RMB'000</i>
Purchase consideration transferred	1,250,303
Including:	
Consideration paid as additional capital injection to the subsidiaries after acquisition	131,500
Consideration unpaid as additional capital injection to the subsidiaries after acquisition	47,589
Consideration paid upon acquisition	332,496
Consideration to be paid after acquisition	22,112
Investments in a joint venture	<u>716,606</u>
 Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiaries included in cash flows from investing activities	93,349
Cash paid	<u>332,496</u>
 Net outflow of cash and cash equivalents include in cash flows from investing activities	 <u>(239,147)</u>
 Transaction costs of the acquisition included in cash flows from operating activities	 <u>1,306</u>

If the acquisition had taken place at the beginning of the year, the revenue of the Group for the year would have been RMB14,954,476,000 and the net profit of the Group for the year would have been RMB2,279,654,000.

The fair values of the loans and accounts receivables and prepayments, other receivables and other assets as at the dates of acquisitions amounted to RMB558,824,000 and RMB601,763,000, respectively. The gross contractual amount of loans and accounts receivables was RMB603,066,000, of which RMB44,242,000 was expected to be uncollectible. The gross contractual amount of prepayments, other receivables and other assets was RMB608,097,000, of which RMB6,334,000 was expected to be uncollectible.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining their assets and activities with those of the Group. The goodwill is not deductible for income tax purposes.

The Group incurred transaction costs of RMB1,306,000 for these acquisitions. These transaction costs have been expensed and are included in other expenses in the consolidated statement of profit or loss.

### 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB396,845,000 (2023: RMB33,357,000) and RMB1,024,676,000 (2023: RMB33,357,000), respectively, in respect of lease arrangements for property.

During the year, there was no trade payables reclassified by the Group to interest-bearing bank and other borrowings in respect of the supplier finance arrangements (2023: nil).

#### (b) Changes in liabilities arising from financing activities

	Bank and other loans <i>RMB'000</i>	Bonds <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Due to related parties <i>RMB'000</i>	Convertible bonds <i>RMB'000</i>
At 1 January 2024	26,415,315	15,438,864	330,163	4,445,739	1,019,519
Proceeds from new borrowings	27,885,757	14,929,220	–	1,400,000	–
Increase arising from acquisition of subsidiaries	133,057	–	48,349	–	–
New leases	–	–	1,024,676	–	–
Foreign exchange movement	145,781	853,612	–	21,140	43,528
Repayment of borrowings	(26,469,389)	(11,576,800)	(178,121)	(3,529,199)	–
Disposals of a subsidiary	–	–	(452)	–	–
Revision of a lease term arising from a change in the non- cancellable period of a lease	–	–	(391)	–	–
Interest expense	26,336	5,573	37,156	–	15,348
Interest paid	–	–	(3,028)	–	(16,968)
Redeemed	–	–	–	–	(425,976)
Disposals	–	–	(3,855)	–	–
At 31 December 2024	<u>28,136,857</u>	<u>19,650,469</u>	<u>1,254,497</u>	<u>2,337,680</u>	<u>635,451</u>



	Bank and other loans <i>RMB'000</i>	Bonds <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Due to related parties <i>RMB'000</i>	Convertible bonds <i>RMB'000</i>
At 1 January 2023	24,280,248	16,565,306	989,927	4,092,920	982,982
Proceeds from new borrowings	26,718,710	16,263,030	1,450,000	2,529,199	–
Increase arising from acquisition of subsidiaries	15,000	–	14,137	–	–
New leases	–	–	33,357	–	–
Foreign exchange movement	61,324	–	–	23,383	16,778
Repayment of borrowings	(24,707,477)	(17,396,500)	(2,166,796)	(2,200,000)	–
Revision of a lease term arising from a change in the non- cancellable period of a lease	–	–	5,390	–	–
Interest expense	47,510	7,028	62,913	237	40,774
Interest paid	–	–	(58,765)	–	(21,015)
At 31 December 2023	<u>26,415,315</u>	<u>15,438,864</u>	<u>330,163</u>	<u>4,445,739</u>	<u>1,019,519</u>

**(c) Total cash outflow for leases**

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

	<b>2024</b> <b><i>RMB'000</i></b>	<b>2023</b> <b><i>RMB'000</i></b>
Within operating activities	<b>26,571</b>	35,836
Within financing activities	<b>181,149</b>	2,225,561
	<b><u>207,720</u></b>	<b><u>2,261,397</u></b>

**35. PLEDGE OF ASSETS**

Details of the Group's assets pledged for the Group's bank loans are included in notes 20, 22 and 26 to the financial statements.

### 36. COMMITMENTS

The Group had the following contractual commitments and credit commitments at the end of the reporting period:

#### (a) Capital commitments

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Contracted, but not provided for	<u>583,684</u>	<u>864,754</u>

#### (b) Credit commitments

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Credit commitments	<u>2,639,324</u>	<u>2,069,000</u>

Credit commitments represent undrawn finance lease facilities agreed and granted to customers. They are conditionally revocable commitments.

### 37. OTHER EQUITY INSTRUMENTS

China Universal Leasing Co., Ltd (“CULC”), a wholly-owned subsidiary of the Group, issued the first tranche of the bonds (the “2023 T1 Bonds”) of the renewable corporate bond with a total principal amount of RMB300,000,000, with a basic term of two years from 27 March 2023. The 2023 T1 Bonds are with an initial distribution rate of 4.80% per annum. The issue price is RMB100 per bond, which is equal to 100% of the principal value of the 2023 T1 Bonds.

CULC issued the second tranche of the bonds (the “2023 T2 Bonds”) of the renewable corporate bond with a total principal amount of RMB600,000,000, with a basic term of two years from 29 June 2023. The 2023 T2 Bonds are with an initial distribution rate of 4.30% per annum. The issue price is RMB100 per bond, which is equal to 100% of the principal value of the 2023 T2 Bonds.

CULC issued the third tranche of the bonds (the “2023 T3 Bonds”) of the renewable corporate bond with a total principal amount of RMB500,000,000, with a basic term of one year from 7 September 2023. The 2023 T3 Bonds are with an initial distribution rate of 3.38% per annum. The issue price is RMB100 per bond, which is equal to 100% of the principal value of the 2023 T3 Bonds. The 2023 T3 Bonds have been fully redeemed on 5 September 2024.

CULC issued the first tranche of the notes (the “2023 T1 Notes”) of the perpetual medium-term notes with a total principal amount of RMB250,000,000, with a basic term of two years from 27 December 2023. The 2023 T1 Notes are with an initial distribution rate of 3.75% per annum. The issue price is RMB100 per note, which is equal to 100% of the principal value of the 2023 T1 Notes.

CULC issued the first tranche of the bonds (the “2024 T1 Bonds”) of the renewable corporate bond with a total principal amount of RMB500,000,000, with a basic term of three years from 18 April 2024. The 2024 T1 Bonds are with an initial distribution rate of 2.99% per annum. The issue price is RMB100 per note, which is equal to 100% of the principal value of the 2024 T1 Bonds.

CULC is entitled, at the end of the agreed basic term and each extended period, to an option to extend the term of the bonds. Distributions of the renewable bonds may be paid annually and may be deferred at the discretion of CULC unless a compulsory distribution payment event (including distributions to the shareholders of CULC) has occurred. Following a deferral, arrears of distributions are cumulative. As the Group has no contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group, the Group classified the renewable corporate bonds issued as equity instruments.

For the year ended 31 December 2024, the profits attributable to holders of the renewable corporate bonds based on the applicable distribution rates were RMB72,217,000 (For the year ended 31 December 2023: RMB89,419,000) and the distribution made by the Group to the holders of the renewable corporate bonds was RMB66,475,000 (For the year ended 31 December 2023: RMB78,611,000).

### **38. TRANSFERS OF FINANCIAL ASSETS AND INTERESTS IN THE UNCONSOLIDATED STRUCTURED ENTITIES**

The Group enters into securitisation transactions in the normal course of business whereby it transfers loans and accounts receivables to special purpose entities. These special purpose entities are structured entities established with the narrow and well-defined objectives to provide investors opportunities to invest in those loans and accounts receivables and they generally finance the purchase of the loans and accounts receivables by issuing asset-backed securities to investors. The Group assessed and determined that those structured entities need not be consolidated as the Group has no control over them.

The Group may hold some subordinated tranches of those asset-backed securities and accordingly may retain portions of the risks and rewards of the transferred loans and accounts receivables. The Group would determine whether or not to derecognise the transferred loans and accounts receivables mainly by evaluating the extent to which it retains the risks and rewards of the transferred assets.

During the year ended 31 December 2024, the Group did not transfer loans and accounts receivable to the unconsolidated structured entity, consequently, no such assets were qualified for full derecognition (2023: RMB5,456,000,000).

The Group also transferred loans and accounts receivables to other unconsolidated structured entity, where the Group held some subordinated tranches and hence retained continuing involvement in the transferred assets (i.e. loans and accounts receivables amounting to RMB2,169,000,000 as at 31 December 2021). As a result, as at 31 December 2024, the Group did not hold the balance of subordinated tranches of asset-backed securities (2023: RMB201,049,000). The Group did not provided liquidity support (2023: RMB108,450,000) to the unconsolidated structured entity. In addition, the balances of continuing involvement in transferred assets and associated liabilities both amounted to nil (2023: RMB309,499,000), which approximate the maximum exposure to losses from its involvement in such securitisation arrangement and the unconsolidated structured entity.

During the year ended 31 December 2024, there was no securitisation transactions and no losses recognised by the Group (2023: RMB1,624,000) from transfers of loans and accounts receivables.

### **39. EVENTS AFTER THE REPORTING PERIOD**

There was no material subsequent event undertaken by the Group after 31 December 2024.

## PERFORMANCE OVERVIEW

	For the year ended 31 December				
	2024	2023	2022* <sup>4</sup>	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating Results</b>					
<b>Income</b>	<b>13,663,485</b>	13,650,203	12,073,172	9,914,273	8,521,238
Healthcare business income <sup>*1/2</sup>	<b>8,488,276</b>	7,832,842	6,372,252	4,608,377	3,623,001
Finance business income <sup>*1/2</sup>	<b>5,227,167</b>	5,882,032	5,721,203	5,307,546	4,899,669
<b>Cost of sales</b>	<b>(9,071,645)</b>	(9,078,344)	(7,578,878)	(5,714,834)	(4,967,263)
Cost of healthcare business <sup>*2</sup>	<b>(7,086,495)</b>	(6,763,527)	(5,581,491)	(4,022,583)	(3,243,661)
Cost of finance business <sup>*2</sup>	<b>(2,199,061)</b>	(2,576,827)	(2,212,900)	(1,829,066)	(1,840,231)
<b>Profit before tax</b>	<b>2,907,119</b>	2,866,213	2,703,274	2,691,808	2,365,014
<b>Profit for the year</b>	<b>2,258,334</b>	2,199,072	2,085,948	2,030,469	1,813,910
Profit for the year attributable to owners of the parent	<b>2,031,740</b>	2,020,918	1,888,417	1,835,233	1,647,537
<b>Basic earnings per share (RMB)</b>	<b>1.07</b>	1.07	1.00	0.99	0.96
<b>Diluted earnings per share (RMB)<sup>*3</sup></b>	<b>1.02</b>	0.99	0.93	0.91	0.96
<b>Profitability Indicators</b>					
Return on total assets <sup>(1)</sup>	<b>2.71%</b>	2.80%	2.84%	3.09%	3.04%
Return on equity <sup>(2)</sup>	<b>12.37%</b>	13.63%	13.95%	15.37%	16.26%
Net interest margin <sup>(3)</sup>	<b>3.58%</b>	3.16%	3.67%	4.40%	4.27%
Net interest spread <sup>(4)</sup>	<b>3.01%</b>	2.64%	3.24%	3.91%	3.72%

\*1 After taxes and surcharges

\*2 Before inter-segment offset

\*3 The potential dilutive shares of the Company include the shares to be issued under the share option scheme and the shares convertible from the convertible bonds

\*4 The Company adjusted the relevant financial statements for the year of 2022 retrospectively due to the business combinations under common control

(1) Return on total assets = profit for the year/average balance of assets at the beginning and end of the year;

(2) Return on equity = profit for the year attributable to owners of the parent/average balance of equity attributable to owners of the parent at the beginning and end of the year;

(3) Net interest margin = net interest income/average balance of interest-earning assets;

(4) Net interest spread = average yield of interest-earning assets – average cost rate of interest-bearing liabilities. Average balance of interest-earning assets is calculated based on the average balance of net lease receivables and factoring receivables before provision as at each month end within the reporting period; average balance of interest-bearing liabilities is calculated based on the average balance of bank and other borrowings and lease deposits as at each month end within the reporting period.

	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2021 RMB'000	31 December 2020 RMB'000
<b>Assets and Liabilities</b>					
Total assets	<b>86,032,295</b>	80,344,744	76,980,328	69,899,801	61,511,013
Net interest-earning assets	<b>71,277,419</b>	67,348,585	65,233,831	61,127,607	54,650,222
Total liabilities	<b>63,162,550</b>	59,976,786	57,259,507	52,276,546	46,545,678
Interest-bearing bank and other borrowings	<b>52,014,954</b>	47,649,600	46,911,383	44,172,571	39,981,341
Total equity	<b>22,869,745</b>	20,367,958	19,720,821	17,623,255	14,965,335
Equity attributable to owners of the parent	<b>17,175,729</b>	15,677,741	13,980,382	13,103,989	10,770,514
Net assets per share (RMB)	<b>9.08</b>	8.29	7.39	7.05	6.28
<b>Financial Indicators</b>					
Debt ratio <sup>(1)</sup>	<b>73.42%</b>	74.65%	74.38%	74.79%	75.67%
Gearing ratio <sup>(2)</sup>	<b>2.27</b>	2.34	2.38	2.51	2.67
Current ratio <sup>(3)</sup>	<b>1.16</b>	1.02	1.06	1.33	0.94
<b>Asset Quality</b>					
Non-performing assets ratio <sup>(4)</sup>	<b>0.99%</b>	0.98%	0.99%	0.98%	1.00%
Provision coverage ratio <sup>(5)</sup>	<b>301.86%</b>	284.55%	263.11%	238.29%	205.52%
Write-off of non-performing assets ratio <sup>(6)</sup>	<b>10.43%</b>	0.00%	7.00%	0.00%	9.34%
Ratio of overdue interest-earning assets (over 30 days) <sup>(7)</sup>	<b>0.97%</b>	0.89%	0.86%	0.76%	0.94%

<sup>(1)</sup> Debt ratio = total liabilities/total assets;

<sup>(2)</sup> Gearing ratio = interest-bearing bank and other borrowings/total equity;

<sup>(3)</sup> Current ratio = current assets/current liabilities;

<sup>(4)</sup> Non-performing assets ratio = non-performing assets/net interest-earning assets;

<sup>(5)</sup> Provision coverage ratio = Provision for interest-earning assets/non-performing assets;

<sup>(6)</sup> Write-off of non-performing assets ratio = written-off assets/non-performing assets at the end of the previous year;

<sup>(7)</sup> Ratio of overdue interest-earning assets (over 30 days) is calculated based on net interest-earning assets which are more than 30 days overdue divided by net interest-earning assets.

## MANAGEMENT DISCUSSION AND ANALYSIS

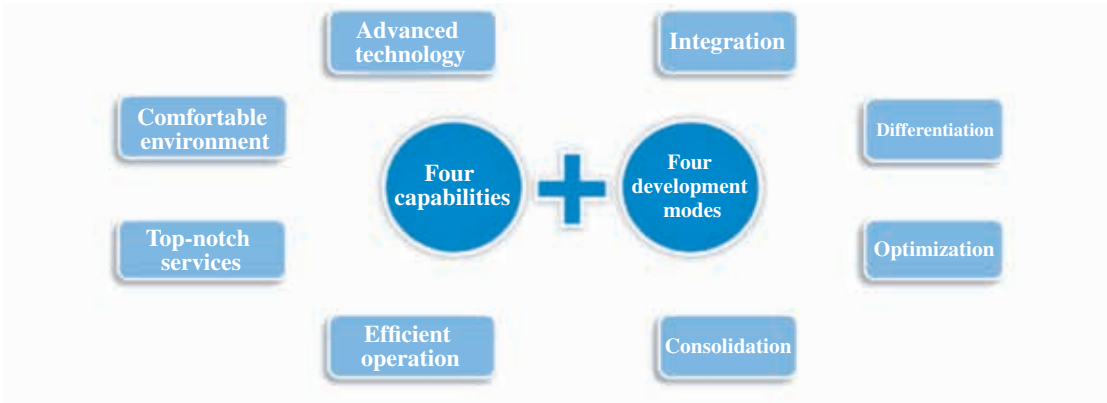
### 1. BUSINESS REVIEW

Universal Medical is a medical and healthcare business group controlled by a central state-owned enterprise. As of 31 December 2024, the Group (i) operated 73 medical institutions, and provided the public with quality medical services; (ii) provided healthcare technology businesses such as life cycle management of medical care equipment, and intelligent medical health and elder care; and (iii) offered clients comprehensive financial solutions centered on finance leasing.

