Hygeia Healthcare Holdings Co., Limited
海吉亚医疗控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6078)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

FINANCIAL HIGHLIGHTS

Revenue of the Group increased by 9.1% to RMB4,446.1 million for the year ended December 31, 2024 from RMB4,076.7 million for the year ended December 31, 2023.

Gross profit of the Group increased by 3.4% to RMB1,329.5 million for the year ended December 31, 2024 from RMB1,286.3 million for the year ended December 31, 2023.

EBITDA of the Group increased by 2.0% to RMB1,105.8 million for the year ended December 31, 2024 from RMB1,084.1 million for the year ended December 31, 2023.

Net profit of the Group decreased by 12.6% to RMB598.3 million for the year ended December 31, 2024 from RMB684.9 million for the year ended December 31, 2023.

Net cash to net profit ratio of the Group after excluding the pre-completion tax paid for the acquired hospitals and the settlement of previous suppliers' payables was 137.2%, representing an increase of 22.9 percentage points over 114.3% for the same period in 2023.

For the year ended December 31, 2024, the Company repurchased a total of 11,097,200 Shares on the Stock Exchange at an aggregate amount of approximately HK$183.8 million. As at the date of this announcement, 9,753,000 Shares repurchased during the Reporting Period have been cancelled, with the remaining repurchased Shares to be cancelled subsequently.

The Board has resolved not to declare any final dividend for the year ended December 31, 2024.

NON-IFRS MEASURES

To supplement the Group's consolidated statement of comprehensive income which are presented in accordance with IFRS, the Company has provided adjusted net profit as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors in understanding and evaluating the Group's consolidated statement of comprehensive income in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's financial and operating performance from period to period by eliminating impacts of items that the Group does not consider indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies as they do not share a standardized meaning. The use of these non-IFRS measures has limitations as an analytical tool, as such, they should not be considered in isolation from, or as substitute for analysis of, the Group's consolidated statement of comprehensive income as reported under IFRS. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS.

SUMMARY OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31,	
	2024	2023
	(RMB'000)	*(RMB'000)*
Revenue	**4,446,120**	4,076,680
Cost of revenue	**(3,116,647)**	(2,790,428)
Gross profit	**1,329,473**	1,286,252
Selling expenses	**(53,413)**	(50,567)
Administrative expenses	**(437,314)**	(412,183)
Impairment losses on financial assets	**(57,614)**	—
Other income	**48,862**	50,674
Other (losses)/gains — net	**(8,850)**	14,928
Operating profit	**821,144**	889,104
Finance income	**1,514**	10,153
Finance costs	**(71,842)**	(43,170)
Finance costs — net	**(70,328)**	(33,017)
Profit before income tax	**750,816**	856,087
Income tax expense	**(152,484)**	(171,139)
Net profit	**598,332**	684,948
Non-IFRS adjusted net profit[1]	**602,264**	713,445

Note:

(1) Adjustments to the net profit for the year ended December 31, 2024 include: (i) depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals of RMB13,267 thousand; (ii) net foreign exchange losses of RMB1,401 thousand; and (iii) share-based compensation expenses of RMB(10,736) thousand. Adjustments to the net profit for the year ended December 31, 2023 include: (i) depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals of RMB10,413 thousand; (ii) net foreign exchange gains of RMB (11,166) thousand; and (iii) share-based compensation expenses of RMB29,250 thousand.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading professional oncology medical group in China and carries out multi-disciplinary diagnosis and treatment services centered around its core oncology business. Adhering to its corporate vision of "making healthcare services more accessible and affordable and making life healthier (讓醫療更溫暖，讓生命更健康)", the Group has always put the interests of patients first, continuously improving its clinical diagnostic and treatment capabilities and the quality of its medical services, continually expanding the depth and breadth of its hospital network and fulfilling the growing needs of oncology patients in China. As of December 31, 2024, the Group managed or operated 16 hospitals with oncology services as the core business, including four Class III hospitals, 12 Class II hospitals, as well as two additional hospitals under construction designed as Class III hospitals, located in 13 cities in eight provinces in China, helping the Group effectively reduce regional differences and develop extremely strong survival and adaptability skills.

The Group is dedicated to the development of medical services, with the academic and clinical expertise of its hospitals continuously strengthening. During the Reporting Period, the Group added one national-level chest pain center and six provincial/municipal-level key specialties (projects). Its medical talent pool continued to expand during the Reporting Period, now comprising 86 high-level talents, including those enjoying special government subsidies awarded by the State Council as well as those holding chairmen and deputy chairmen positions of specialty societies at all levels; additionally, the Group has 1,236 medical professionals with advanced qualifications.

The Group adheres to a patient-first approach, optimizing the patient experience through measures such as the provision of year-round outpatient services (including public holidays), a "90-minute outpatient experience (90分鐘門診就診體驗)" and convenient service facilities. In 2024, the Group's patient satisfaction rate reached 97.03%, representing an increase of 0.91 percentage point from the previous year. To meet the diverse health needs of the public, the Group continued to innovate its medical service models, actively exploring strategic cooperation with commercial insurance companies and improving the healthcare payment system. At the same time, the Group actively embraced artificial intelligence (AI) technology, applying it in areas such as oncology radiotherapy, imaging-assisted diagnosis, mobile nursing, and intelligent patient service to enhance work efficiency and patient experience.