In 2024, the international environment was complicated and ever-changing, and the domestic reform tasks were difficult and arduous, while the PRC economy was characterised with stable foundation, numerous strengths, remarkable resilience and great potential. The dominating trend of a sound Chinese economy for the long term and the elements supporting it remained unchanged. The Group expanded its footprint in the healthcare sector and comprehensively deepened its reform and management, officially formed a business landscape of “Finance + Integrated healthcare + Specialised medical care + Healthcare technology”, achieved new breakthrough in capability building and realised new progress in high-quality development. In 2024, the Group’s overall operation was stable and improving and its business structure was further optimised. The Group recorded a revenue of RMB13,663.5 million in total, up by 0.1% as compared to the previous year. In particular, the healthcare business recorded a revenue of RMB8,488.3 million, up by 8.4% as compared to the previous year, with its proportion to the total revenue increasing to 62.1%; the Group recorded a profit for the year of RMB2,258.3 million, up by 2.7% as compared to the previous year, of which, the healthcare business contributed RMB522.2 million, up by 15.0% as compared to the previous year, accounting for 23.1% of the profit for the year. The Group recorded a profit attributable to owners of the parent of RMB2,031.7 million, up by 0.5% as compared to the previous year; and the Group recorded a return on total assets (ROA) of 2.71% and a return on equity attributable to ordinary shareholders (ROE) of 12.37%. The indicators of income and the assets conditions demonstrated a steady performance.

**1.1 Integrated healthcare business**

Medical institutions are not only our core resources to build a healthcare business conglomerate, but also the R&D and training center of the Group’s specialised medical care, as well as the project cultivation and commercialisation pool and the sharing center for basic resources and practice of the healthcare technology units. With respect to the integrated healthcare business segment, the Group focuses on serving the “Healthy China” strategy, adheres to the concept of “Patient-centered” quality medical services, builds up the four capabilities of “advanced technology, comfortable environment, top-notch services and efficient operation”, and sticks to the four development modes of “integration, differentiation, optimization and consolidation”, so as to comprehensively strengthen its healthcare service capability and competitiveness as well as to create a new model of high-quality central state-owned medical group.



As of 31 December 2024, the Group had 65 consolidated integrated medical institutions (including 5 Grade III Class A hospitals, 1 Grade III specialised hospital and 30 Grade II hospitals), with a capacity of 15,832 beds in total (excluding the over 2,500 beds to be built in our planning currently). In 2024, the medical institutions operated by the Group achieved new breakthroughs in transformation and upgrade, further improving its healthcare service standard, continuously consolidating its position as an emerging force in promoting national health and achieving continuous growth in overall operation results and the volume of medical services.

*In terms of financial performance:*

The results contributions of the consolidated integrated medical institutions were included in the “Integrated healthcare business” segment under the “Healthcare business” segment in the Group’s financial report. In 2024, faced with the external impacts such as reform on medical insurance payment methods and continuous promotion of centralised procurement of medical supplies, the Group made strenuous efforts to improve quality and efficiency of integrated healthcare services, and achieved steady improvement in business scale and operating efficiency. It contributed to the Group a revenue of RMB7,613.0 million for the year, down by 0.3% as compared to the previous year; recorded a profit for the year of RMB473.5 million in total, up by 12.5% as compared to the previous year.

*In terms of operation performance:*

In 2024, the Group recorded patient visits of approximately 10.414 million in aggregate of its 65 consolidated integrated medical institutions, up by 4.5% as compared to the previous year; and the number of surgeries increased by 13.3% on a year-on-year basis to over 0.106 million. During the reporting period, medical business income amounted to RMB7,901.4 million in total, and income per bed amounted to approximately RMB0.5 million, of which income per bed of Grade III Class A hospitals was approximately RMB0.65 million. A detailed description of operation performance is as follows:

- Drive business quality and efficiency enhancement by exploring disease-type based refined management

The Group gradually built a differentiated outpatient service pattern by implementing all-year-round and extended hours outpatient services, as well as specialist clinics and specialised outpatient services. Our overall outpatient and emergency visits in 2024 reached 9.286 million, representing a year-on-year increase of 4.3%. We continue to improve diagnosis and treatment capabilities, especially surgical technology, and vigorously promote seasonal healthcare programs, traditional Chinese medicine (TCM), rehabilitation and other appropriate technologies, leading to remarkable increases in surgery income, treatment income and revenue from herbal medicine. We also explore standardised disease-type based diagnosis and treatment, map out science-based, effective, reasonable and unified clinical pathway, so as to optimise utilisation of medical resources and enhance operating efficiency while ensuring effective treatment and service quality. The proportion of the overall effective medical revenue in 2024 increased by 2 percentage points, among which, the proportion of revenue from healthcare services increased by 1.8 percentage points, leading to significant optimisation in business structure.



- Improve operation efficiency through accelerating bed turnover

With the new beds gradually putting into use, the Group continued to optimise diagnosis and treatment service procedures and admission and discharge management process by taking lean management concept as support, and encourage the initiative of doctors and improve resource utilisation through implementing special programs such as the responsibility system of attending doctor and the hospital-wide bed allocation system. In 2024, the total number of discharged patients reached 0.521 million, representing a year-on-year increase of 6.2%, the bed utilisation rate increased to 90.0% from 89.0%, and the average length of stay per visit was further reduced to within 10 days, achieving significant improvement in operation efficiency.

- Boost medical balance by strengthening cost control

Faced with multiple challenges including increasing depreciation and amortisation expenses and rising labor cost due to investment in new construction projects, the Group started from the control of variable costs by focusing on management and control of medicine and consumables, carried out special actions to control the cost of the medicine and consumables and achieved remarkable results. The overall proportion of medicine and consumables costs to revenue was reduced by 3 percentage points as compared to the previous year, thus vigorously elevating the risk resistance capacity and sustainable development capabilities of our medical institutions.

In the context of deepening healthcare reform with stricter regulation in medical and healthcare industry, as the “Second National Team” of China’s public health system, the Group will stay committed to the public welfare positioning of central state-owned enterprises in running medical care, proactively integrate into the national healthcare service system and increase presence in the local healthcare development strategies. Focusing on discipline building, scientific research and innovation, talent cultivation, environment and service improvement, we strive to meet the people’s increasing needs for medical and healthcare services and create greater social value.

① The geographical location of consolidated integrated medical institutions as of 31 December 2024

Province	Grade III hospitals	Grade II hospitals	Others (note)	Total
Shaanxi	2*	8	9	19
Shanxi	1	5	3	9
Sichuan	1	4	1	6
Anhui	1	2	4	7
Liaoning	1	1	1	3
Hebei		5	3	8
Henan		1	2	3
Shandong		1		1
Hunan		1		1
Jiangsu		1		1
Shanghai		1		1
Zhejiang			1	1
Chongqing			1	1
Beijing			4	4
Total	<u>6</u>	<u>30</u>	<u>29</u>	<u>65</u>

\* Xianyang Caihong Hospital (咸陽彩虹醫院) was upgraded as Grade III specialised hospital in August 2024 and officially implemented Grade III hospital pricing in 2025.

② The operating performance of the consolidated integrated medical institutions during the relevant periods

2024

Medical institution	Capacity	Patient visits			Medical business income (RMB ten thousand)				Average index		
		Outpatient and emergency visits	Discharged	Visits for medical examination	Outpatient and emergency income	Inpatient income	Medical examination income	Total medical business income (including financial subsidy income)	Income per bed (RMB ten thousand)	Outpatient fee per visit (RMB)	Inpatient fee per visit (RMB)
Grade III hospitals	5,564	3,833,001	239,488	301,518	121,181	220,255	17,969	360,344	65	316	9,197
Grade II hospitals	9,166	4,127,888	264,961	721,146	116,832	232,517	19,974	368,973	40	283	8,776
Others (note)	1,102	1,325,267	16,629	105,439	42,919	9,259	2,712	60,825	55	324	5,568
<b>Total</b>	<b>15,832</b>	<b>9,286,156</b>	<b>521,078</b>	<b>1,128,103</b>	<b>280,932</b>	<b>462,031</b>	<b>40,656</b>	<b>790,142</b>	<b>50</b>	<b>303</b>	<b>8,867</b>
Grade III (excluding Caihong)	5,044	3,303,846	212,884	238,308	105,799	205,513	15,379	327,629	65	320	9,654

2023

Medical institution	Capacity	Patient visits			Medical business income (RMB ten thousand)				Average index		
		Outpatient and emergency visits	Discharged	Visits for medical examination	Outpatient and emergency income	Inpatient income	Medical examination income	Total medical business income (including financial subsidy income)	Income per bed (RMB ten thousand)	Outpatient fee per visit (RMB)	Inpatient fee per visit (RMB)
Grade III hospitals	5,515	3,841,836	226,183	302,934	121,704	221,761	16,564	361,061	65	317	9,804
Grade II hospitals	8,901	3,828,249	247,308	637,371	117,974	222,565	16,522	358,585	40	308	9,000
Others (note)	1,167	1,233,345	17,090	124,034	48,341	9,715	2,309	65,546	56	392	5,685
<b>Total</b>	<b>15,583</b>	<b>8,903,430</b>	<b>490,581</b>	<b>1,064,339</b>	<b>288,019</b>	<b>454,041</b>	<b>35,395</b>	<b>785,191</b>	<b>50</b>	<b>323</b>	<b>9,255</b>
Grade III (excluding Caihong)	5,020	3,237,146	199,766	249,751	103,982	205,577	14,497	325,088	65	321	10,291

2022

Medical institution	Capacity	Patient visits		Medical business income (RMB ten thousand)				Average index			
		Outpatient and emergency visits	Discharged	Visits for medical examination	Outpatient and emergency income	Inpatient income	Medical examination income	Total medical business income (including financial subsidy income)	Income per bed (RMB ten thousand)	Outpatient fee per visit (RMB)	Inpatient fee per visit (RMB)
Grade III hospitals	5,284	6,183,455	187,941	288,542	120,837	193,202	13,308	330,201	62	195	10,280
Grade II hospitals	9,145	4,892,747	204,628	676,597	125,697	188,047	16,433	331,288	36	257	9,190
Others (note)	1,136	973,734	12,779	119,895	40,711	8,052	1,621	56,588	50	418	6,301
Total	<u>15,565</u>	<u>12,049,936</u>	<u>405,348</u>	<u>1,085,034</u>	<u>287,244</u>	<u>389,301</u>	<u>31,362</u>	<u>718,076</u>	<u>46</u>	<u>238</u>	<u>9,604</u>

Note: Including Grade I hospitals, community service centers and other non-rated medical institutions

\* Outpatient and emergency visits for 2022 have taken into account the impact of nucleic acid visits

## 1.2 Specialised medical care business

While developing integrated healthcare business, the Group has adhered to the development direction of specialisation, chain operation and industrialisation. Centered around the specialised medical care fields of ophthalmology, rehabilitation, nephrology, TCM and ethnomedicine, the Group made strenuous efforts in building flagship hospitals, refined its “1+N” business layout, innovated service modes, fostered core capabilities, and extended the value of healthcare. In 2024, the Group gradually improved its specialised healthcare business layout and laid a further solid foundation for the development, of which:

### *Ophthalmology*

The Group strives to give full play to internal financial, resource and management advantages, form a three-tiered service network system consisting of “flagship hospitals – regional centers – ophthalmology department in grass-roots hospitals”, and build up a differentiated service model, so as to provide the people with multi-level and high-quality eye health solutions.

In 2024, the Group acquired Shandong University of Traditional Chinese Medicine Affiliated Ophthalmology Hospital (山東中醫藥大學附屬眼科醫院) (“Shandong Ophthalmology Hospital” or the “Hospital”) and completed the delivery in September, achieving the ground-breaking inclusion of a state-level key specialty to the Group. As a Grade III Class A specialised ophthalmology hospital which integrates medical services, education and research, the Hospital has a capacity of 200 beds. The annual number of surgeries exceeded 20,000, with 60% of the patients are non-residents coming from over 30 provinces and cities and various overseas countries and regions. The Hospital has put in place a sound ophthalmology sub-specialty system which covers cataract, fundus diseases, optic nerve

diseases, refractive surgery, cornea and eye injuries and other ophthalmological diseases, providing patients with life cycle eye health services.

At present, Shandong Ophthalmology Hospital has 14 specialty categories reaching international advanced level, among which, the integrated traditional Chinese and Western medicine in ophthalmology is one of the key integrated traditional Chinese and Western medicine specialties of the National Administration of Traditional Chinese Medicine (國家中醫藥管理局), serving as the chairman unit of the Ophthalmic Specialty Committee of Chinese Association of Integrative Medicine (中國中西醫結合學會眼科專業委員會). The academic research leader, Director Bi Hongsheng (畢宏生), is a National High-level Talent, Qi-Huang Scholar, and a State Council Government Special Allowance Expert. The Hospital cooperates with world-class institutions including Harvard Medical School, undertakes 125 different national key research projects, and has published 574 academic papers in domestic and international authoritative journals. The Hospital has 68 patents and software copyrights, 45 national, provincial and ministerial awards, and 27 national and industry standards. The Hospital has formulated a complete education system in ophthalmology and optometry from undergraduate to postdoctoral research station, built an international faculty team, and cultivated versatile, international, high-level talents.

Looking forward, the Group will continue to strengthen the leading role of Shandong University of Traditional Chinese Medicine Affiliated Ophthalmology Hospital as a flagship hospital, leverage on its national leading ophthalmic diagnosis and treatment capabilities, abundant expert resources, talent training system, academic and scientific research capabilities and hospital brand influence to improve the group development system and layout of ophthalmic medical business, and empower the hospital group to enhance the integrated development of medical service, education, and research in ophthalmology.

### *Rehabilitation*

In accordance with the idea of “regional layout, synergistic development and integrated collaboration”, the Group is committed to developing rehabilitation specialty. In 2024, the Group initially built up the three-tiered rehabilitation management system of “head center – branch center – key hospitals”, strengthened the construction of Shanghai MCC Hospital (上海中冶醫院) as the head center and built it into the Group’s flagship hospital in rehabilitation specialty. Meanwhile, the Group newly built Ma’anshan MCC17 Hospital (馬鞍山十七冶醫院) and Chengdu MCC5 Hospital (成都五冶醫院) as the regional branch centers for medical rehabilitation. In the course of development, the Group relied on advanced technologies, talent development and academic activities to advance the synergistic development of internal rehabilitation specialty, and effectively pushed the significant increase in rehabilitation business by consolidating resources including talents, hospitals, universities and government. In 2024, the integrated healthcare business sector recorded a revenue of RMB601.2 million from rehabilitation specialty, representing a year-on-year increase of 20.2%.

## *Nephrology*

In 2024, the Group's nephrology specialty continued to empower the hospitals operated by the Group to promote the full-course management for kidney diseases, contributing a revenue of RMB317.3 million to the integrated healthcare business segment, which represented an increase of 15.7% as compared to the previous year. In 2024, the nephrology specialty received a total of 12 intellectual property certificates, and was awarded the 2024 ICT China Excellence Case Award (ICT中國(2024)評審案例優秀獎) for the “App for the construction of digital and intelligent platform of full-course management for nephrology specialty” and the silver award of the 1st New Quality Productivity Competition of Private Hospitals in China (首屆中國社會辦醫「新質生產力」大賽) for the “digital full-course healthcare service model to promote high-quality development of the nephrology specialty”.

## *TCM and Ethnomedicine*

The Group proactively explored empowerment models around key disciplines of TCM and ethnomedicine, and consolidated the high-quality resources of central state-owned enterprises in running medical care. In 2024, the Group entered into a strategic agreement with Ananda (阿南達), a national leading expert in traditional Mongolian medicine, with an aim to promote the construction and development of flagship hospitals. Meanwhile, the Group has completed the standardisation construction of 12 TCM hospitals under the integrated healthcare business segment. Furthermore, the Group reached cooperation with Shandong University of Traditional Chinese Medicine (山東中醫藥大學) to jointly explore the specialised development models of TCM hospitals operated by central state-owned medical group.

### **1.3 Healthcare technology business**

The Group will stick to meeting the health needs of the people and boosting the development of new quality productivity in the health field, expanding its business layout around healthcare technology areas such as the life cycle management of medical equipment and intelligent medical health and elder care, introducing advanced technologies and innovative means, cultivating its specialty businesses and core competencies, so as to strive to build the second growth curve. In 2024, the healthcare technology business has become an important component of the Group's health business ecosystem, facilitating continuous improvement in the Group's medical health and elder care service capability.

## *The Life Cycle Management of Medical Equipment*

The Group provides customers with life cycle house-keeping services centered around “Management”, covering the entire process of “Management, Procurement, Maintenance, Utilisation and Repair” (管、採、養、用、修), which effectively improves the operational efficiency and management level of medical equipment, extends equipment lifespan, and helps hospitals to reduce costs, improve quality and increase efficiency. In 2024, equipment life cycle management business of the Group demonstrated a strong development momentum and recorded leapfrog growth in its operating results. It contributed consolidated revenue of RMB697.0 million, representing an increase of 189.9% as compared to the previous year; and recorded profit for the year of RMB86.5 million in aggregate, representing an increase of 145.4% as compared to the previous year.

Since August 2023, the Group has invested in and acquired Casstar Medical Technology Wuxi Co., Ltd. (凱思軒達醫療科技無錫有限公司) (“Casstar”), Shandong Tuo Zhuang Healthcare Technology Co., Ltd. (山東拓莊醫療科技有限公司) (“Shandong Tuo Zhuang”) and Beijing Zhongtaihe Medical Equipment Co., Ltd. (北京眾泰合醫療器械有限公司) (“Beijing ZTH”). The medical equipment life cycle management business has so far built a management system with Genertec Universal Medical Technology Services (Tianjin) Co., Ltd. (通用環球醫療技術服務(天津)有限公司) (“Universal Technology Services”) serving as the operation and management center and with the technology-oriented and business-based subsidiaries including Casstar, Shandong Tuo Zhuang and Beijing ZTH as the operating entities. In 2024, Universal Technology Services made all-round efforts to build its core competitiveness, and leveraged on its internal synergies to promote the comprehensive integration of business, market, technology, procurement, service and digital construction. Universal Technology Services has so far built strategic cooperation relationship with 15 domestic and overseas well-known equipment manufacturers, and served about 1,500 customers across the country with the assets under management of RMB30 billion in aggregate. Its maintenance capabilities cover medical imaging, life emergency, blood dialysis, ultrasound and linear accelerator equipment, etc., which has made it a leader in third-party maintenance of medical equipment industry in China.

Universal Technology Services continued to promote industry development through technology innovation, and was recognised as national high-tech enterprise, provincial innovative small-and-medium enterprise, gazelle enterprise as well as specialised and sophisticated enterprise. Through independent research and development and cooperation with universities and academic institutions, Universal Technology Services has constantly enhanced its technology innovation capability, and currently has over 90 patents, over 120 software copyrights, 29 CNAS certificates, and 8 management system certifications such as ISO13485, 9001, 27001 and 45001. While striving to build up its technology edges, Universal Technology Services deepened collaboration and communication with official associations, established and released three standards for maintenance service enterprises of MRI, CT and endoscope which have been approved by the Medical Industry Branch of

China Association of Plant Engineering (中國設備管理協會醫療行業分會), released a number of high-quality maintenance SOP, and also took a proactive part in the establishment of group standards and national standards, facilitating the standardisation development of third-party maintenance industry.

Through the enhancement of technology capabilities and integration of external advantageous resources, the Group is well positioned to become the leader of the sub-segment and plays a pivotal role in creating a refined operational capability for hospitals to better serve clinical diagnosis and treatment and meet the medical and healthcare needs of the people.

### *Intelligent Medical Health and Elder Care*

In order to actively respond to the ageing of population and serve the silver economy, the Group leverages its 73 medical institutions and 0.016 million beds as a key foundation, and relies on the information platform and the mode of “Finance + Medical care + Health and Elder Care” to build up a leading domestic integrated service provider of medical health and elder care in omni-channel.

In 2024, the Group acquired ShanDong JB Soft & Info Technology Co., Ltd. (山東青島軟通信息技術股份有限公司) (NEEQ: 831718, “JBINFO”), a leading enterprise in the domestic intelligent health and elder care industry, and has taken it as the main operation platform for intelligent medical health and elder care business. JBINFO is a high-tech enterprise which integrates digital intelligence services and medical health and elder care. As one of pilot application demonstration enterprises for national smart health and elder care, JBINFO is also among the first batch pilot enterprises for inclusive elder care service through private-public partnership initiated by National Development and Reform Commission. Listed on the National Equities Exchange and Quotations (NEEQ) in 2015, JBINFO continues to build up a medical health and elder care system with the integration of online and offline services for government, institutions and individuals:

- For government customers, JBINFO developed platforms of intelligent medical health and elder care in omni-channel, integrated technologies such as cloud computing, big data, intelligent Internet of Things, and facilitated the government to monitor in real time the information of medical health and elder care institutions, service personnel and the elderly, thus building the city-level system of intelligent medical health and elder care;
- For medical health and elder care service institutions and corporate customers, JBINFO built the SaaS platform – Hui Yang Tong (匯養通), which covers all scenarios including institution, home-based, seniors residing abroad and apartment services, providing institutions and organisations with one-stop smart management solutions; and

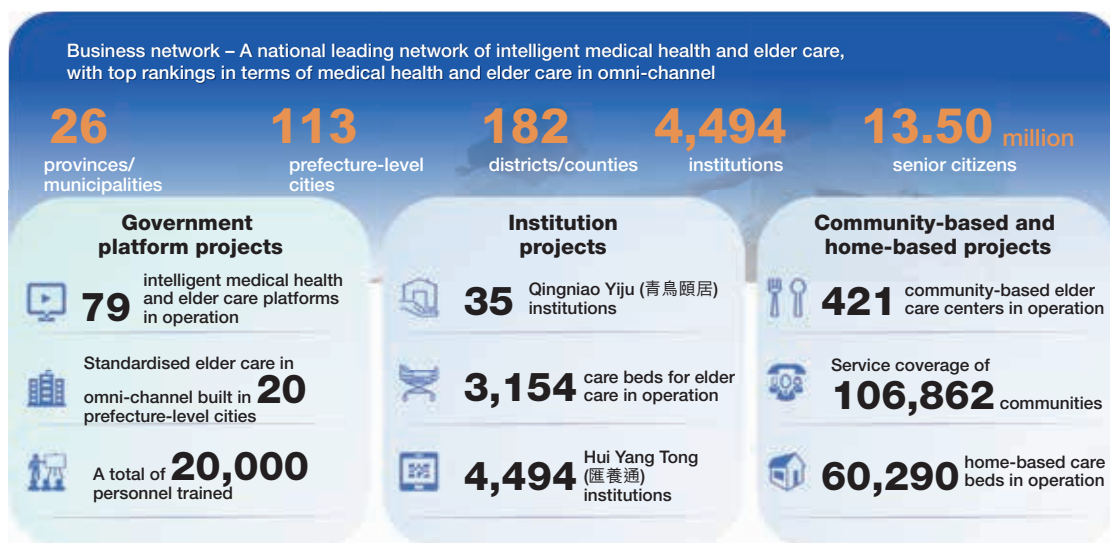


- For individual customers, JBINFO newly launched the home-based intelligent medical health and elder care service platform – Kang Nian Nian (康年年), achieving one-stop door-to-door service by linking up with medical institutions, medical care and elder care service institutions and care facilities.

Furthermore, JBINFO also provided offline comprehensive medical health and elder care services, including medical health and elder care bed services for home-based customers, home-based care services and ageing-friendly renovation services; community-level embedded medical health and elder care service complex and smart elderly-friendly restaurant for community customers; and set up and operated medical health and elder care institution Qingniao Yiju (青鳥頤居), providing the integrated services of care, healthcare, rehabilitation, entertainment, education, etc.

As of the end of 2024, with a market share leading the nation, the service network of JBINFO’s intelligent medical health and elder care business has covered 26 provinces (municipalities), 113 prefecture-level cities and 182 districts/counties nationwide. JBINFO built and operated 79 cloud platforms of intelligent medical health and elder care, provided intelligent medical health and elder care software service to 4,494 medical health and elder care institutions, and operated 35 Qingniao Yiju institutions. In 2024, JBINFO recorded a revenue of RMB446.5 million for the year, and realised profit for the year of RMB20.1 million\*.

\* The 2024 Financial Report of JBINFO has been uploaded to the National Equities Exchange and Quotations (NEEQ) system for Small and Medium-sized Enterprises (SMEs) on 25 March 2025. The data is data prepared in accordance with the Hong Kong accounting standards (HKFRSs), with the revenue after deduction of business taxes and surcharges.



Looking forward, based on the Group's resource advantage of "Medical care + Finance" and JBINFO's management advantage of "Technology + Operation", the Group will actively explore the development mode of deep integration of digital technologies with medical rehabilitation, disease prevention and health and elder care, etc., extend medical and care services of hospitals to communities and homes, and formulate a service system of intelligent medical health and elder care in omni-channel. By doing so, we build a new brand of intelligent medical health and elder care for central state-owned enterprises, contributing to the development of national undertakings for the aged.

#### **1.4 Finance Business**

The Group's finance business mainly focuses on finance lease service, and provides customers with industry and finance integrated services by leveraging on its extensive medical resources and professional equipment management capability. As a stable profit contributor of the Group, the finance business has maintained steady development on the basis of asset security, serving as the cornerstone for the Group's sustainable development and the construction of the universal health ecosystem.

After a decade of rapid development, the finance leasing industry is featured with intensified competition, narrowed profit margins, stricter industry regulation and a clearer focus on serving the real economy and core business areas. Meanwhile, the Group's finance business has stepped into a new phase of structural adjustment and transformation and upgrading in 2024. Revenue from finance business amounted to RMB5,227.2 million in aggregate, representing a decrease of 11.1% as compared to the previous year. Profit for the year amounted to RMB1,747.6 million, representing an increase of 0.2% as compared to the previous year. The average yield of interest-earning assets was 6.74%, representing a decrease of 0.16 percentage point as compared to the previous year, which was mainly due to the impacts of intensified competition for quality projects and the decline in the overall profitability of the industry. The average cost rate of interest-bearing liabilities was 3.73%, representing a decrease of 0.53 percentage point as compared to the previous year, which was mainly due to the Company's proactive efforts in coping with changes in domestic and overseas financing environment, optimisation of the financing structure, continuous improvement of financing capability, enhancement of liquidity management, and effective reduction of capital costs with various measures. The net interest spread was 3.01%, representing an increase of 0.37 percentage point as compared to the previous year; and the net interest margin was 3.58%, representing an increase of 0.42 percentage point as compared to the previous year.

We continued to strengthen asset management while maintaining steady operation, so as to keep good asset quality. As of 31 December 2024, the net interest-earning assets reached RMB71,277.4 million, representing an increase of 5.8% as compared to that at the beginning of the year; the non-performing asset ratio was 0.99%; the overdue ratio (30 days) was 0.97%, and the provision coverage ratio was 301.86%.

In the face of stricter regulation and intensified market competition, we will make steady progress in the transformation and innovation of finance business, and constantly strengthen the supporting role in serving the real economy and core business areas while promoting the steady upgrading of traditional business. We will actively implement the five major financial initiatives and speed up the business transformation to four major directions, namely, medical health and elder care, equipment manufacturing, chemical and pharmaceutical business and innovative business. We will also innovate the mode of “finance lease + life cycle management of medical equipment” which integrates industry and finance, and promote the development of ageing finance and digital financing business by leveraging on the industrial resources, laying a solid foundation for the high-quality sustainable development of the Group.

### ***1.5 Prospect for the coming year***

In 2025, the macro-economy at home and abroad will still face many changes and challenges. The Group will continue to reinforce its commitment to development, facilitate achievement of its objectives under the “14th Five-Year Plan” and outline the new blueprint of its “15th Five-Year Plan”. With medical services as the core, financial services as the support, and healthcare technology as the engine, the Group will give full play to the advantages from the integration of industry and finance, with an aim to build a shared and win-win universal health ecosystem, develop into a trusted world-class medical and healthcare conglomerate and create greater returns for all Shareholders.

## **2. Analysis of Statement of Profit or Loss**

### ***2.1 Overview***

In 2024, in the face of the increasingly severe market competition, the Group adhered to its established business strategies and forged ahead by seizing development opportunities and overcoming all kinds of challenges. The Group continued to move forward in the field of medical and healthcare, and achieved steady and positive improvement in our overall operating results. The Group recorded a revenue of RMB13,663.5 million in total, representing a slight increase as compared to the previous year. Profit before tax was RMB2,907.1 million, representing an increase of 1.4% as compared to the corresponding period of the previous year. Profit for the year attributable to owners of the parent was RMB2,031.7 million, representing an increase of 0.5% as compared to the corresponding period of the previous year.

The following table sets forth the Group's statement of profit or loss for the indicated years:

	<b>For the year ended</b>		% of Change
	<b>31 December</b>		
	<b>2024</b>	2023	
	<b>RMB'000</b>	<b>RMB'000</b>	
<b>Income</b>	<b>13,663,485</b>	13,650,203	0.1%
Cost of sales	<b>(9,071,645)</b>	(9,078,344)	-0.1%
<b>Gross profit</b>	<b>4,591,840</b>	4,571,859	0.4%
Other income and gains	<b>614,514</b>	620,371	-0.9%
Selling and distribution costs	<b>(375,391)</b>	(397,168)	-5.5%
Administrative expenses	<b>(1,333,871)</b>	(1,168,436)	14.2%
Impairment of financial assets	<b>(322,980)</b>	(192,099)	68.1%
Loss on derecognition of financial assets measured at amortised cost	<b>(519)</b>	(1,624)	-68.0%
Financial costs	<b>(50,711)</b>	(39,054)	29.8%
Other expenses	<b>(242,327)</b>	(534,016)	-54.6%
Share of losses of associates	<b>(5,467)</b>	(7,069)	-22.7%
Share of profit of a joint venture	<b>32,031</b>	13,449	138.2%
<b>Profit before tax</b>	<b>2,907,119</b>	2,866,213	1.4%
Income tax expense	<b>(648,785)</b>	(667,141)	-2.8%
<b>Profit for the year</b>	<b>2,258,334</b>	2,199,072	2.7%
<b>Profit for the year attributable to owners of the parent</b>	<b>2,031,740</b>	2,020,918	0.5%
Basic earnings per Share (RMB)	<b>1.07</b>	1.07	0.0%
Diluted earnings per Share (RMB)	<b>1.02</b>	0.99	3.0%

## 2.2 Analysis of Business Revenue

In 2024, the Group recorded revenue of RMB13,663.5 million, among which the healthcare business recorded revenue of RMB8,488.3 million, representing an increase of 8.4% as compared to the corresponding period of the previous year, with its proportion to the total revenue increasing to 62.1%, and the finance business recorded revenue of RMB5,227.2 million, representing a decrease of 11.1% as compared to the corresponding period of the previous year and accounting for 38.3% of the total revenue. The Group recorded gross profit from operations of RMB4,591.8 million, among which the healthcare business recorded gross profit of RMB1,401.8 million, representing an increase of 31.1% as compared to the corresponding period of the previous year and a rise of 7.1 percentage points in proportion from the corresponding period of the previous year, while the finance business recorded gross profit from operations of RMB3,028.1 million, representing a decrease of 8.4% as compared to the corresponding period of the previous year.