The Group actively engages in medical public welfare activities, contributing to local economic and social development, while continuously enhancing its brand influence and social impact. Hezhou Guangji Hospital was honored by the Central Committee of the Communist Party of China as a "National Advanced Grass-roots Party Organization (全國先進基層黨組織)" and recognized by the All-China Federation of Trade Unions with the honorary title of the "Pioneer of Workers (工人先鋒號)". Chongqing Hygeia Hospital was recognized as an "Outstanding Private Enterprise in Chongqing (重慶市優秀民營企業)" by the Chongqing Municipal Committee of the Communist Party of China and the Chongqing Municipal People's Government. Chang'an Hospital was awarded the title of "Five-Star Party Organization (五星級黨組織)" by the Organization Department of the Shaanxi Provincial Committee of the Communist Party of China and was awarded the "Enterprise Fulfilling Social Responsibility in Xi'an (西安市履行社會責任企業) for 2023". The Group places great emphasis on medical insurance management, ensuring the proper utilization of medical insurance funds. The medical insurance heads of several hospitals within the Group have been selected as part of the national and provincial medical insurance inspection expert pools.

For the year ended December 31, 2024, the Group's revenue amounted to RMB4,446.1 million, representing an increase of 9.1% compared to last year. The brand influence and reputation of the Group's hospitals had continued to grow, leading to a further rise in patient visits. During the year ended December 31, 2024, the Group recorded approximately 4.5 million patient visits, representing an increase of 23.8% over last year. Operational efficiency was further improved, with the Group's net cash to net profit ratio reaching 137.2% for the year ended December 31, 2024, after excluding pre-completion tax paid for the acquired hospitals and the settlement of previous suppliers' payables, representing an increase of 22.9 percentage points compared to the ratio of 114.3% for the same period in 2023.

In 2024, the Group implemented a series of cost-reduction and efficiency-enhancing measures to address challenges and improve operational performance. The Group's total liabilities decreased by 5.0% from RMB4,479.7 million as of December 31, 2023, to RMB4,254.9 million as of December 31, 2024. Despite the official opening of the fifth self-built hospital, Dezhou Hygeia Hospital, in July 2024, the Group's full-time employees decreased by 69 as of December 31, 2024, including an increase of 48 physicians and other medical employees, and a reduction of 117 employees in management, administrative and other non-medical positions. The ratio of administrative expenses to the Group's total revenue decreased by 0.3 percentage point from 10.1% in 2023 to 9.8% in 2024.

The following table sets forth a breakdown of revenue of the Group by service offerings for the years indicated:

	Year ended December 31,			
	2024		2023	
	(RMB'000)	***% of revenue***	*(RMB'000)*	*% of revenue*
Hospital business				
— Outpatient services	**1,632,993**	**36.7**	1,351,356	33.1
— Inpatient services	**2,689,576**	**60.5**	2,538,937	62.3
Sub-total	**4,322,569**	**97.2**	3,890,293	95.4
Other business	**123,551**	**2.8**	186,387	4.6
Total	**4,446,120**	**100.0**	4,076,680	100.0

Hospital Business

For the year ended December 31, 2024, the Group's revenue from its hospital business was RMB4,322.6 million, representing an increase of 11.1% over last year, leading to the continuous and stable growth in revenue. For the year ended December 31, 2024, the revenue from outpatient services was RMB1,633.0 million, representing an increase of 20.8% over last year.

The brand influence and reputation of the Group's in-network hospitals have gradually enhanced, resulting in an increase in the number of patient visits. For the year ended December 31, 2024, the number of patient visits was approximately 4.5 million, representing an increase of 23.8% over last year. In addition, the Group had actively expanded diagnosis and treatment items with a focus on oncology to enrich treatment methods and improve management efficiency. The medical technology level of the Group was continuously improved. For the year ended December 31, 2024, the Group completed a total of 96,993 surgeries, representing a year-on-year increase of 15.8%, and the revenue from surgeries increased by 21.2% over last year, with a steady increase in the proportion of level 3 or 4 surgeries and interventional surgeries.

Oncology-related Business

The Group continuously strengthens the development of its oncology discipline and is committed to providing oncology patients with one-stop comprehensive treatment services.

Revenue from the Group's oncology-related business increased by 10.4% from RMB1,778.4 million for the year ended December 31, 2023 to RMB1,963.0 million for the year ended December 31, 2024.

The following table sets forth the revenue from oncology and non-oncology businesses of the Group for the years indicated:

	Year ended December 31,			
	2024		2023	
	(RMB'000)	***% of revenue***	*(RMB'000)*	*% of revenue*
Oncology business	**1,963,013**	**44.2**	1,778,431	43.6
Non-oncology business	**2,483,107**	**55.8**	2,298,249	56.4
Total	**4,446,120**	**100.0**	4,076,680	100.0

Gross Profit

The following table sets forth a breakdown of gross profit of the Group by service offerings for the years indicated:

	Year ended December 31,	
	2024	2023
	(RMB'000)	*(RMB'000)*
Hospital business	**1,278,371**	1,179,159
Other business	**51,102**	107,093
Total	**1,329,473**	1,286,252

The gross profit of hospital business, the core business of the Group, was RMB1,278.4 million for the year ended December 31, 2024, and the gross profit margin was 29.6%. The gross profit margin of the hospital business remained stable as compared to last year.