The following table sets forth the Group's revenue from the two major business segments:

	<b>For the year ended 31 December</b>				
	<b>2024</b>		<b>2023</b>		
	<i><b>RMB'000</b></i>	<i><b>% of total</b></i>	<i><b>RMB'000</b></i>	<i><b>% of total</b></i>	<i><b>% of Change</b></i>
Healthcare business	<b>8,488,276</b>	<b>62.1%</b>	7,832,842	57.4%	8.4%
Finance business	<b>5,227,167</b>	<b>38.3%</b>	5,882,032	43.1%	-11.1%
Offset	<b>-51,958</b>	<b>-0.4%</b>	(64,671)	-0.5%	-19.7%
<b>Total</b>	<b><u>13,663,485</u></b>	<b><u>100.0%</u></b>	<b><u>13,650,203</u></b>	<b><u>100.0%</u></b>	<b><u>0.1%</u></b>

The following table sets forth the Group's gross profit from the two major business segments:

	<b>For the year ended 31 December</b>				
	<b>2024</b>		<b>2023</b>		
	<i><b>RMB'000</b></i>	<i><b>% of total</b></i>	<i><b>RMB'000</b></i>	<i><b>% of total</b></i>	<i><b>% of Change</b></i>
Healthcare business	<b>1,401,781</b>	<b>30.5%</b>	1,069,315	23.4%	31.1%
Finance business	<b>3,028,106</b>	<b>65.9%</b>	3,305,205	72.3%	-8.4%
Offset	<b>161,953</b>	<b>3.4%</b>	197,339	4.3%	-17.9%
<b>Total</b>	<b><u>4,591,840</u></b>	<b><u>100.0%</u></b>	<b><u>4,571,859</u></b>	<b><u>100.0%</u></b>	<b><u>0.4%</u></b>

### 2.2.1 Healthcare business

The Group's healthcare business includes integrated healthcare business, healthcare technology business and speciality business. In 2024, the healthcare business recorded a revenue of RMB8,488.3 million, representing an increase of RMB655.4 million or 8.4% as compared to the previous year, and recorded gross profit of RMB1,401.8 million, representing an increase of RMB332.5 million or 31.1% as compared to the previous year.

The following table sets forth the Group's income from healthcare business:

	For the year ended 31 December				
	2024		2023		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
<b>Healthcare business</b>					
Integrated healthcare business	<b>7,613,015</b>	<b>89.7%</b>	7,634,484	97.4%	-0.3%
Healthcare technology business	<b>847,335</b>	<b>10.0%</b>	239,547	3.1%	253.7%
Specialty business	<b>85,921</b>	<b>1.0%</b>	4,180	0.1%	1955.5%
Offset	<b>-57,995</b>	<b>-0.7%</b>	-45,369	-0.6%	27.8%
<b>Total</b>	<b><u>8,488,276</u></b>	<b><u>100.0%</u></b>	<b><u>7,832,842</u></b>	<b><u>100.0%</u></b>	<b><u>8.4%</u></b>

The following table sets forth the Group's gross profit from healthcare business:

	For the year ended 31 December				
	2024		2023		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
<b>Healthcare business</b>					
Integrated healthcare business	<b>1,080,057</b>	<b>77.0%</b>	953,944	89.3%	13.2%
Healthcare technology business	<b>326,173</b>	<b>23.3%</b>	121,035	11.3%	169.5%
Specialty business	<b>-2,091</b>	<b>-0.1%</b>	487	0.0%	-529.4%
Offset	<b>-2,358</b>	<b>-0.2%</b>	-6,151	-0.6%	-61.7%
<b>Total</b>	<b><u>1,401,781</u></b>	<b><u>100.0%</u></b>	<b><u>1,069,315</u></b>	<b><u>100.0%</u></b>	<b><u>31.1%</u></b>

In 2024, the healthcare business of the Group showed a trend of growth momentum, which was attributable to (i) the Group's focusing on discipline development, environmental enhancement, and quality improvement, resulting in further strengthened diagnostic and treatment service capabilities and steadily improved operational efficiency across all its hospitals; (ii) the Group's continuous efforts to enhance collaboration across various regions and constantly improve its core competency which laid a further solid foundation for the development of the hospital group business, as well as the rapid improvement in the business scale and operation efficiency due to the combined effect of upfront resource investments and improvement in operation and management; and (iii) the layout of healthcare technology business has been further improved, and business development has achieved new breakthroughs, so that the equipment life cycle management business has capitalised on the momentum to advance, facilitating steady development of the intelligent medical health and elder care.

### 2.2.1.1 Integrated healthcare business

The Group's integrated healthcare business mainly comes from the healthcare services and supply chain business provided by the integrated medical institutions. Revenue from healthcare services mainly includes revenue generated from the healthcare and examination, medicine and hygiene materials, physical examination and other services provided for outpatients, emergency patients and inpatients. Costs of healthcare services include costs of medicine and hygiene materials, labor costs as well as depreciation and amortisation expenses.

In 2024, factors such as the increase in the collection rate of national pharmaceuticals and medical consumables, the reform of the medical insurance payment policy and the intensification of regional competition had a significant impact on the healthcare industry. Each of the medical institutions of the Group responded positively to the policy changes, strengthened its business development and enhanced the refined management level, resulting in a steady improvement in operating efficiency and business scale. In 2024, this business recorded revenue of RMB7,613.0 million, representing a decrease of RMB21.5 million or 0.3% as compared to the corresponding period of the previous year; and gross profit of RMB1,080.1 million, representing an increase of RMB126.1 million or 13.2% as compared to the corresponding period of the previous year.

### 2.2.1.2 Healthcare technology business

The healthcare technology business mainly includes the provision of life cycle management of medical equipment, operation of specialised discipline, intelligent medical health and elder care and Internet-based healthcare services to medical institutions within and outside the Group.

In 2024, the Group continued to promote merger and acquisition projects in the healthcare technology segment. For life cycle management of medical equipment, the Group successfully acquired Shandong Tuozhuang and Beijing ZTH during the year, with the maintenance capacity covering the fields of medical imaging, life emergency, blood dialysis, ultrasound, and linear accelerator equipment. For intelligent medical health and elder care, the Group successfully acquired JBINFO during the year, further expanding the scope of the healthcare technology business. In 2024, this business recorded a revenue of RMB847.3 million, representing an increase of RMB607.8 million or 253.7% as compared to the corresponding period of the previous year; and gross profit of RMB326.2 million, representing

an increase of RMB205.1 million or 169.5% as compared to the corresponding period of the previous year. Looking forward, the Group will continue to enhance the development capabilities of healthcare technology business, accelerate the establishment of a health industry ecosystem, and focus on advancing equipment life cycle management and promoting its core competitiveness of intelligent medical health and elder care business, further unleashing the value of healthcare industry business units.

### 2.2.1.3 Specialties business

The Group's specialties business mainly consists of medical services provided from specialised medical institutions focusing on nephrology, oncology, etc., and management services provided for the empowerment of general hospitals within the Group.

In 2024, the specialties business further improved its business layout by successfully acquiring five hemodialysis centers in Hainan Kangpurui and Shandong Ophthalmology Hospital while consolidating its service capabilities and strengthening internal hospital empowerment. In 2024, the Group realized a revenue of RMB85.9 million, representing an increase of RMB81.7 million or 1,955.5% as compared to the corresponding period of the previous year.



## 2.2.2 Finance business

The finance business segment includes comprehensive financial solutions centered on finance leasing provided by us for customers, and services such as industry, equipment and financing consulting, and department upgrades in medical institutions. In 2024, the finance business segment recorded a revenue of RMB5,227.2 million, representing a decrease of 11.1% as compared to the previous year, and gross profit of RMB3,028.1 million, representing a decrease of 8.4% as compared to the previous year, which was mainly attributable to the overall market downturn in the financial industry.

The following table sets forth the Group's income from finance business:

	<b>For the year ended 31 December</b>				
	<b>2024</b>		<b>2023</b>		<b>% of Change</b>
	<b>RMB'000</b>	<b>% of total</b>	<b>RMB'000</b>	<b>% of total</b>	
<b>Finance business income</b>	<b>5,227,167</b>		5,882,032		-11.1%
Including:					
Finance service	<b>4,744,451</b>	<b>90.8%</b>	4,790,733	81.4%	-1.0%
Advisory service	<b>442,053</b>	<b>8.5%</b>	1,025,941	17.4%	-56.9%

The following table sets forth the gross profit of the Group's finance business:

	<b>For the year ended 31 December</b>				
	<b>2024</b>		<b>2023</b>		<b>% of Change</b>
	<b>RMB'000</b>	<b>% of total</b>	<b>RMB'000</b>	<b>% of total</b>	
<b>Gross profit from finance business</b>	<b>3,028,106</b>		3,305,205		-8.4%
Including:					
Finance service	<b>2,545,759</b>	<b>84.1%</b>	2,214,256	67.0%	15.0%
Advisory service	<b>442,053</b>	<b>14.6%</b>	1,025,941	31.0%	-56.9%

### 2.2.2.1 Finance service business

The income from finance service business of the Group is the interest income generated by providing comprehensive financial solutions centered on finance leasing for customers in public hospitals, urban public utility and other fields in PRC. In 2024, under a complex and challenging external environment, and with the risk control as a top priority, we stepped up efforts in developing quality customers and continued to optimise our business portfolio, so as to steadily advance the finance business segment. The Group recorded interest income of RMB4,744.5 million, representing a decrease of 1.0% as compared to the corresponding period of the previous year, and our gross profit amounted to RMB2,545.8 million, representing an increase of 15.0% as compared to the corresponding period of the previous year. The decrease in interest income was mainly attributable to the decline in both business allocation and project yields as a result of the overall downturn in the finance leasing market and the intensifying competition within the industry. However, the Group continued to achieve a year-on-year growth in interest margin and gross profit through continuous optimization of financing cost.

The following table sets forth the Group's finance service income by industry:

	<b>For the year ended 31 December</b>				
	<b>2024</b>		<b>2023</b>		<b>% of Change</b>
	<b>RMB'000</b>	<b>% of total</b>	<b>RMB'000</b>	<b>% of total</b>	
Healthcare	<b>612,034</b>	<b>12.9%</b>	986,253	20.6%	-37.9%
Urban public utility	<b>3,814,539</b>	<b>80.4%</b>	3,497,952	73.0%	9.1%
Other	<b>317,878</b>	<b>6.7%</b>	306,528	6.4%	3.7%
<b>Total</b>	<b><u>4,744,451</u></b>	<b><u>100.0%</u></b>	<b><u>4,790,733</u></b>	<b><u>100.0%</u></b>	<b><u>-1.0%</u></b>

The following table sets forth the indicators of income from finance service business of the Group:

	<b>31 December 2024</b>			<b>31 December 2023</b>		
	<b>Average</b>	<b>Interest</b>	<b>Average</b>	<b>Average</b>	<b>Interest</b>	<b>Average</b>
	<b>balance</b>	<b>income<sup>(1)</sup>/ expense<sup>(2)</sup></b>	<b>yield<sup>(3)</sup>/ cost rate<sup>(4)</sup></b>	<b>balance</b>	<b>income<sup>(1)</sup>/ expense<sup>(2)</sup></b>	<b>yield<sup>(3)</sup>/ cost rate<sup>(4)</sup></b>
	<b>RMB'000</b>	<b>RMB'000</b>		<b>RMB'000</b>	<b>RMB'000</b>	
Interest-earning assets	<b>70,548,866</b>	<b>4,758,454</b>	<b>6.74%</b>	69,497,954	4,792,616	6.90%
Interest-bearing liabilities	<b>59,857,655</b>	<b>2,234,638</b>	<b>3.73%</b>	60,882,387	2,593,740	4.26%
Net interest margin <sup>(5)</sup>			<b>3.58%</b>			3.16%
Net interest spread <sup>(6)</sup>			<b>3.01%</b>			2.64%

*Notes:*

- (1) Interest income represents the interest income from finance service business;
- (2) Interest expense represents financial cost of capital for finance service business;
- (3) Average yield = interest income/average balance of interest-earning assets;
- (4) Average cost rate = interest expense/average balance of interest-bearing liabilities, taking into account the effect of perpetual bonds;
- (5) Net interest margin = net interest income/average balance of interest-earning assets;
- (6) Net interest spread = average yield of interest-earning assets – average cost rate of interest-bearing liabilities.

In 2024, the Group's net interest spread of finance service business was 3.01%, representing an increase of 0.37 percentage point from 2.64% in the corresponding period of the previous year. Net interest spread is the difference between average yield of interest-earning assets and average cost rate of interest-bearing liabilities, among which:

- (1) the average yield of interest-earning assets was 6.74%, representing a decrease of 0.16 percentage point from 6.90% in the corresponding period of the previous year. On the one hand, the overall profitability of the industry recorded a decrease due to the impact of the policies and market environment, and the average yield of the interest-earning assets showed an overall decrease as compared to the corresponding period of the previous year. On the other hand, faced with complicated financial environment at home and abroad, the Group implemented strict risk control, selected high-quality projects, took proactive initiatives to secure quality customers, made continuous efforts to promote the establishment of a comprehensive risk management system, constantly optimised business structure and facilitated high-quality implementation of various projects.

- (2) the average cost rate of interest-bearing liabilities of the Group was 3.73%, representing a decrease of 0.53 percentage point from 4.26% for the corresponding period of the previous year. During the year, while the money supply in domestic market continued to ease, the US dollar entered into the rate-cutting cycle in the overseas market after ending the interest hike cycle. By seizing the opportunity, the Company coordinated to balance its domestic and overseas financing strategies, making every effort to reduce capital costs. First, the Company continued to step up efforts in developing quality overseas financing resources to obtain overseas ESG syndicated loans/bilateral loans, with the overseas financing accounting for 23.60% of the interest-bearing liabilities under the Company's finance business as at the end of 2024, up by 2.70 percentage points as compared to the end of the previous year. In addition, the Company significantly reduced overseas financing costs by swapping its existing loans with high financing costs in advance, increasing interest rate lock-in proportion and extending the maturity of derivative products, with the point-in-time cost rate of overseas financing at the end of the year reaching 3.09%, down by 4.14 percentage points as compared to the end of the previous year; Second, the Company kept domestic financing at a rational and appropriate scale, and continued to reduce domestic financing costs through various means such as increasing the centralised proportion of loans from large-scale state-owned commercial banks and joint stock commercial banks and cutting interest rate via negotiations, with the point-in-time cost rate of domestic financing of the Company at the end of 2024 reaching 3.02%, down by 0.30 percentage point as compared to the end of the previous year. Control on funding cost is one of the Group's core advantages to carry out our finance business, and we will continue to deepen cooperation with financial institutions, make great effort in building efficient financing channels, accelerate the improvement of a diversified financing system, and reasonably and effectively control financing costs on the premise of ensuring sufficient capital liquidity.

#### 2.2.2.2 Advisory services business

The Group's advisory services business includes industry, equipment and financing advisory services as well as clinical department upgrade advisory services. Leveraging on our expanding resources platform, and in accordance with the characteristics of clients' operation at each stage, we provided them with valuable, flexible and diversified comprehensive services comprising finance services, equipment replacement, technology and management advice, clinical department upgrade advisory so as to improve the technical service capabilities and management efficiency of customers, thereby strengthening finance customers' stickiness. In 2024, the Group recorded revenue from advisory services of RMB442.1 million, representing a decrease of 56.9% as compared to the corresponding period of the previous year.

#### 2.2.3 Operating cost

In 2024, the Group's sales and distribution costs amounted to RMB375.4 million, representing a decrease of 5.5% as compared to the previous year.

Administrative expenses amounted to RMB1,333.9 million, representing an increase of 14.2% as compared to the previous year. Administrative expenses from finance and advisory business segment amounted to RMB463.6 million, accounting for 34.8% and representing a decrease of 6.9% as compared to the previous year. Administrative expenses from healthcare business segment amounted to RMB877.1 million, accounting for 65.8% and representing an increase of 29.7% as compared to the previous year, which was attributable to the following factors. First, the increase of business development personnel in the healthcare sector, the adjustment of performance incentive policies and the acquisition of new businesses have brought a period-to-period growth in labor costs. Second, with the effective promotion of hospital infrastructure construction, the service environment continued to improve, the information construction comprehensively developed, and the corresponding cost recorded a period-to-period growth.

#### 2.2.4 Profit before tax

In 2024, the Group recorded profit before tax of RMB2,907.1 million, representing an increase of RMB40.9 million or 1.4% as compared to the previous year. The growth in profit before tax was due to the steady improvement of economic benefits driven by the medical and health business through external mergers and acquisitions coupled with internal quality and efficiency enhancement; and the profit growth resulting from the continuous optimization of financing structure in terms of financial business which significantly reduced the financing costs.

### 2.2.5 Profit for the period attributable to owners of the parent

In 2024, the Group recorded profit for the year attributable to owners of the parent of RMB2,031.7 million, representing an increase of RMB10.8 million or 0.5% as compared to the previous year.

### 2.3 The profit or loss of the general hospitals

As of 31 December 2024, the Group had completed the acquisition of 65 general hospitals. The profit or loss of the consolidated general hospitals (excluding investment platforms and supply chain companies) during the consolidation period is set out below.

In 2024, the consolidated general hospitals of the Group recorded revenue of RMB7,471.9 million, representing an increase of RMB6.1 million or 0.1% as compared to the corresponding period of the previous year; and recorded profit for the year of RMB395.9 million, representing an increase of RMB59.7 million or 17.8% as compared to the corresponding period of the previous year. Each such general hospital improved operation performance, optimised structure and implemented cost control through various measures such as extensive diagnosis and treatment service projects, surgery projects and refined management, driving up overall profitability.