BUSINESS DEVELOPMENT

Since commencing operations in 2009, the Group has consistently focused on its core business of oncology medical services, emphasizing the enhancement of the long-term competitiveness of its hospitals and continuously improving patient satisfaction.

1. Strengthening the construction of oncology and related disciplines

The construction of academic disciplines is the key to the sustainable development of hospitals and is also an important symbol of the comprehensive strength and academic status of hospitals. The Group has attached great importance to discipline development, fully leveraging its resources and technological advantages to enhance the specialized service levels of its hospitals. With oncology as the core focus, all disciplines have advanced in parallel, achieving a new high in the number of key clinical specialties (as shown in the table below).

No.	Hospital	Discipline	Key specialties and centers construction
1	Chang'an Hospital (Class III Grade A hospital)	Demonstration center for national standardized chest pain center	
2		Department of psychosomatics	Clinical key specialty development project in Shaanxi Province
3		Department of oncology	Clinical key specialty development project in Xi'an City
4		Department of intensive care unit	Clinical key specialty development project in Xi'an City
5		Clinical Nursing Specialties	Clinical key specialties in Xi'an City
6	Chongqing Hygeia Hospital (Class III hospital)	Department of oncology	National key discipline with respect to clinical capability construction of medical institutions
7		Department of general surgery	Clinical key specialties in High-tech District, Chongqing
8		Department of intensive care unit	Clinical key specialties in High-tech District, Chongqing

No.	Hospital	Discipline	Key specialties and centers construction
9	Hezhou Guangji Hospital (Class III hospital)	National Standardized Metabolic Disease Management Center (MMC)	
10		National chest pain center (basic)	
11		Department of general surgery	Clinical key specialties in Hezhou City
12		Department of intensive care unit	Clinical key specialties in Hezhou City
13		Department of orthopedics	Clinical key specialty development project in Hezhou City
14		Department of nephrology	Clinical key specialty development project in Hezhou City
15		Department of neurology	Clinical key specialty development project in Hezhou City
16		Department of pediatrics	Clinical key specialty development project in Hezhou City
17		Department of urinary surgery	Clinical key specialty development project in Hezhou City
18	Suzhou Yongding Hospital	Department of hematology	Clinical key specialty founding unit in Suzhou City
19		Department of ultrasound	Clinical key specialties in Wujiang District, Suzhou City
20		Department of orthopedics	Clinical key specialties in Wujiang District, Suzhou City
21		Department of medical imaging	Clinical key specialties in Wujiang District, Suzhou City
22	Shanxian Hygeia Hospital	National chest pain center (standard)	
23		National Standardized Extracorporeal Counterpulsation Center	
24		Department of orthopedics	Clinical key specialties in Heze City
25		Department of ophthalmology	Clinical key specialty founding unit in Heze City
26	Longyan Boai Hospital	Department of oncology	County-level clinical key specialties in Longyan City
27		Department of endocrine	County-level clinical key specialties in Longyan City
28	Yixing Hygeia Hospital	Department of proctology	Wuxi City's specialties
29		Department of gynecology	Wuxi City's specialties
30		Department of gastroenterology	Wuxi City's specialties
31		Department of anesthesiology	Wuxi City's specialties

2. Strengthening the construction of hospital talent system

Medical talents are the core competitiveness of the healthcare service industry. The Group has gathered and nurtured a team of experienced and highly-skilled medical talents over the years.

As of December 31, 2024, the Group had 7,607 medical professionals in total, representing an increase of 124 compared to December 31, 2023. Among the medical professionals, 1,236 professionals had advanced qualifications, representing an increase of 48 from December 31, 2023. In 2024, a total of 791 medical professionals of the Group were promoted to a higher professional grade, laying a solid foundation for the long-term development of the Group's hospitals.

The Group currently has 86 high-level talents, including experts enjoying special government subsidies awarded by the State Council as well as the chairmen and deputy chairmen of specialty societies at all levels. Among them, there are 5 experts who enjoy special governmental subsidies of the State Council represented by Chen Guotao (陳國濤), who is the deputy chairman of the Kidney Disease Branch of Chongqing Medical Association (重慶市醫學會腎臟病分會), the visiting scholar of the Mayo Clinic (梅奧醫學中心) of the United States and the director of Chongqing Hygeia Hospital; 5 experts who are the chairmen and deputy chairmen of the national specialty societies represented by Wang Li (王立), who is the deputy chairman of the Internal Medicine Branch of the Chinese Medical Association (中華醫學會內科學分會) and the director of Chongqing Hygeia Hospital; 3 experts who are the chairmen and deputy chairmen of the military specialty societies represented by Liu Hongbin (劉宏斌), who is the deputy chairman of the Military General Surgery Professional Committee (全軍普通外科學專業委員會) and the professor of Chang'an Hospital; 28 experts who are the chairmen and deputy chairmen of the provincial specialty societies; and 45 experts who are the chairmen and deputy chairmen of the municipal specialty societies.