The following table sets forth the profit or loss of the consolidated general hospitals of the Group during the consolidation period:

	For the year ended		% of Change
	31 December		
	2024	2023	
	RMB'000	RMB'000	
<b>Revenue</b>	<b>7,471,895</b>	7,465,781	0.1%
Costs	(6,441,782)	(6,577,644)	-2.1%
<b>Gross profit</b>	<b>1,030,113</b>	888,137	16.0%
Other income and gains	<b>176,966</b>	143,123	23.6%
Selling and distribution costs	(5,516)	(5,379)	2.5%
Administrative expenses	(705,263)	(621,160)	13.5%
Impairment on financial assets	(9,871)	(2,771)	256.2%
Other expenses	(18,173)	(18,311)	-0.8%
Share of profit of an associate	<b>660</b>	140	371.4%
Financial costs	(26,265)	(15,313)	71.5%
<b>Profit before tax</b>	<b>442,651</b>	368,466	20.1%
Income tax expense	(46,743)	(32,308)	44.7%
<b>Profit for the year</b>	<b>395,908</b>	<b>336,158</b>	<b>17.8%</b>

## 2.4 The profit or loss of the equipment life cycle management business

As of 31 December 2024, the Group had 5 subsidiaries engaged in the equipment life cycle management business. The profit or loss of the equipment life cycle management business during the consolidation period is set out below.

In 2024, the Group's equipment life cycle management business recorded revenue of RMB697.0 million, representing an increase of RMB456.6 million, or 189.9%, as compared to the corresponding period of the previous year; recorded profit for the year of RMB86.5 million, representing an increase of RMB51.2 million or 145.4% as compared to the corresponding period of the previous year.

The following table sets forth the profit or loss of the equipment life cycle management business of the Group during the consolidation period:

	<b>For the year</b>		% of
	<b>ended 31 December</b>		
	<b>2024</b>	2023	Change
	<b>RMB'000</b>	RMB'000	
<b>Revenue</b>	<b>696,952</b>	240,372	189.9%
Costs	<b>(419,316)</b>	(122,427)	242.5%
<b>Gross profit</b>	<b>277,636</b>	117,945	135.4%
Other income and gains	<b>11,725</b>	2,397	389.2%
Selling and distribution costs	<b>(92,948)</b>	(39,531)	135.1%
Administrative expenses	<b>(96,811)</b>	(35,386)	173.6%
Impairment on financial assets	<b>(1,671)</b>	204	-919.1%
Other expenses	<b>(349)</b>	(138)	152.9%
Financial costs	<b>(1,169)</b>	(2,395)	-51.2%
<b>Profit before tax</b>	<b>96,413</b>	43,096	123.7%
Income tax expense	<b>(9,880)</b>	(7,833)	26.1%
<b>Profit for the year</b>	<b>86,533</b>	35,263	145.4%

### 3. Financial Position Analysis

#### 3.1 Overview of Assets

As at 31 December 2024, the Group's total assets was RMB86,032.3 million, representing an increase of 7.1% as compared to the end of the previous year. In particular, our restricted deposits was RMB834.0 million, representing an increase of 20.7% as compared to the end of the previous year and accounting for 1.0% of the total assets; our cash and cash equivalents was RMB2,379.3 million, representing a decrease of 16.5% as compared to the end of the previous year and accounting for 2.8% of the total assets; our loans and accounts receivables was RMB71,577.3 million, representing an increase of 6.4% as compared to the end of the previous year and accounting for 83.2% of the total assets.

The following table sets forth the assets analysis of the Group for the dates indicated:

	<u>31 December 2024</u>		<u>31 December 2023</u>		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Restricted deposits	<b>833,960</b>	<b>1.0%</b>	690,972	0.9%	20.7%
Cash and cash equivalents	<b>2,379,306</b>	<b>2.8%</b>	2,848,973	3.6%	-16.5%
Inventories	<b>506,786</b>	<b>0.6%</b>	431,141	0.5%	17.5%
Loans and accounts receivables	<b>71,577,284</b>	<b>83.2%</b>	67,261,890	83.7%	6.4%
Prepayments, other receivables and other assets	<b>1,189,558</b>	<b>1.4%</b>	1,310,526	1.6%	-9.2%
Property, plant and equipment	<b>5,886,511</b>	<b>6.8%</b>	4,391,417	5.5%	34.0%
Intangible assets	<b>303,792</b>	<b>0.4%</b>	161,266	0.2%	88.4%
Investment in a joint venture	<b>1,085</b>	<b>0.0%</b>	496,472	0.6%	-99.8%
Investment in associates	<b>107,765</b>	<b>0.1%</b>	107,123	0.1%	0.6%
Deferred tax assets	<b>773,883</b>	<b>0.9%</b>	702,163	0.9%	10.2%
Derivative financial assets	<b>303,204</b>	<b>0.4%</b>	263,970	0.3%	14.9%
Right-of-use asset	<b>1,740,394</b>	<b>2.0%</b>	1,161,459	1.4%	49.8%
Goodwill	<b>380,996</b>	<b>0.4%</b>	286,538	0.4%	33.0%
Investment property	<b>19,192</b>	<b>0.0%</b>	–	0.0%	100.0%
Contract assets	<b>4,519</b>	<b>0.0%</b>	–	0.0%	100.0%
Financial assets at fair value through profit or loss	<b>20,500</b>	<b>0.0%</b>	216,641	0.3%	-90.5%
Financial assets at fair value through other comprehensive income	<b>3,560</b>	<b>0.0%</b>	14,193	0.0%	-74.9%
<b>Total</b>	<b><u>86,032,295</u></b>	<b><u>100.0%</u></b>	<b><u>80,344,744</u></b>	<b><u>100.00%</u></b>	<b><u>7.1%</u></b>



The following table sets forth the assets of the Group by business segment for the dates indicated:

	<b>31 December 2024</b>		31 December 2023		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Healthcare business	<b>16,457,247</b>	<b>19.1%</b>	14,807,996	18.4%	11.1%
Finance business	<b>74,811,321</b>	<b>87.0%</b>	73,018,465	90.9%	2.5%
Inter-segment offset	<b>(5,236,273)</b>	<b>-6.1%</b>	(7,481,717)	-9.3%	-30.0%
Total	<b><u>86,032,295</u></b>	<b><u>100.0%</u></b>	<b><u>80,344,744</u></b>	<b><u>100.0%</u></b>	<b><u>7.1%</u></b>

### 3.1.1 Restricted deposits

As at 31 December 2024, the Group had restricted deposits of RMB834.0 million, representing an increase of 20.7% as compared to the end of the previous year. Restricted deposits mainly comprised restricted project refunds from factoring business, fix-term deposits and financing deposits.

### 3.1.2 Cash and cash equivalents

As at 31 December 2024, the Group had cash and cash equivalents of RMB2,379.3 million, representing a decrease of 16.5% as compared to the end of the previous year. The balance of cash and cash equivalents will be gradually applied in accordance with the Group's business plan.

### 3.1.3 Loans and accounts receivables

As at 31 December 2024, the balance of the Group's loans and accounts receivables was RMB71,577.3 million, representing an increase of 6.4% as compared to the end of the previous year. The net interest-earning assets was RMB69,154.5 million, accounting for 96.6% of the loans and accounts receivables; and net accounts receivables was RMB2,410.8 million, accounting for 3.4% of the loans and accounts receivables.

### 3.1.3.1 Interest-earning assets

In 2024, the Group strengthened its risk management and control in a prudent manner, and expanded the lease business with caution while ensuring asset security. As at 31 December 2024, the Group's net interest-earning assets was RMB71,277.4 million, representing an increase of RMB3,928.8 million or 5.8% as compared to the end of the previous year.

#### Net interest-earning assets by industry

In 2024, the Group continued to lay emphasis on risk prevention and control of interest-earning assets. The Group focused on further exploration and development in the fields such as public hospitals and urban public utility based on the development prospect, profitability, revenue/risk profile, cash flow stability of the industry and other criteria, and on the basis of effective control of risks, it actively explored finance lease business in new sectors.

The following table sets forth the net interest-earning assets by industry:

	<u>31 December 2024</u>		<u>31 December 2023</u>		<u>% of Change</u>
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Healthcare	<b>8,303,649</b>	<b>11.7%</b>	12,418,950	18.4%	-33.1%
Urban public utility	<b>54,633,286</b>	<b>76.6%</b>	50,106,877	74.4%	9.0%
Others	<b>8,340,484</b>	<b>11.7%</b>	4,822,758	7.2%	72.9%
<b>Net interest-earning assets</b>	<b><u>71,277,419</u></b>	<b><u>100.0%</u></b>	<u>67,348,585</u>	<u>100.0%</u>	<u>5.8%</u>
<b>Less: Provision for interest-earning assets</b>	<b><u>(2,122,906)</u></b>		<u>(1,884,973)</u>		<u>12.6%</u>
<b>Net value of interest-earning assets</b>	<b><u>69,154,513</u></b>		<u>65,463,612</u>		<u>5.6%</u>

#### The maturity profile of the net interest-earning assets

The Group formulated reasonable business investment strategies according to its strategic plan so as to ensure sustainable and steady cash inflow. As at 31 December 2024, the maturity profile of the Group's net interest-earning assets was relatively balanced.

The following table sets forth the maturity profile of the net interest-earning assets:

	<u>31 December 2024</u>		<u>31 December 2023</u>		<u>% of Change</u>
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Within 1 year	<b>27,115,624</b>	<b>38.0%</b>	24,832,825	36.9%	9.2%
1-2 years	<b>21,571,220</b>	<b>30.3%</b>	20,054,386	29.8%	7.6%
2-3 years	<b>13,111,740</b>	<b>18.4%</b>	12,902,305	19.1%	1.6%
Over 3 years	<b>9,478,835</b>	<b>13.3%</b>	9,559,069	14.2%	-0.8%
<b>Net interest-earning assets</b>	<b><u>71,277,419</u></b>	<b><u>100.0%</u></b>	<b><u>67,348,585</u></b>	<b><u>100.0%</u></b>	<b><u>5.8%</u></b>

#### Quality of interest-earning assets

The Group has been implementing robust asset management policies and continuously adopting stringent and prudent asset classification policies. As at 31 December 2024, the Group had non-performing assets of RMB703.3 million, representing an increase of RMB40.9 million as compared to 31 December 2023. The Group continuously improved its risk management system, adopted effective risk prevention measures and stepped up efforts to recover non-performing assets. As at 31 December 2024, the Group's non-performing assets ratio was 0.99%.

The following table sets forth the classification of five categories of the net interest-earning assets of the Group:

	<u>31 December 2024</u>		<u>31 December 2023</u>		<u>% of Change</u>
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Pass	<b>62,985,736</b>	<b>88.37%</b>	60,239,150	89.45%	4.6%
Special attention	<b>7,588,418</b>	<b>10.64%</b>	6,446,992	9.57%	17.7%
Substandard	<b>461,677</b>	<b>0.65%</b>	435,705	0.64%	6.0%
Doubtful	<b>137,398</b>	<b>0.19%</b>	133,198	0.20%	3.2%
Loss	<b>104,190</b>	<b>0.15%</b>	93,540	0.14%	11.4%
<b>Net interest-earning assets</b>	<b><u>71,277,419</u></b>	<b><u>100.00%</u></b>	<b><u>67,348,585</u></b>	<b><u>100.00%</u></b>	<b><u>5.8%</u></b>
Non-performing assets <sup>(1)</sup>	<b>703,265</b>		662,443		6.2%
Non-performing assets ratio <sup>(2)</sup>	<b><u>0.99%</u></b>		<b><u>0.98%</u></b>		

*Notes:*

- (1) Non-performing assets are defined as those interest-earning assets having objective evidence of impairment as a result of one or more events that occur after initial recognition and that event has an impact on the future cash flows of interest-earning assets that can be reliably estimated. These interest-earning assets are classified as “substandard”, “doubtful” or “loss”.
- (2) The non-performing assets ratio is the percentage of non-performing assets over net interest-earning assets as at the dates indicated.

*Note:* Please refer to “Management Discussion and Analysis – 8. Risk Management” in this announcement for more details of the five-category classification.

Ratio of overdue interest-earning assets

In 2024, the Group implemented prudent risk control and asset management policy, maintaining a stable performance of the risk management system. As at 31 December 2024, the overdue ratio (over 30 days) was 0.97%, increased by 0.08 percentage point as compared to 0.89% at the end of the previous year.

The following table sets forth the ratio of the Group’s interest-earning assets overdue for over 30 days:

	<b>31 December 2024</b>	31 December 2023
Overdue ratio (over 30 days) <sup>(1)</sup>	<u><b>0.97%</b></u>	<u>0.89%</u>

*Note:*

- (1) Calculated as net interest-earning assets (overdue for over 30 days) divided by net interest-earning assets.

Provision for interest-earning assets

As at 31 December 2024, the Group’s provision coverage ratio was 301.86%, representing an increase of 17.31 percentage points as compared to the end of the previous year. With the expansion of its business, the Group’s management believes that it is imperative to take prudent measures to protect the Group against systematic risks and move towards the international standards and practices. As such, the Group’s asset provision coverage maintained an upward trend.

The following table sets forth the breakdown of provisions by the Group's assessment methodology:

	<b>As at 31 December 2024</b>			
	<b>Stage 1 (12-month expected credit loss) <i>RMB'000</i></b>	<b>Stage 2 (Lifetime expected credit loss) <i>RMB'000</i></b>	<b>Stage 3 (Lifetime expected credit loss- impaired) <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
Net interest-earning assets	<b>62,985,736</b>	<b>7,588,418</b>	<b>703,265</b>	<b>71,277,419</b>
Provision for interest-earning assets	<b>(992,197)</b>	<b>(766,068)</b>	<b>(364,641)</b>	<b>(2,122,906)</b>
Net value of interest-earning assets	<b><u>61,993,539</u></b>	<b><u>6,822,350</u></b>	<b><u>338,624</u></b>	<b><u>69,154,513</u></b>
	<b>As at 31 December 2023</b>			
	<b>Stage 1 (12-month expected credit loss) <i>RMB'000</i></b>	<b>Stage 2 (Lifetime expected credit loss) <i>RMB'000</i></b>	<b>Stage 3 (Lifetime expected credit loss- impaired) <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
Net interest-earning assets	60,239,150	6,446,992	662,443	67,348,585
Provision for interest-earning assets	<b>(945,255)</b>	<b>(591,420)</b>	<b>(348,298)</b>	<b>(1,884,973)</b>
Net value of interest-earning assets	<b><u>59,293,895</u></b>	<b><u>5,855,572</u></b>	<b><u>314,145</u></b>	<b><u>65,463,612</u></b>

## Write-off of interest-earning assets

The following table sets forth the write-off of interest-earning assets as of the dates indicated:

	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000
Write-off	<b>69,064</b>	–
Non-performing assets as at the end of last year	<b>662,443</b>	644,117
Write-off ratio <sup>(1)</sup>	<b>10.43%</b>	–

*Note:*

- <sup>(1)</sup> The write-off ratio is calculated as the percentage of amount written-off of bad debts of interest-earning assets over the net non-performing assets as at the end of the previous year.

### 3.1.3.2 Accounts receivable

As at 31 December 2024, the Group's net accounts receivables was RMB2,410.8 million, representing an increase of RMB654.0 million or 37.2% as compared to the end of the previous year. The increase in accounts receivables was mainly due to the increase in revenue from integrated healthcare business segment, revenue contributed by newly acquired healthcare technology enterprises and the growth in the scale of equipment life cycle management business.

### 3.1.4 Other assets

As at 31 December 2024, the Group's balance of property, plant and equipment was RMB5,886.5 million, representing an increase of RMB1,495.1 million as compared to the end of the previous year, which was mainly due to the increase in the balance of property, plant and equipment from the renovation and expansion works of the Group's affiliated medical institutions and the new merger and acquisition of healthcare technology corporations.

As at 31 December 2024, the balance of the Group's investment in joint ventures was RMB1.1 million, which was the investment in Fuzhou Qingsheng Yijiafu Health Elderly Care Industry Co., Ltd. (福州青盛億家福健康養老產業有限公司); the balance of investment in associates was RMB107.8 million, which was the investment in Genertec Digital Health Technology (Beijing) Co., Ltd. (通用技術集團健康數字科技(北京)有限公司), GT-PRC Healthcare Company Limited (通用技術集團醫療健康有限公司) and Beijing Tongrentang Anshan Traditional Chinese Medicine Hospital Co., Ltd. (北京同仁堂鞍山中醫醫院有限公司).