In recent years, through relentless efforts and perseverance, employees of the Group have achieved numerous significant honors and gained widespread social recognition. Professor Zhu Yiwen, the founder of the Group, was elected as the Vice Chairman of the Sixth Committee of the Private Hospital Branch of the Chinese Hospital Association. Li Daliang (李大亮), director of Hezhou Guangji Hospital, was named a "National Model Worker (全國勞動模範)", while Jiang Jinbai (蔣勁柏), the head of the emergency and intensive care unit department of the hospital, was named a "Model Worker of Guangxi Zhuang Autonomous Region (廣西壯族自治區勞動模範)". Yu Fengzhen (于鳳珍), deputy director of Shanxian Hygeia Hospital, was named a "Model Worker in Shandong Province (山東省勞動模範)". Professor Wang Yangmin (王養民), director of the department of urology at Chang'an Hospital and vice chairman of the Military Urology Professional Committee, was honored with the title of "Outstanding Contributing Senior Expert (突出貢獻老專家)" by the Gansu Medical Association. Zhang Hongfei (張鴻飛), director of Chongqing Hygeia Hospital, was awarded the Chongqing May Day Labour Award (重慶五一勞動獎章), while six professors of the hospital, including Zhang Xianquan (張獻全), were selected for the Chongqing Municipal Project Evaluation Expert Pool (重慶市市級項目評審專家庫), 12 experts of the hospital, including Tong Jianguo (童建國), were included in the "Chongqing Labor Appraisal Expert Pool (重慶市勞動鑒定評審專家庫)", and Hu

Peng (胡鵬), Luo Kuo (羅闊), and others were recognized as Leading Medical Talents in District and County Healthcare by the Chongqing Municipal Health Commission. Li Xiaohong (李小紅), director of Suzhou Canglang Hospital, was awarded the title of "May 1st Women's Pacesetter (五一巾幗標兵)" by Suzhou City.

3. Enhancing scientific research and academic excellence in hospitals

Since the Listing of the Group, the influence of the experts of its in-network hospitals in the industry has been continuously increasing, with a cumulative total of 796 academic papers published in renowned domestic and international journals. The Group continues to promote the synergistic development of the "medicine, education and research" system, steadily improves the medical research capability through clinical diagnosis and treatment, actively undertakes and implements national, provincial and municipal key scientific research projects, and has been granted a number of national utility model patents and invention patents. Hezhou Guangji Hospital has undertaken multiple scientific research projects assigned by the Municipal Science and Technology Bureau and successfully passed their acceptance reviews. Additionally, Hezhou Guangji Hospital has hosted several continuing education training sessions for the Guangxi Zhuang Autonomous Region, while Shanxian Hygeia Hospital organized a county-wide training program to enhance the diagnostic and treatment capabilities of grassroots medical institutions. By establishing high-quality academic exchange platforms, these initiatives have enabled medical professionals to share insights, absorb advanced concepts, and broaden their academic horizons, thereby driving the high-quality development of discipline construction.

Chongqing Hygeia Hospital has become the teaching hospital and teaching base of the School of Life Sciences (生命科學學院) and the Bioengineering College (生物工程學院) of Chongqing University, respectively, and the first medical institution in Chongqing Hi-Tech District to be certified as a Good Clinical Practice (GCP) medical institution; Suzhou Yongding Hospital has established the institute of clinical medicine of Soochow University-Suzhou Yongding Hospital and cooperated with the School of Rehabilitation of the Shanghai University of Traditional Chinese Medicine in the field of cancer rehabilitation medicine; Chang'an Hospital attended the 8th China Healthcare Industry Development & Investment Conference (第八屆中國醫療健康產業發展與投資年會), hosted the special academic session on "Oncology Discipline High-Quality Development and Service Model Innovation Forum (MDT) (腫瘤學科高質量發展與服務模式創新論壇(MDT))", and held all-around, multi-level and unique academic lectures. The papers of the hospital's imaging department published at the Radiological Society of North America (RSNA), the top academic conference in the field of radiology, for many times, thereby expanding the hospital's influence in the field of radiology at home and abroad. Liu Hongbin (劉宏斌), director of oncology hospital of Chang'an Hospital, was invited to attend FIS2024 China General Surgery Focused Issues Academic Forum and shared his experience as the host of the forum.

4. **Continuing to improve medical quality control**

Medical quality and safety are directly linked to patient health and represent the lifeline of hospital development. Upholding the service philosophy of "patient-first", the Group places high importance on medical quality control management, continuously strengthening the quality construction of medical services, improving clinical pathway management, and implementing 18 core systems and diagnostic and treatment protocols. The Group is committed to optimizing and upgrading its medical quality control system. Through regular professional training, multidisciplinary collaboration on complex cases, and initiatives to enhance critical care capabilities, the Group improves service efficiency and quality, builds a high-caliber talent pool, and establishes a foundation of patient trust through professionalism and compassion.

5. **Innovating medical service models to meet the diversified health needs of the public**

In addition to consolidating basic medical services, the Group continues to enhance the quality of its medical services and develop multi-tiered health management services to meet the diversified health needs of the public. Chongqing Hygeia Hospital is equipped with a comprehensive range of original and imported medications to address patients' multi-level medication needs. Shanxian Hygeia Hospital has partnered with Ruijin Hospital of Shanghai Jiao Tong University School of Medicine to establish a joint infertility medical consortium. Chang'an Hospital is continuously improving the quality of consumer medical services such as optometry, medical aesthetics, and dental care. A number of the Group's hospitals are also actively opening medical and nursing care centers, which will provide one-stop medical treatment for geriatric diseases and integrated healthcare and wellness services by leveraging on the high-quality medical resources of such hospitals.