As at 31 December 2024, the Group's balance of goodwill was RMB381.0 million, including goodwill of RMB182.5 million arising from the acquisition of Casstar, goodwill of RMB58.9 million arising from the acquisition of Xi'an XD Group Hospital (西電集團醫院), goodwill of RMB52.9 million arising from the acquisition of Sichuan Huankang Hospital Management Co., Ltd. (四川環康醫院管理有限公司) ("Sichuan Huankang"), goodwill of RMB37.5 million arising from the acquisition of JBINFO, goodwill of RMB32.3 million arising from the acquisition of Pangang Xichang Hospital (攀鋼西昌醫院), goodwill of RMB9.2 million arising from the acquisition of Shaanxi Huahong Pharmaceutical Co., Ltd. (陝西華虹醫藥有限公司), goodwill of RMB4.1 million arising from the acquisition of Shandong Tuo Zhuang (山東拓莊), goodwill of RMB1.8 million arising from the acquisition of Beth Hesda (Chengdu) Nephrology Hospital (畢士大(成都)腎病專科醫院), goodwill of RMB1.0 million arising from the acquisition of Xianyang Caihong Hospital (咸陽彩虹醫院) and goodwill of RMB0.8 million arising from the acquisition of Ansteel Group General Hospital (鞍鋼集團公司總醫院) by the Group.

### 3.2 Overview of Liabilities

As at 31 December 2024, the Group's total liabilities amounted to RMB63,162.6 million, representing an increase of RMB3,185.8 million, or 5.3%, as compared to the end of the previous year. The balance of interest-bearing bank and other borrowings amounted to RMB52,015.0 million, representing an increase of RMB4,365.4 million, or 9.2%, as compared to the end of the previous year, accounting for 82.4% of the total liabilities; balance of other payables and accruals amounted to RMB8,124.7 million, representing a decrease of RMB758.1 million, or 8.5%, as compared to the end of the previous year, accounting for 12.9% of the total liabilities.

The following table sets forth the Group's liabilities as at the dates indicated:

	31 December 2024		31 December 2023		% of Change
	RMB'000	% of total	RMB'000	% of total	
Interest-bearing bank and other borrowings	52,014,954	82.4%	47,649,600	79.4%	9.2%
Trade and bills payables	2,775,795	4.4%	2,988,673	5.0%	-7.1%
Other payables and accruals	8,124,715	12.8%	8,882,765	14.8%	-8.5%
Derivative financial instruments	7,379	0.0%	26,608	0.1%	-72.3%
Tax payable	164,374	0.3%	119,641	0.2%	37.4%
Financial liabilities at fair value through profit or loss	75,333	0.1%	-	-	0.0%
Other non-current liabilities	-	0.0%	309,499	0.5%	-100.0%
<b>Total</b>	<b>63,162,550</b>	<b>100.0%</b>	<b>59,976,786</b>	<b>100.0%</b>	<b>5.31%</b>

### *3.2.1 Interest-bearing bank and other borrowings*

Since the beginning of this year, despite the complicated economic environment at home and abroad, the Group was fully committed to the new development concept, and stepped up its efforts to build a new development pattern and establish a diversified, stable financing system at multiple levels with multiple channels. The Group has made continued efforts to enrich its financing varieties, optimise the financing structure, and strengthen the innovation of financing tools to maintain its competitive edge on the debt side. In the direct financing market, the Group introduced several new types of bonds including sustainability-linked corporate bond, sustainability-linked asset-backed securities (ABS) and asset-backed commercial paper (ABCP), boasted ever closer ties with its investors and continuously increased the number of stable investors by issuing multiple tranches of long- and short-term bonds in the interbank market and the Shanghai Stock Exchange in a timely and efficient manner. In the indirect financing market, the Group focused on core financial institutions such as large state-owned commercial banks, joint-stock commercial banks, city commercial banks and foreign banks, and conducted extensive, in-depth and long-term cooperation in the direction of finance and industry in an active response to policies of banks. With the implementation of the ESG loan, fixed asset loan and merger and acquisition loan projects, the Group recorded substantial increase in the scale of bank credit facilities. Meanwhile, the Group continued to closely monitor the international market and steadily promoted offshore syndicated and bilateral loans business to strongly support diversified and stable funding resources.

The Group's interest-bearing bank and other borrowings were mainly used to finance the capital requirement of our finance lease business. As at 31 December 2024, the balance of the Group's interest-bearing bank and other borrowings was RMB52,015.0 million, representing an increase of RMB4,365.4 million or 9.2% as compared to that as at 31 December 2023. The borrowings of the Group are dominated in RMB, USD and HKD.



Breakdown of interest-bearing bank and other borrowings by type:

	<u>31 December 2024</u>		<u>31 December 2023</u>		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Bank loans	<b>28,136,857</b>	<b>54.1%</b>	26,415,315	55.4%	6.5%
Due to related parties	<b>2,337,680</b>	<b>4.5%</b>	4,445,739	9.3%	-47.4%
Bonds	<b>20,285,920</b>	<b>39.0%</b>	16,458,383	34.6%	23.3%
Other loans	<b>1,254,497</b>	<b>2.4%</b>	330,163	0.7%	280.0%
Total	<b><u>52,014,954</u></b>	<b><u>100.0%</u></b>	<b><u>47,649,600</u></b>	<b><u>100.0%</u></b>	<b><u>9.2%</u></b>

As at 31 December 2024, the balance of the Group's bank loans amounted to RMB20,285.92 million, which accounted for 39.0% of the total interest-bearing bank and other borrowings, representing an increase of 4.4 percentage points as compared to 34.6% as at 31 December 2023. The Group took advantage of favorable conditions in the bond market and vigorously promoted direct financing, repeatedly issuing bonds at record-low coupon rates.

Breakdown of interest-bearing bank and other borrowings by currency:

	<u>31 December 2024</u>		<u>31 December 2023</u>		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
RMB	<b>41,498,042</b>	<b>79.8%</b>	38,504,534	80.8%	7.8%
USD	<b>5,320,107</b>	<b>10.2%</b>	6,090,920	12.8%	-12.7%
HKD	<b>5,196,805</b>	<b>10.0%</b>	3,054,146	6.4%	70.2%
Total	<b><u>52,014,954</u></b>	<b><u>100.0%</u></b>	<b><u>47,649,600</u></b>	<b><u>100.0%</u></b>	<b><u>9.2%</u></b>

As at 31 December 2024, the balance of the Group's interest-bearing bank and other borrowings denominated in RMB was RMB41,498.0 million, which accounted for 79.8% of its total interest-bearing bank and other borrowings, representing a decrease of 1.0 percentage point as compared to 80.8% as at 31 December 2023. The Group continued its diversified financing strategy, controlled the scale of foreign currency financing in an appropriate manner, and at the same time objectively managed the foreign exchange risk with foreign exchange derivatives.

Breakdown of the interest-bearing bank and other borrowings by region:

	<u>31 December 2024</u>		<u>31 December 2023</u>		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Domestic	<b>40,230,883</b>	<b>77.3%</b>	37,804,534	79.3%	6.4%
Overseas	<b>11,784,071</b>	<b>22.7%</b>	9,845,066	20.7%	19.7%
Total	<b><u>52,014,954</u></b>	<b><u>100.0%</u></b>	<b><u>47,649,600</u></b>	<b><u>100.0%</u></b>	<b><u>9.2%</u></b>

As at 31 December 2024, the Group's domestic financing balance was RMB40,230.9 million, accounting for 77.3% of the total interest-bearing bank and other borrowings, representing a decrease of 2.0 percentage points as compared to 79.3% as at 31 December 2023. The Group proactively expanded domestic and overseas financing markets, promoted domestic and overseas financing scale to maintain balanced and steady growth, and made concerted efforts to consolidate quality financing resources to support high-quality development of the Company's businesses.

Breakdown of the current and non-current interest-bearing bank and other borrowings:

	<u>31 December 2024</u>		<u>31 December 2023</u>		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Current	<b>22,188,635</b>	<b>42.7%</b>	22,537,605	47.3%	-1.5%
Non-current	<b>29,826,319</b>	<b>57.3%</b>	25,111,995	52.7%	18.8%
Total	<b><u>52,014,954</u></b>	<b><u>100.0%</u></b>	<b><u>47,649,600</u></b>	<b><u>100.0%</u></b>	<b><u>9.2%</u></b>

As at 31 December 2024, the total balance of the Group's current interest-bearing bank and other borrowings amounted to RMB22,188.6 million, which accounted for 42.7% of its total interest-bearing bank and other borrowings, representing a decrease of 4.6 percentage points as compared to 47.3% at the end of the previous year. The Group continued to optimise maturity structure of financing, therefore, the overall structure of assets and liabilities remained stable and favorable.

Breakdown of the secured and unsecured interest-bearing bank and other borrowings:

	<u>31 December 2024</u>		<u>31 December 2023</u>		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Secured	<b>11,053,993</b>	<b>21.3%</b>	8,431,837	17.7%	31.1%
Unsecured	<b>40,960,961</b>	<b>78.7%</b>	39,217,763	82.3%	4.4%
Total	<b><u>52,014,954</u></b>	<b><u>100.0%</u></b>	<b><u>47,649,600</u></b>	<b><u>100.0%</u></b>	<b><u>9.2%</u></b>

As at 31 December 2024, the Group's total secured interest-bearing bank and other borrowings amounted to RMB11,054.0 million, accounting for 21.3% of its total interest-bearing bank and other borrowings, up by 3.6 percentage points as compared to 17.7% at the end of the previous year. The Group was committed to enhancing its diversified financing capabilities and continuously improving financing conditions. The proportion of the secured interest-bearing bank and other borrowings remained the same.

Breakdown of the direct financing and indirect financing in interest-bearing bank and other borrowings:

	<u>31 December 2024</u>		<u>31 December 2023</u>		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Direct financing	<b>20,899,667</b>	<b>40.2%</b>	16,689,509	35.0%	25.2%
Indirect financing	<b>31,115,287</b>	<b>59.8%</b>	30,960,091	65.0%	0.5%
Total	<b><u>52,014,954</u></b>	<b><u>100.0%</u></b>	<b><u>47,649,600</u></b>	<b><u>100.0%</u></b>	<b><u>9.2%</u></b>

As at 31 December 2024, the total balance of the direct financing of the Group's interest-bearing bank and other borrowings amounted to RMB20,899.7 million, which accounted for 40.2% of its total interest-bearing bank and other borrowings, representing an increase of 5.2 percentage points as compared to 35.0% at the end of the previous year. The Group made coordinated efforts to maintain a balanced relationship between direct financing and indirect financing, proactively expanded direct financing channels and increased the proportion of direct financing, effectively reducing financing costs.

### 3.2.2 Other payables and accruals

Other payables and accruals primarily comprise the collection of payments related to asset-backed securities, the lease deposits paid by customers, the accrued interests on borrowings, as well as the accrued salary and welfare payables. As at 31 December 2024, other payables and accruals amounted to RMB8,124.7 million in total, representing a decrease of RMB758.1 million as compared to the end of the previous year, mainly due to a decrease in the collection of payments related to asset-backed securities of the Group.

### 3.3 Shareholders' Equity

As at 31 December 2024, the Group's total equity was RMB22,869.7 million, representing an increase of RMB2,501.8 million or 12.3% as compared to the end of the previous year, among which the non-controlling interests were RMB4,016.0 million, representing an increase of RMB998.2 million or 33.1% as compared to the end of the previous year, which was mainly due to the increase of non-controlling interests from the acquisition of equity interest in Sichuan Huankang, JBINFO and Shandong Ophthalmology Hospital.

The following table sets forth the equities as of the dates indicated:

	<u>31 December 2024</u>		<u>31 December 2023</u>		% of Change
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Share capital	<b>5,297,254</b>	<b>23.2%</b>	5,297,254	26.0%	0.0%
Equity attributable to holders of convertible corporate bonds <sup>(1)</sup>	<b>42,649</b>	<b>0.2%</b>	75,486	0.4%	-43.5%
Reserves	<b>11,835,826</b>	<b>51.8%</b>	10,305,001	50.6%	14.9%
Equity attributable to owners of the parent	<b>17,175,729</b>	<b>75.1%</b>	15,677,741	77.0%	9.6%
Equity attributable to holders of renewable corporate bonds <sup>(2)</sup>	<b>1,678,008</b>	<b>7.3%</b>	1,672,433	8.2%	0.3%
Non-controlling interests	<b>4,016,008</b>	<b>17.6%</b>	3,017,784	14.8%	33.1%
Total	<b>22,869,745</b>	<b>100.0%</b>	20,367,958	100.0%	12.3%

*Notes:*

- (1) On 25 March 2021, Genertec Universal Medical Development (BVI) Co., Ltd., a wholly-owned subsidiary of the Company, issued convertible bonds in an aggregate principal amount of USD150 million, which are guaranteed by the Company and bear the interest rate of 2% per annum. The net proceeds raised from the issue of the convertible bonds, after deduction of the related expenses, were approximately USD148 million. On 19 June 2024, the conversion price of the convertible bonds was adjusted from HKD6.09 to HKD5.89 due to declaration and payment of final dividends by the Company. According to the notice issued by the bondholders on 22 February 2024, USD60 million out of Bonds were required to be redeemed on 25 March 2024 by the Group at 100.00% of their principal amount together with interests accrued but not paid. Any of the convertible bonds not converted will be redeemed on 25 March 2026 at 100% of their principal amount.
- (2) On 27 March 2023, CULC, a wholly-owned subsidiary of the Company, issued the renewable corporate bonds of an aggregate principal amount of RMB300 million in the PRC, with a basic term of two years from 27 March 2023. CULC will, at the end of the agreed basic term and each extended period, be entitled to an option to extend the term of the bonds. The bonds are with a fixed interest rate of 4.8%. The issue price is RMB100 per bond, which is equal to 100% of the principal value of the corporate bonds.
- (3) On 29 June 2023, CULC, a wholly-owned subsidiary of the Company, issued the renewable corporate bonds of an aggregate principal amount of RMB600 million in the PRC, with a basic term of two years from 29 June 2023. CULC will, at the end of the agreed basic term and each extended period, be entitled to an option to extend the term of the bonds. The bonds are with a fixed interest rate of 4.3%. The issue price is RMB100 per bond, which is equal to 100% of the principal value of the corporate bonds.
- (4) On 7 September 2023, CULC, a wholly-owned subsidiary of the Company, issued the renewable corporate bonds of an aggregate principal amount of RMB500 million in the PRC, with a basic term of one year from 7 September 2023. CULC will, at the end of the agreed basic term and each extended period, be entitled to an option to extend the term of the bonds. The bonds are with a fixed interest rate of 3.38%. The issue price is RMB100 per bond, which is equal to 100% of the principal value of the corporate bonds. The Group redeemed these renewable corporate bonds in full on 5 September 2024.
- (5) On 18 April 2024, CULC, a wholly-owned subsidiary of the Company, issued the renewable corporate bonds of an aggregate principal amount of RMB500 million in the PRC, with a basic term of three years from 18 April 2024. CULC will, at the end of the agreed basic term and each extended period, be entitled to an option to extend the term of the bonds. The bonds are with a fixed interest rate of 2.99%. The issue price is RMB100 per bond, which is equal to 100% of the principal value of the corporate bonds.

#### 4. Cash Flows Analysis

In 2024, the Group's net cash inflow from operating activities amounted to RMB1,138.3 million, representing a decrease of inflow of RMB3,855.7 million as compared to that of the previous year, which was mainly due to (i) the decrease in the collection and payment of payables as compared to that of the previous year as a result of redemption and clearance repurchase carried out by the asset-backed securities business and no new issuance of asset-backed securities during the year; and (ii) the decrease in lease deposits as compared to that of the previous year. Net cash outflow from investing activities amounted to RMB1,085.0 million, representing an increase of outflow of RMB26.0 million as compared to that of the previous year, primarily due to the new investments as well as acquisitions and mergers for the year. Net cash outflow from financing activities amounted to RMB520.7 million, representing a decrease of outflow of RMB3,273.0 million as compared to that of the previous year, primarily due to the decrease in payment of principal amount for interest-bearing liabilities which were due as compared to that of the previous year.