The Group actively explores and advances strategic collaborations with commercial insurance companies to enhance the medical payment system. Hospitals such as Chongqing Hygeia Hospital, Chang'an Hospital, Suzhou Yongding Hospital, and Yixing Hygeia Hospital have already launched commercial insurance settlement services. Chongqing Hygeia Hospital has signed agreements with nearly 20 insurance companies to become a designated hospital for insurance claims and is gradually rolling out direct settlement services. Chongqing Hygeia Hospital is actively expanding its overseas business by integrating commercial insurance to provide high-quality diagnosis and treatment services to patients from Southeast Asia and other regions.

With the deepening application of artificial intelligence (AI) technology in the medical field, the Group actively embraces AI technology and explores its use in various medical scenarios to enhance work efficiency and optimize patient experience:

1. In the field of oncology radiotherapy, the Group has significantly reduced manual errors through AI-assisted target delineation, enabling precise tumor localization and avoiding missed and erroneous radiation exposure. Additionally, the use of intelligent algorithms for rapid processing of imaging data has shortened planning time and improved the efficiency of the radiotherapy department, ensuring timely treatment for patients. By integrating real-time image-guided technology, doctors can monitor tumor position and morphological changes during radiotherapy and adjust target areas in real time, achieving truly individualized and precise radiotherapy.

2. In the field of imaging-assisted diagnosis, AI can accurately identify small pulmonary nodules, increasing the detection rate by 10%–15% compared to traditional methods. The time required to generate chest CT reports has been reduced by 50%–70%, decreasing 30% and above repetitive tasks for doctors and allowing them to focus more on diagnosing complex cases. AI has shortened the diagnostic time for coronary CT angiography, head and neck CT angiography, and computed tomography perfusion (CTP) to 1/5–1/3 of that of traditional methods, with high consistency compared to diagnoses made by senior doctors. This provides strong support for emergency care, screening, and the diagnosis of complex cases.

3. In the area of mobile nursing, AI has enhanced the efficiency and service quality of medical staff of the Group, and improved patient experience, particularly in remote monitoring, personalized care, and case documentation. In terms of patient service improvement, hospitals utilize AI for pre-consultation and initial triage based on patient symptoms, as well as appointment scheduling services, reducing waiting time for patients and increasing consultation efficiency. Additionally, patients can use AI to access information such as doctors' availability and medical insurance reimbursement policies, thereby enhancing their overall healthcare experience.

Internet hospitals provide online consultation, remote diagnosis, health management and other services, which breaks the time and space constraints of traditional medical services and provides patients with more convenient and efficient medical services. During the Reporting Period, the Group's internet hospitals registered nearly 230,000 attendances. The Group will continue to promote the construction of the internet healthcare service network that combines "online + offline (線上+線下)" to provide patients with convenient services such as online consultation, online follow-up consultation for chronic diseases and delivery of medicines to their homes. The Group has also launched the “Internet + Nursing (互聯網+護理)” services, according to which patients can make a “cloud order (雲下單)” through their cell phones, and the hospitals will arrange for nursing staff to head to their homes after “receiving the orders” and deliver professional nursing services to the patients’ homes, so that patients with limited mobility who are bedridden or who are not accompanied by their children can enjoy scientific and professional on-site nursing care services without leaving their homes. The internet hospital of the Group’s Suzhou Yongding Hospital was awarded the honorary title of the 5th “Internet+” Innovation Award in Wujiang District, receiving a high recognition by patients and the society through carrying out “Internet + Nursing Service (互聯網+護理服務)”. During the Reporting Period, the healthcare internet hospital construction project of Chongqing Hygeia Hospital was awarded the “Chongqing Comprehensive Pilot Demonstration Project for the Expansion and Opening Up of the Service Industry (重慶市服務業擴大開放綜合試點示範項目)” and became the only medical institution selected for the project; Yixing Hygeia Hospital has successfully applied to become an internet hospital to provide patients with more convenient access to healthcare.

6. Improving the satisfaction of patients and making healthcare services more accessible and affordable

The Group has been pursuing its original mission of “making healthcare services more accessible and affordable and making life healthier (讓醫療更溫暖，讓生命更健康)”. The Group has always put patient benefits at the forefront of its mission and continuously improves the satisfaction of patients. In 2024, the patient satisfaction rate of the Group’s hospitals was 97.03%, representing an increase of 0.91 percentage point as compared to 2023. The Group will pursue the goal of 100% satisfaction and continue to optimize its service system.

All in-network hospitals of the Group have launched year-round outpatient service (including public holidays). In addition, they have operated morning-time, midday-time and night-time outpatient service according to the needs of local patients to provide more choices of time for patients to seek medical treatment. Adhering to the patient-centered approach, the Group continuously optimized convenient outpatient services and facilities, set up administrative volunteer service posts, launched the “one registration, three days’ validity (一次掛號，三天有效)” convenience initiative, implemented the “90-minute outpatient experience (90分鐘門診就診體驗)”, and also implemented the “Credit + Medicine (信用+醫療)” digital application service of “diagnosis and treatment first, payment later (先診療、後付費)” and other innovative service modes, to continue to improve the patient’s medical experience.

7. Construction progress of hospitals

The Group is deeply committed to the long-term brand establishment of its hospitals. Those who have immovable property are equipped with perseverance. The Group's hospitals are all self-owned, with a total of approximately 1,200 mu of land for medical and sanitary use and approximately 940,000 square meters of medical facilities and are committed to being recognized as "century-old hospitals" within the medical field.

Dezhou Hygeia Hospital, which was built by the Group itself, had passed acceptance inspection as a Class III general hospital and was officially put into use in 2024, with a designed accommodation of 1,000 beds. In addition, the Wuxi Hygeia Hospital project is scheduled to pass inspection and commence operation in 2025. The construction of Changshu Hygeia Hospital is progressing steadily and is scheduled to pass inspection and commence operation in 2026. Both of the hospitals are designed to be Class III hospitals. Wuxi Hygeia Hospital is designed to accommodate 800 to 1,000 beds, while Changshu Hygeia Hospital is designed to accommodate 800 to 1,200 beds.

Kaiyuan Jiehua Hospital Phase II project, which has a planned construction area of approximately 15,000 square meters and is designed to additionally accommodate approximately 500 beds, is under the progress of internal decoration. The preparation works of the Chang'an Hospital Phase III project, Hezhou Guangji Hospital Phase II project and Suzhou Yongding Hospital Phase II project have commenced. Upon full operation of the hospitals under construction and the completion of Phase II expansion projects of the existing hospitals, the bed capacity will exceed 16,000.

8. Integration progress of mergers and acquisitions

After more than 10 years of development and growth, the Group has accumulated rich experience in hospital management and advantages in resources integration, established a standardized and replicable hospital operation system, and empowered the acquired hospitals through scientific remuneration and performance system reform, hospital quality and safety management, supply chain management, the support from the Group's professional clinical and medical technical departments, reinvestment of healthcare resources and other operation and management measures.

Yixing Hygeia Hospital and Chang'an Hospital successively became part of the Group in 2023. With the support of the Group's standardized and replicable hospital operation system, remarkable results in all kinds of medical work have been achieved in these two hospitals, evidenced by the continuous enhancement of employees' sense of belonging, the steady improvement of the satisfaction of the patients, the continuous improvement of the business scale and operational efficiency as well as the further expansion of its influence in the industry.

For the period of more than one year since becoming part of the Group, Chang'an Hospital had newly added one clinical key specialty development project in Shaanxi Province, one clinical key specialty in Xi'an City and two clinical key specialty development projects in Xi'an City, and the chest pain center had been confirmed as the national standardized demonstration center. Through the establishment of Chang'an Hospital Oncology Hospital, it has gathered excellent experts resources from all over the country to carry out multidisciplinary team consultation under the comprehensive multidisciplinary diagnosis and treatment (MDT) model with the purpose of improving the survival rate of patients. During the Reporting Period, Chang'an Hospital further expanded its medical talent team by newly introducing nine academic leaders with advanced qualification and nineteen specialists with advanced qualification. The admission and treatment capabilities of Chang'an Hospital continued to improve with over 10,000 surgeries of level 3 or 4 finished in 2024, representing a year-on-year increase of 38%, 4.92% of which belongs to those cases with RW≥2, which is higher than the average level of Class III Grade A comprehensive hospitals in Xi'an City.

Yixing Hygeia Hospital continued to improve the development of its disciplines and promoted multidisciplinary comprehensive treatment of oncology. It successfully implemented the technology of radiology treatment for oncology patients, newly introduced the intensive care unit department, medical beauty center and other departments and developed 19 new technologies and projects, consolidated and expanded the hospital's disciplines in Wuxi City's specialties such as the departments of proctology, gynecology and gastroenterology, and successfully established a municipal "Chest Pain Rescue and Treatment Unit (胸痛救治單元)" and also applied for internet hospital. In January 2025, Yixing Hygeia Hospital successfully passed the re-evaluation as a Class II Grade A hospital.

9. Continuously improving the research and development of proprietary SRT equipment and actively expanding the business scope

The Group has relentlessly pursued technological innovation and breakthroughs on its proprietary SRT equipment. For example, the Group successfully completed the registration of CBCT image guidance system, which has significantly improved the accuracy and therapeutic effect of the equipment. Meanwhile, the indications for the Group's proprietary SRT equipment were further expanded, providing patients with more advanced medical choice. Additionally, the Group actively expanded its business scope and externally provided CRO service for the registration and application of device and software by utilizing the Group's clinical resources, providing customers with full process support from research and development to registration, and thereby promoting the innovation and development of the industry.

Continuously improving environmental, social and governance (ESG) construction

The Group has always adhered to long-termism and the benevolence of medical professionals, actively organizing public welfare activities such as voluntary blood donation, hematopoietic stem cell donation, community service, health lectures, and breast and cervical cancer screening, actively contributing to the development of local economy and society, thereby continuously enhancing the hospitals' brand and social influence.