The following table sets forth the cash flows for the years indicated:

	<b>For the year ended</b>		<b>% of Change</b>
	<b>31 December</b>		
	<b>2024</b>	2023	
	<i><b>RMB'000</b></i>	<i>RMB'000</i>	
Net cash flows generated from operating activities	<b>1,138,308</b>	4,993,965	-77.2%
Net cash flows used in investing activities	<b>-1,084,963</b>	-1,058,997	2.5%
Net cash flows used in financing activities	<b>-520,670</b>	-3,793,636	-86.3%
Effect of exchange rate changes on cash and cash equivalents	<b>-2,342</b>	2,299	-201.9%
Net increase in cash and cash equivalents	<b><u>-469,667</u></b>	<u>143,631</u>	<u>-427.0%</u>

## 5. Capital Management

The primary objective of the Group's capital management activities is to ensure that it maintains healthy capital ratios, so as to support the Group's business and maximise its shareholders' value. The Group uses debt ratio and gearing ratio to monitor its capital status. As at 31 December 2024, no change was made to the Group's objectives, policies or processes for capital management.

### *Debt ratio*

	<b>31 December 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	<b>86,032,295</b>	80,344,744
Total liabilities	<b>63,162,550</b>	59,976,786
Total equity	<b>22,869,745</b>	20,367,958
Debt ratio	<b><u>73.42%</u></b>	<u>74.65%</u>

### *Gearing ratio*

	<b>31 December 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest-bearing bank and other borrowings	<b>52,014,954</b>	47,649,600
Total equity	<b>22,869,745</b>	20,367,958
Gearing ratio	<b><u>2.27</u></b>	<u>2.34</u>

As at 31 December 2024, the Group's debt ratio and gearing ratio decreased slightly as compared to the end of the previous year.

## 6. Capital Expenditure

The Group's capital expenditure primarily consists of expenditure on the purchase of medical equipment, other equipment expenditure relating to the Group's operating lease business, construction expenditure on hospital projects and expenditure relating to office facilities. In 2024, the Group had capital expenditure of RMB1,255.1 million.

## 7. Further Information on the Finance Business

The Group's finance business mainly comprises (a) direct finance leases; (b) sale-and-leasebacks; (c) factoring; (d) operating leases; and (e) advisory services. Further details on the business models of the financing services business and their respective performance during the reporting period are as follows:

### (i) *Business Models of Finance Lease Business*

#### (a) *Direct finance leases*

In a direct finance lease, the Group purchases specific asset from the equipment supplier which is normally selected by customers, and then the Group leases the asset to customers for use in return for periodic lease payments. A typical direct finance lease transaction is a tri-party arrangement involving a lessor, a lessee and an equipment supplier. The Group would receive one-off handling fees from the equipment supplier or the lessee prior to payment of equipment price in direct finance leases.

#### (b) *Sale-and-leaseback*

In a sale-and-leaseback transaction, the Group's customer sells the relevant asset to the Group for a negotiated purchase price, and the Group then leases the asset back to the customer in return for periodic lease payments, so that the customer may cover its funding needs and continue to use the asset as a lessee. A typical sale-and-leaseback transaction involves a lessor and a lessee.

### (ii) *Information on customers*

As of 31 December 2024, the Group's direct finance lease business served customers in approximately 6 provinces, municipalities and autonomous regions in China, the sale-and-leaseback business served customers in approximately 26 provinces, municipalities and autonomous regions in China, the factoring business served customers in approximately 7 provinces, municipalities and autonomous regions in China, and the operating lease business served customers in 1 province in China.



***(iii) The approval process and risk assessment policy***

The Group has built a systematic risk management framework to manage risks by using a multi-dimensional risk assessment model, taking into account factors including but not limited to:

- (a) the industry in which the customer operates;
- (b) the underlying qualification of the customer;
- (c) the operation and financial status of the customer;
- (d) information about existing credit facilities and credit history;
- (e) transaction structure and the use of funds;
- (f) the guarantee capability and guarantee intention of the guarantor;
- (g) information on the leased assets, etc.

In terms of approval mechanism, we set up a specialised risk control department to execute the hierarchical authorization and approval system, implement assessment in accordance with the standardized due diligent process of the Company for ordinary business. The amount of credit line is assessed under the business credit assessment model based on the project details to determine credit exposure, while the amount of credit line for non-standard industry projects or complicated projects is determined based on the recommendation of the dedicated evaluation committee after passing the due diligent review. We have established an evaluation framework encompassing industry risk assessment, customer qualification verification, strengths and weaknesses analysis of project, etc., and eventually generated a due diligence report and formed risk assessment opinions as the basis for decision-making to ensure the objectivity and risk controllability of credit approval decisions.

***(iv) Number of lessees/borrowers***

For the year ended 31 December 2024, the Group had 13 new direct finance lease agreements in aggregate, serving a total of 9 customers; 348 new sale-and-leaseback agreements in aggregate, serving a total of 240 customers; zero new factoring agreement with the number of customers being nil; and 1 new operating lease agreement in total, serving a total of 1 customer.

(v) *Principal terms of transactions*

The principal terms of the Group's direct finance lease agreement include:

- (a) leased assets: for direct finance lease, the lessee selects the supplier of leased assets based on its own requirement;
- (b) ownership of leased assets: ownership of leased assets shall be transferred to us after we paid the consideration for the leased assets. We retain the ownership of the leased assets while the lessee holds the right to use the leased assets within the lease period. The lessee shall not, without our consent, sell, transfer, sublease or sublet the leased assets, or set up any charge, security interest or other encumbrance on the leased assets, or undertake any other act that violate our ownership rights;
- (c) lease payments: the lease payments consist of lease cost and interests, the lessee shall settle the lease payment in installments on time in accordance with the lease payment schedule attached to the direct finance lease agreement;
- (d) Pledge/guarantee information: the leased assets under the direct finance lease agreement shall be registered and publicly disclosed in the unified Registration Formula System for Movables Financing Registry of the Credit Reference Center of the People's Bank of China. In addition, we also require the lessee to provide joint liability guarantee, mortgage, pledge and others based on its credit rating;
- (e) Default clauses: if the lessee fails to pay any lease payment or any other amount payable after the due date, we shall be entitled to exercise the remedies such as the accelerated expiration, termination of the agreement, recovery of all reasonable costs incurred in enforcing our rights, suspension of any unpaid payment, and shall have the right to demand the lessee to pay liquidated damages for late payments;
- (f) Dispute Resolution: the direct finance lease agreement shall be construed in accordance with the PRC laws, any dispute caused by or related to the agreement shall be submitted to the competent People's Court with jurisdiction over the place where it was signed;
- (g) Termination: the agreement shall terminate upon the full performance and discharge of all rights and obligations by both parties.

The principal terms of the Group's sale-and-leaseback agreement include:

- (a) leased assets: mainly comprise the equipment fixed asset used by the lessee in its production and operation;
- (b) ownership of leased assets: ownership of leased assets shall be transferred to us after we paid the consideration for the leased assets. We retain the ownership of the leased assets while the lessee holds the right to use the leased assets within the lease period. The lessee shall not, without our consent, sell, transfer, sublease or sublet the leased assets, or set up any charge, security interest or other encumbrance on the leased assets, or undertake any other act that violate our ownership rights;
- (c) lease payments: the lease payments consist of lease cost and interests, the lessee shall settle the lease payment in installments on time in accordance with the lease payment schedule attached to the sale-and-leaseback agreement;
- (d) Pledge/guarantee information: the leased assets under the sale-and-leaseback agreement shall be registered and publicly disclosed in the unified Registration Formula System for Movable Financing Registry of the Credit Reference Center of the People's Bank of China. In addition, we also require the lessee to provide joint liability guarantee, mortgage, pledge and others based on its credit rating;
- (e) Default clauses: if the lessee fails to pay any lease payment or any other amount payable after the due date, we shall be entitled to exercise the remedies such as the accelerated expiration, termination of the agreement, recovery of all reasonable costs incurred in enforcing our rights, suspension of any unpaid payment, and shall have the right to demand the lessee to pay liquidated damages for late payments;
- (f) Dispute Resolution: the sale-and-leaseback agreement shall be construed in accordance with the PRC laws, any dispute caused by or related to the agreement shall be submitted to the competent People's Court with jurisdiction over the place where it was signed;
- (g) Termination: the agreement shall terminate upon the full performance and discharge of all rights and obligations by both parties.

The principal terms of the Group's operating lease agreements include:

- (a) Terms on equipment purchase: list of equipment, purchase price, delivery time, acceptance criteria, post-sale services provided by the suppliers and other terms stipulated in the purchase contracts;
- (b) Terms on equipment lease: details on the leased assets, lease term, lease rental and payment methods, delivery, installation, commission and acceptance of the leased assets and other terms stipulated in the lease contracts;
- (c) Equipment service agreements: terms on engagement of the equipment service suppliers by us to provide the lessees with relevant services to ensure smooth operation of the equipment, equipment inspection, equipment recovery and warehousing storage, equipment treatment, and payment of service fees.

During the reporting period, the Group's factoring business remained dormant.

**(vi) *Scale and diversity of lessees***

For the year ended 31 December 2024, no single customer contributed (a) more than 5.0% of the total revenue of our finance lease business, and no single customer contributed (b) more than 1.0% of the Group's total revenue.

For the year ended 31 December 2024, in terms of investment amount, the amount we invested for the provision of finance lease services to the top five customers of our finance lease business represented approximately 5.4% of the total amount invested for the provision of finance lease services.

**(vii) *Interest and handling fees***

For the year ended 31 December 2024, we charged interest rates ranging from 6.00% to 9.95% per annum and handling fees ranging from 0% to 3.90%.

**(viii) *Maturity profile of interest-earning assets***

Please refer to paragraph 3.1.3.1 headed "Interest-earning assets" of this announcement for details.

***(ix) Changes in impairment or write-offs of loans receivable and the basis for impairment assessment***

In accordance with Hong Kong Financial Reporting Standard 9 – Financial Instruments (“HKFRS 9”), provisions for the interest-earning assets are made by implementing impairment tests either on an individual or collective basis, and impairment allowances for the interest-earning assets are recognised under a 12-month expected credit losses (“ECLs”) or a lifetime ECLs model in light of the specific assessment methods under the general approach.

For impairment test on an individual basis, each interest-earning asset is subject to impairment test by using the future cashflow discount model, and loss allowances are provided in accordance with the calculation results. For impairment test on a collective basis, provisions are made for interest-earning assets with similar characteristics as a whole by using migration matrix model based on the analysis of changes in the rating of interest-earning assets and historic loss data. In making the aforementioned provisions, ECLs are assessed in light of forward-looking information, and appropriate models and a number of assumptions are used in the measurement of ECLs. These models and assumption relate to the future microeconomic situation and the debtors’ creditworthiness. For Stage 1 and Stage 2 assets, loss allowances are provided by implementing impairment tests on a collective basis. For Stage 3 assets, loss allowances are provided by implementing impairment tests on an individual basis.

As of 31 December 2024, the net interest-earning assets was RMB71,277.4 million, and the provision for interest-earning assets was RMB2,122.9 million, representing a provision coverage rate of 301.86%. The increase in provision for interest-earning assets was mainly due to the increase in net interest-earning assets and further improvement of risk resistance capability.

## 8. Risk Management

The Group's principal financial instruments include interest-earning assets, trade receivables, trade payables, interest-bearing bank and other borrowings, and cash and cash equivalents. The main purpose of cash and cash equivalents and interest-bearing bank and other borrowings is to finance the Group's operations while other financial assets and financial liabilities such as trade receivables and trade payables are directly related to the Group's operating activities.

The Group is exposed to various types of market risks in the ordinary course of business, primarily including interest rate risk, currency risk, credit risk and liquidity risk.

### 8.1 Interest Rate Risk

Interest rate risk is the risk arising from the fluctuation of financing instrument or future cash flows as a result of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's interest-bearing bank and other borrowings and interest-earning assets.

A principal part of the Group's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modeling). The Group aims to mitigate the impact of prospective interest rate movements which could reduce future net interest income, while balancing the cost of such risk mitigation measure.

The following table sets forth a sensitivity analysis on the Group's profit before tax affected by a reasonably possible change in interest rate, with all other variables unchanged. The sensitivity of the profit before tax is the effect of the assumed changes in interest rates on profit before tax, based on the financial assets and financial liabilities held at the end of each reporting period subject to repricing within the coming year.

	<b>Increase/(decrease) in profit before tax</b>	
	<b>31 December 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
Change in base points		
+100 base points	<b>(104,359)</b>	(98,220)
-100 base points	<b>104,359</b>	98,220

## 8.2 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates. The Group's exposure to the risk of changes in foreign exchange relates primarily to the financing activities of the Group.

The Group conducts its business mainly in RMB, with certain financing activities denominated in USD and other currencies pegged to the USD. The Group's currency risk mainly arises from the transactions denominated in currencies other than RMB. In order to control currency risk, the Group adopted prudent currency risk management strategies which hedges risk exposures one by one under comprehensive risk exposure management. It proactively hedged against foreign exchange exposure based on the currency and terms through using the operation of financial instruments such as forward exchange rate. As of 31 December 2024, the Group's exposure to foreign exchange risk amounted to approximately USD1,455.3 million, USD1,433.8 million or 98.5% of which had been hedged against by various financial instruments. Thus, the Group's exposure to foreign exchange risk is basically covered.

The table below sets forth a sensitivity analysis on the Group's profit before tax affected by a reasonably possible change in exchange rate:

	Change in exchange rate %	<b>Increase/(decrease) in profit before tax</b>	
		<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000
If RMB strengthens against USD/HKD	(1)	<b>1,562</b>	78
If RMB weakens against USD/HKD	<u>1</u>	<u><b>(1,562)</b></u>	<u>(78)</u>

The exchange rate of RMB to USD is managed under a floating exchange rate system. The HKD exchange rate has been linked to the USD and therefore the exchange rate of RMB to HKD has fluctuated and will fluctuate in line with the changes in the exchange rate of RMB to USD. The analysis calculates the effect on profit before tax of a reasonably possible movement in the currency rate against RMB, with all other variables held constant.

### 8.3 *Credit Risk*

Credit risk is the risk of loss arising from a lessee's or counterparty's inability to meet its obligations. The Group enters into transactions only with recognised and creditworthy third parties. In accordance with the policy of the Group, the Group examines and verifies the credit risk of all customers with whom the Group has credit transactions. Besides, the Group monitors and controls the interest-earning assets regularly to mitigate the risk of significant exposure to bad debts. Other financial assets of the Group include cash and bank deposits, accounts receivables and other receivables. The credit risk of these financial assets arises from the counterparty's inability to meet its obligations. The maximum exposure to credit risk equals to the carrying amounts of these assets.

In determining the classification of its interest-earning assets, the Group applies a set of criteria pursuant to its internal policies. These criteria are designed to assess the likelihood of repayment by the borrower and the collectability of principal and interest on the interest earning assets of the Group. Interest-earning assets classification criteria of the Group focus on a number of factors, to the extent applicable, and include the following criteria:

#### *Classification criteria*

**Pass.** The debtor is able to fulfil the contract, and there is no objective evidence indicating the debtor is not able to repay the principal and interests in full on time.

**Special Mention.** Although there exists some factors that might have adverse impacts on the debtor's ability in performing the contract, the debtor is currently able to repay the principal and interests.

**Substandard.** The debtor is not able to repay the principal and interests in full, and the interest-earning assets have been credit-impaired.

**Doubtful.** The debtor is not able to repay the principal and interests in full, and the interest-earning assets have been significantly credit-impaired.

**Loss.** After taking all possible measures, only very little or none of the principal and interests could be recovered.



### *Asset management measures*

Under the overall risk management framework, the Group fully participated in the asset management works, with multi-sectorial coordination and collaboration, to maintain the safety of assets and improve the asset quality. During the whole process of each of the finance lease project, the Group took risk management measures to monitor the quality of its asset portfolio, the quality of the assets underlying its leases and the efficiency of its credit assessment workflow. These measures are integrated into on-going asset management efforts of the Group with the following key features:

#### *Continuously improving the management process after the lease and regularly monitoring the asset portfolio*

The Group continued to improve the management process after lease and strengthened the coordination of various departments to ensure the rent collection and the collateral security, as well as enhancing asset quality. During the year, the Group constantly monitored the collection of rental payments from our customers. For projects with overdue lease receivables, we would adopt a variety of measures to collect the overdue receivables, and collect data to facilitate our classification of risky assets.

#### *On-site customer visits*

The Group formulated and implemented an annual on-site visit plan and inspected the business development and financial conditions of its customers on a continuing basis, during which cross-selling opportunities could also be explored for providing more value-added services. Through on-site visits, the customers would be urged to pay the rent on time more consciously and they would be more willing to communicate with the Group.

#### *Material events handling and reporting procedures*

The Group implemented a material events reporting system. If any material adverse event occurs to customers, a responsible department should take the lead and collaborate and coordinate with various departments to actively respond to the situation. Meanwhile, such event would need to be reported to the senior management and the Board.