Hezhou Guangji Hospital was honored by the Central Committee of the Communist Party of China as a "National Advanced Grass-roots Party Organization (全國先進基層黨組織)", recognized by the All-China Federation of Trade Unions with the honorary title of the "Pioneer of Workers (工人先鋒號)" and was also awarded as the "First Batch of Western Social Medical Benchmark Hospitals (首批西部社會辦醫標桿醫院)". Chongqing Hygeia Hospital was awarded as the "Outstanding Private Enterprise in Chongqing (重慶市優秀民營企業)" by the Chongqing Municipal Committee of the Communist Party of China and the Chongqing Municipal People's Government. Chang'an Hospital was awarded as the title of "Five-Star Party Organization (五星級黨組織)" and recognized as "Enterprise Fulfilling Social Responsibility in Xi'an (西安市履行社會責任企業) for 2023" by the organization department of Shaanxi Provincial Party Committee of the Communist Party of China. Suzhou Canglang Hospital was awarded the "Outstanding Unit of Elderly-Friendly Healthcare Institution (老年友善醫療機構優秀單位)" in Jiangsu Province and the Suzhou May Day Labour Award (蘇州市五一勞動獎). Shanxian Hygeia Hospital was awarded the "Shanxian Economic Development Contribution Award for 2023 (2023年度單縣經濟發展貢獻獎)".

The Group is committed to upholding the honorable tradition of supporting the military and giving preferential treatment to military families, as well as supporting the government and cherishing the people. It strictly implements various preferential policies and provides more convenient and superior healthcare services and health protection for military personnel, their families, veterans, and all other eligible beneficiaries. As the first military-supporting hospital in Guangxi Zhuang Autonomous Region, Hezhou Guangji Hospital was awarded the honorary title of "Patriotic Military Support Model Unit in Guangxi Zhuang Autonomous Region (廣西壯族自治區愛國擁軍模範單位)". Longyan Boai Hospital was awarded as the "Military Support and Preferential Hospital (擁軍優撫醫院)" in Longyan City. Yixing Hygeia Hospital was awarded as the "Yixing City Advanced Collective for Veterans Affairs and Double Support Work (宜興市退役軍人事務和雙擁工作先進集體)". Liaocheng Hygeia Hospital was honored with the honorary title of "Military Support Unit (擁軍單位)" by Liaocheng Economic and Technological Development Zone. Dezhou Hygeia Hospital was elected as a member of the "Shandong Army-supporting Alliance Entity (山東榮軍聯盟)". Suzhou Yongding Hospital, a pioneer as Suzhou City's first hospital designated to provide preferential treatment to veterans and other eligible beneficiaries, was highlighted in feature stories by various media including Xinhua Daily and China Veterans.

The Group attaches great importance to medical insurance management, ensuring the proper utilization of medical insurance funds through the establishment of a dedicated research committee on medical insurance funds. It also strengthens education on relevant medical insurance policies and engages in monthly analysis of medical insurance management across its hospitals, adhering to set standards and pursuing a meticulous approach to management. The medical insurance work of the Group has been commended by the competent authorities on multiple occasions. Shanxian Hygeia Hospital was awarded the honorary title of "Shandong Province Advanced Medical Insurance Department for Healthcare Security (山東省醫療保險先進醫保科室)". Suzhou Canglang Hospital was rated as a Suzhou Advanced Medical Insurance Designated Unit (蘇州市先進醫保定點單位) by the Suzhou Healthcare Security Administration multiple times. Additionally, several heads of medical insurance departments from the Group's hospitals were honored as provincial-level advanced individuals in medical insurance management. The medical insurance heads of multiple hospitals in the Group have been selected as members of the national and provincial medical insurance flying inspection expert pool.

The Group attaches great importance to investor relations management, continuously improves its corporate governance and protects the legitimate rights and interests of the Shareholders, especially the minority Shareholders. The management and staff of the Group worked together to enhance the inherent value of the Group and create good investment returns for investors. Mr. Zhu Yiwen, the founder, Chairman of the Board and chief executive officer of the Group, and parties acting in concert with him have never reduced their shareholdings in the Company, and have increased their shareholdings in the Group for 18 times since the Listing of the Company, holding a total of over 3 million Shares, demonstrating their firm commitment to standing together with the broad base of public Shareholders. Since its Listing in 2020, the Group has consistently valued Shareholder returns and has distributed accumulative dividends of approximately RMB170 million. In addition, the Company repurchased and cancelled a total of 1,275,800 Shares in 2022, and cumulatively repurchased 13,025,200 Shares from September 2024 to January 2025, of which 9,753,000 Shares repurchased have been cancelled whereas the remaining Shares will be cancelled subsequently. Also, the Group was selected among the "Top 50 Hong Kong Stock Connection (港股通50強)" in the 10th Hong Kong Stock Top 100 Selection (第十屆港股100強), and awarded among the "6th New Fortune Best IR of Hong Kong Listed Companies List (第六屆新財富最佳IR港股公司)" and the "2023 Sina Finance Golden Kylin Award — The Most Trusted Healthcare Service Institution (2023新浪財經金麒麟 — 最受使用者信賴的醫療服務機構)". Mr. Zhu Yiwen, the founder, Chairman of the Board and chief executive officer of the Group, was awarded the title of "Wei Lan Award — Entrepreneur of the Year (蔚藍獎•年度風雲企業家)".