### *Regular assessments on asset quality and update on reclassification*

The Group adopted the expected credit loss model to classify its assets related to interest earning assets. Under this categorisation system, the Group's assets related to interest-earning assets are divided into five categories, namely "pass", "special mention", "substandard", "doubtful" and "loss". The last three categories of assets are considered as non-performing assets. The Group applied a series of criteria in determining the classification of each of its assets, which focus on a number of factors, including (1) the customer's ability to make lease payments; (2) the customer's payment history; (3) the customer's willingness to make lease payments; (4) the collateral provided for the lease; and (5) the possibility of legal enforcement in the event of delinquent lease payments. The Group closely monitored the asset quality by focusing on the aforementioned factors, and would decide whether to reclassify such assets and adopt appropriate measures to improve their management. The Group has also established concrete management measures for making relevant provisions for impairment to the extent such impairment is reasonably envisaged.

### *Credit Risk Analysis*

Analysis on the industry concentration of interest-earning assets

Credit risk is often greater when lessees are concentrated in one single industry or geographical location or have comparable economic characteristics. Customers of the Group are diversely located in different regions of the Chinese mainland, and its lessees are from different industries as follows:

	<b>31 December 2024</b>		31 December 2023	
	<b><i>RMB'000</i></b>	<b><i>% of total</i></b>	<i>RMB'000</i>	<i>% of total</i>
Healthcare	<b>8,303,649</b>	<b>11.7%</b>	12,418,950	18.4%
Urban public utility	<b>54,633,286</b>	<b>76.6%</b>	50,106,877	74.4%
Others	<b>8,340,484</b>	<b>11.7%</b>	4,822,758	7.2%
Total	<b><u>71,277,419</u></b>	<b><u>100.0%</u></b>	<u>67,348,585</u>	<u>100.0%</u>

Although the customers of the Group are mainly concentrated in the healthcare industry and urban public utility industry, there is no significant credit risk concentration within the Group as healthcare industry relates closely to people's basic livelihood and is weakly correlated to the economic cycle, the development fundamentals of urban public utility are sound, and systematic risks are under control.

The data of exposure to credit risk arises from loans and accounts receivables, other receivables, derivative financial instruments and credit commitments. The analysis of financial assets which are neither past due nor impaired is as follows:

	<b>31 December 2024 RMB'000</b>	31 December 2023 RMB'000
Net interest-earning assets	<b>70,238,596</b>	66,498,898
Accounts receivables	<b>2,410,768</b>	1,756,800
Other receivables	<b>69,154,513</b>	501,158
Derivative financial assets	<b>303,204</b>	263,970
Notes receivable	<b>12,003</b>	41,478

#### **8.4 Liquidity Risk**

Liquidity risk is the risk arising from funds not being available to meet liabilities as they fall due. This may arise from mismatches in amounts or duration with regard to the maturity of financial assets and liabilities.

The Group manages its liquidity risk through daily, monthly and quarterly monitoring with the following objectives: maintaining flexibility in funding by keeping sufficient available loan facilities or loan commitments provided by banks and other financial institutions, making projections of cash flows and evaluating the appropriateness of current asset/liability position, and maintaining an efficient internal funds transfer mechanism.

The table below summarises the maturity profile of the Group's financial assets and liabilities based on the contractual undiscounted cash flows:

	On demand	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Infinite	Total
<i>RMB'000</i>							
<b>31 December 2024</b>							
Total financial assets	2,677,446	10,979,184	23,415,090	48,558,081	20,000	2,778	85,652,579
Total financial liabilities	<u>(91,613)</u>	<u>(10,443,982)</u>	<u>(17,515,148)</u>	<u>(34,968,117)</u>	<u>(939,856)</u>	<u>–</u>	<u>(63,958,716)</u>
Net liquidity gap <sup>(1)</sup>	<u>2,585,833</u>	<u>535,202</u>	<u>5,899,942</u>	<u>13,589,964</u>	<u>(919,856)</u>	<u>2,778</u>	<u>21,693,863</u>
<b>31 December 2023</b>							
Total financial assets	3,103,504	10,201,521	21,317,899	46,921,596	–	2,778	81,547,298
Total financial liabilities	<u>(107,548)</u>	<u>(7,709,850)</u>	<u>(22,435,101)</u>	<u>(30,083,157)</u>	<u>(553,448)</u>	<u>–</u>	<u>(60,889,104)</u>
Net liquidity gap <sup>(1)</sup>	<u>2,995,956</u>	<u>2,491,671</u>	<u>(1,117,202)</u>	<u>16,838,439</u>	<u>(553,448)</u>	<u>2,778</u>	<u>20,658,194</u>

*Note:*

<sup>(1)</sup> A positive liquidity gap indicates financial assets are more than financial liabilities and there is no funding gap, while a negative net liquidity gap indicates otherwise.

The Group will reasonably arrange the term of financial liabilities to control the liquidity risk.

## 9. Pledge of Group Assets

As at 31 December 2024, the Group had interest-earning assets of RMB11,659.0 million and cash of RMB468.7 million pledged or paid to banks to secure the bank borrowings.

## 10. Material Investments, Acquisitions and Disposals

On 1 March 2024, Genertec Universal Medical Technology Services (Tianjin) Co., Ltd., a wholly-owned subsidiary of the Group, acquired 60% equity interest in Shandong Tuozhuang Medical Technology Co., Ltd. at a consideration of RMB82,500,000.

On 1 May 2024, Genertec Universal Medical Technology Services (Tianjin) Co., Ltd., a wholly-owned subsidiary of the Group, acquired 70% equity interest in Beijing Zhongtaihe Medical Equipment Co., Ltd. at a consideration of RMB49,000,000.

On 1 June 2024, Universal Yuegu Medical Technology (Tianjin) Co., Ltd., a wholly-owned subsidiary of the Group, acquired 100% equity interests in Zhengzhou Yuegu Hospital Co., Ltd. (鄭州悅谷醫院有限公司), Xinyang Yuegu Hemodialysis Services Management Co., Ltd. (滎陽市悅谷血液透析服務管理有限公司), Xinmi Yuegu Hemodialysis Services Management Co., Ltd. (新密市悅谷血液透析服務管理有限公司), Chifeng Yuegu Medical Services Co., Ltd. (赤峰悅谷醫療服務有限公司) and Laiyang Yuegu Hemodialysis Co., Ltd. (萊陽悅谷血液透析有限公司) at a consideration of RMB22,112,000.

On 20 September 2024, Genertec Universal Medical Technology Services (Tianjin) Co., Ltd., a wholly-owned subsidiary of the Group, acquired the controlling equity interests of Shandong University of Traditional Chinese Medicine Affiliated Ophthalmic Hospital (山東中醫藥大學附屬眼科醫院) at a consideration of RMB133,596,000. Therefore, the Group will consolidate the hospital into the Group's financial statements as a subsidiary.

On 1 October 2024, China Universal Leasing Co., Ltd., a wholly-owned subsidiary of the Group, acquired 51% equity interest in ShanDong JB Soft & Info Technology Co., Ltd. (山東青島軟通信息技術股份有限公司) at a consideration of RMB198,900,000.

The Group implemented the integrated management of Sichuan Huankang and Staff Hospital of China MCC 19 Group Co., Ltd. (中國十九冶集團有限公司職工醫院) (“MCC 19 Hospital”) in order to promote the complementary advantages and synergistic development of the hospitals in Panzhihua area. On 1 January 2024, Genertec Universal Medical Technology Services (Tianjin) Co., Ltd. injected MCC 19 Hospital into Sichuan Huankang, increasing its shareholding percentage from 53.30% to 61.28%. On 31 October 2024, the Group reached an agreement with Sichuan Huankang, whereby the Group is able to control the major financial and operational decision-making of Sichuan Huankang. Therefore, the Group has de facto control over Sichuan Huankang. After completion of the transaction, Sichuan Zhongqi Health Industry Co., Ltd., a wholly-owned subsidiary of Sichuan Huankang, has become the promoter of Pangang Group General Hospital (攀鋼集團總醫院) and Pangang Group Chengdu Hospital (攀鋼集團成都醫院). Sichuan Huankang and its subsidiaries will be consolidated into the Group's financial statements as its subsidiaries.

## **11. Future Plans for Material Investments or Capital Assets**

The Group will actively explore investment opportunities in and outside the PRC (with internal funds and external borrowings) to diversify its source of income, which may or may not include any acquisition or disposal of assets and/or business by the Group. Any such plans will comply with the applicable requirements under the Listing Rules (where appropriate).

## 12. Circumstances Including Contractual Obligations, Contingent Liabilities and Capital Commitments

### 12.1 Contingent Liabilities

	<b>31 December 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
Legal proceedings	–	–
Claimed amounts	<u>–</u>	<u>–</u>

### 12.2 Capital Commitments and Credit Commitments

The Group had the following capital commitments and credit commitments as at each of the dates indicated:

	<b>31 December 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
Capital expenditure under signed contracts but not appropriated <sup>(1)</sup>	<b>583,683</b>	864,754
Credit commitments <sup>(2)</sup>	<u><b>2,639,324</b></u>	<u>2,069,000</u>

#### Notes:

- <sup>(1)</sup> Capital expenditure under signed contracts but not appropriated during the year mainly represents unpaid amounts for medical equipment under contracts signed by hospitals and the unpaid amounts for construction and operation projects contracted by hospitals.
- <sup>(2)</sup> Credit commitments refer to the amount, conditional and revocable, under approved lease contracts but not appropriated by settlement date.

### 13. Human Resources

As of 31 December 2024, we had a total of 22,885 employees, representing an increase of 1,851 employees or 8.8% as compared to 21,034 employees as of 30 June 2023, which is mainly due to the transfer of employees from acquired hospitals.

We have a highly-educated and high-quality work force, with about 66.01% of our employees holding bachelor's degrees and above, about 6.84% holding master's degrees and above, about 39.36% with intermediate title and above, and about 12.95% with senior vice title and above as of 31 December 2024.

We have established and implemented a flexible and efficient employee incentive compensation plan to link the remuneration of our employees to their overall performance and contribution to the Group. We have established a performance-based remuneration and award system based on their overall performance and accomplishment of work targets. We promote employees based on their positions, service term and overall performance by categorising them into professional or managerial group, which provides our employees with a clear career development path. We perform a comprehensive performance evaluation over our employees at different positions and levels on an annual basis according to business objective obligations and achievement of key objectives.

In accordance with applicable PRC regulations, we have made contributions to social security insurance funds (including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees. We also provide other insurance plans for eligible employees such as supplementary pension, additional medical insurance and accident insurance in addition to those required under the PRC regulations. As of 31 December 2024, the Group complied with all statutory social insurance and housing fund obligations applicable to the Group under the PRC laws in all material respects.

The Group also emphasises employee trainings and career development, and invest in the education and training programs for its employees with the purpose of upgrading their knowledge on the latest trends and developments of the industry.

## **CORPORATE GOVERNANCE CODE**

The Company has applied the principles and code provisions as set out in the CG Code and has adopted the CG Code as its own code of corporate governance.

During the year, the Company has complied with all code provisions as set out in the CG Code save for the deviation from code provision B.2.2.

Code provision B.2.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, the articles of association of the Company stipulates that the executive Directors shall not be subject to the rotational retirement provision, without prejudice of the power of the Shareholders in general meeting to remove any such Director. To ensure continuity of leadership and stability for growth of the Company, the Board opined that the executive Directors should hold office on a continuous basis.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Securities Dealing Code on terms no less exacting than the Model Code, to regulate the Directors' and employees' dealings in the Company's securities.

Having made specific enquiry in writing to all the Directors (including Ms. Peng Jiahong who resigned during the accounting period covered by this annual results announcement), the Company confirmed that the Directors had complied with the Model Code and the Securities Dealing Code throughout the period from 1 January 2024 or the date of his appointment as Director (as the case may be) and up to the date of her resignation as Director or 31 December 2024 (as the case may be).

## **EVENTS AFTER THE REPORTING PERIOD**

There was no material subsequent event undertaken by the Group after 31 December 2024.

## **REVIEW OF FINANCIAL INFORMATION**

The Audit Committee, comprising Mr. Li Yinquan, Mr. Chow Siu Lui and Mr. Tong Chaoyin, has discussed with the management and the external auditor of the Company and reviewed the audited consolidated financial statements and annual results of the Group for the year ended 31 December 2024.

In addition, Ernst & Young, the external auditor of the Company, has independently audited the consolidated financial statements of the Group for the year ended 31 December 2024 contained in this announcement in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.



## **DISCLOSURE UNDER SECTION 436 OF THE COMPANIES ORDINANCE**

The financial information relating to the Company for the years ended 31 December 2024, 2023, 2022, 2021 and 2020 included in this announcement does not constitute the Company's statutory annual consolidated financial statements for these five years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the years ended 31 December 2023, 2022, 2021 and 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, as well as section 94 of the Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance in due course.

The Company's auditor has reported on the consolidated financial statements for the years ended 31 December 2024, 2023, 2022, 2021 and 2020. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of Treasury Shares) during the year.

## **FINAL DIVIDEND**

The Board recommended the payment of a final dividend of HKD0.35 per Share for the year ended 31 December 2024 (the "**2024 Final Dividend**"), which is subject to the approval of the Shareholders at the 2025 annual general meeting of the Company. Subject to the approval of the Shareholders at the 2025 annual general meeting of the Company, the 2024 Final Dividend is expected to be paid to the eligible Shareholders by no later than 27 June 2025.

A circular containing, among other things, further information in respect of the 2025 annual general meeting of the Company and the proposed distribution of the 2024 Final Dividend will be dispatched to the Shareholders in due course.

## **2025 ANNUAL GENERAL MEETING OF THE COMPANY AND CLOSURE OF REGISTER**

The Company will arrange the time for convening the 2025 annual general meeting of the Company as soon as practicable, and the notice of the 2025 annual general meeting of the Company will be published and dispatched to the Shareholders in a timely manner in accordance with the requirements of Listing Rules and the Company's articles of association. Once the date of the 2025 annual general meeting of the Company is finalized, the Company will announce the period of closure of register of members of the Company in the notice of the 2025 annual general meeting of the Company.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.umcare.cn](http://www.umcare.cn), respectively. The annual report of the Company for the year ended 31 December 2024 containing all the information required under the Listing Rules will be despatched to the Shareholders and published on the above-mentioned websites in due course.

### **DEFINITIONS**

“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors
“CG Code”	the “Corporate Governance Code” contained in Appendix C1 to the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong, which has become effective from 3 March 2014), as amended, supplemented or otherwise modified from time to time
“Company” or “Universal Medical”	Genertec Universal Medical Group Company Limited (通用環球醫療集團有限公司) (formerly known as Universal Medical Financial & Technical Advisory Services Company Limited (環球醫療金融與技術諮詢服務有限公司), Universal Medical Services & Health Management Company Limited (環球醫療服務有限公司) and Universal International Leasing Co., Limited (環球國際租賃有限公司)), a company incorporated with limited liability under the laws of Hong Kong on 19 April 2012
“CULC”	China Universal Leasing Co., Ltd. (中國環球租賃有限公司), a wholly foreign-owned enterprise incorporated in China on 1 November 1984 and a wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“ESG”	environmental, social and governance
“Group”, “we” or “us”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Hospital Investment Co., Ltd.”	Genertec Universal Hospital Investment & Management (Tianjin) Co., Ltd. (通用環球醫院投資管理(天津)有限公司), previously known as Wiseman Hospital Investment Management (Tianjin) Co., Ltd. (融慧濟民醫院投資管理(天津)有限公司), a wholly-owned subsidiary of the Company established in the PRC in 2015
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“PRC” or “China”	The People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Dealing Code”	the Company’s own code of conduct regarding directors’ and employees’ dealings in the Company’s securities
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasury Share(s)”	has the meaning ascribed thereto under the Listing Rules
“USD”	United States dollars, the lawful currency of the United States

By order of the Board  
**Genertec Universal Medical Group Company Limited**  
通用環球醫療集團有限公司  
**Chen Shisu**  
*Chairman of the Board*

Beijing, PRC, 26 March 2025

*As at the date of this announcement, the executive Directors are Mr. Chen Shisu (Chairman), Mr. Wang Wenbing and Ms. Wang Lin; the non-executive Directors are Mr. Chan Kai Kong (Vice-chairman), Mr. Tong Chaoyin, Mr. Xu Ming and Mr. Zhu Ziyang; and the independent non-executive Directors are Mr. Li Yinquan, Mr. Chow Siu Lui, Mr. Xu Zhiming and Mr. Chan, Hiu Fung Nicholas.*