The Group established and continuously optimized a sound system of labor protection, remuneration and benefits to protect the legitimate rights and interests of its employees; it also established the Hygeia Healthcare Teaching and Researching Institute to continuously enrich its training system and enhance the core competitiveness of its staff, and adopted a "dual-track promotion" system to fully simulate the enthusiasm of its staff, realizing the mutual development of the Group and its staff.

In addition to strengthening the protection of patients', shareholders', employees' and other stakeholders' rights and interests in the social aspect, in terms of environment, the Group regards the environmental protection as a material strategic issue. It monitors resources usage in its in-network hospitals through a standardized and modular matrix management model and continues to improve the operational model through a comprehensive data analysis system. The Group strictly complies with relevant environmental regulations and corresponding standards for effective and comprehensive treatment of wastewater, air emissions and waste residues. With a commitment to environmental excellence, the Group has also set targets and actions for 2030 in respect of the intensity of greenhouse gas emissions, water use intensity and energy consumption intensity.

In terms of governance, the Group maintains strict compliance with relevant laws and regulations, continuously improving its corporate governance structure. The nomination committee, the audit committee and the remuneration committee were established to ensure its decision-making is professional, efficient and transparent. The general meetings, the Board and the management have clear responsibilities, fulfilling their respective roles and coordinating operations effectively, thus laying a solid foundation for the corporate's ongoing, stable and robust development. The Group is resolutely against any forms of corruption and has formulated and implemented the "Anti-Corruption and Anti-Bribery Letter of Commitment (反腐敗、反賄賂承諾書)" and other internal rules and regulations, established various reporting channels, such as hotline and email, as well as internal complaint channel, and conducted anti-corruption training sessions, consistently striving to foster a corporate culture of transparency and integrity. The Group attaches great importance to establishing good public relations with all parties in the community, being monitored by governments and authorities at all levels, regulating the use of medical insurance funds, fulfilling its obligations as a taxpayer and contributing to the development of the local economy. Hygeia is committed to upholding the values of "telling the truth, being pragmatic and acting with integrity (說實話、辦實事、講誠信)", respecting and protecting the legitimate rights and interests of suppliers, promoting business ethics, promoting integrity and maintaining a clean and healthy environment in the medical field.

Industry Policy and Trend

The long-term support of national policies creates a favorable external environment for society to operate medical services and oncology medical services industry. As the reform of China's pharmaceutical and healthcare system continues to deepen, the government has proposed several policy recommendations to encourage the introduction of social capital into the medical field, to increase the supply in the medical service sector, and to allocate medical resources rationally. This aims to address the issues of insufficient total medical resources and uneven allocation in the country:

(1) In March 2025, Premier Li Qiang delivered the "Report on the Work of the Government (《政府工作報告》)" at the third session of the 14th National People's Congress (NPC). He pointed out that China will take solid steps to implement policies and measures designed to spur the growth of the private sector, effectively protect the lawful rights and interests of private enterprises and entrepreneurs in accordance with the law…… under the health-first strategy, the government will promote the coordinated development and governance of medical services, medical insurance, and pharmaceuticals…… it will increase the supply of quality medical resources, channel them toward the community level, and ensure a more balanced distribution among regions, while implementing projects to strengthen the foundations of medical and health care. The standards of per capita financial subsidy for residents' medical insurance and basic public health services will be raised by a further RMB30 and RMB5, respectively.

(2) In February 2025, General Secretary Xi Jinping attended a symposium on private enterprises and delivered an important speech. He emphasized that the Party and the state's basic principles and policies for the development of the private economy have been incorporated into the system of socialism with Chinese characteristics, and will be consistently upheld and implemented, which cannot and will not change. The private sector enjoys broad prospects and great potential on the new journey in the new era. It is a prime time for private enterprises and entrepreneurs to give full play to their capabilities. We must unify our thinking and reinforce our resolve to advance the sound and high-quality development of the private economy. It is hoped that the vast number of private enterprises and entrepreneurs will embrace the ambition to contribute to the nation, remain steadfast in their pursuit of development, operate within the law with adept management, and lead the way in prosperity to promote common wealth, thereby making new and greater contributions to advancing the modernization of China.

(3) In December 2024, the draft of the Private Sector Promotion Law was submitted by the State Council to the 13th session of the Standing Committee of the 14th NPC for its initial review. From February 24 to February 25, 2025, the 14th session of the Standing Committee of the 14th NPC conducted its second review of the draft. The Private Sector Promotion Law will provide a solid legal foundation for promoting the healthy development of the private economy and to better foster a first-class business environment that is market-oriented, rule-of-law-based, and internationalized;

(4) In November 2024, the National Healthcare Security Administration and the Ministry of Finance jointly issued the "Notice on Improving the Pre-payment of Medical Insurance Funds (《關於做好醫保基金預付工作的通知》)", aiming to assist designated medical institutions in alleviating the financial pressure of advancing medical expenses;

(5) In September 2024, the Ministry of Commerce, the National Health Commission and the National Medical Products Administration issued the "Notice on Expanding Pilots of Opening-up in the Healthcare Sector (關於在醫療領域開展擴大開放試點工作的通知)", permitting the establishment of wholly foreign-owned hospitals in the pilot cities;

(6) In July 2024, the National Healthcare Security Administration issued the "Notice on Printing and Issuing the Version 2.0 Grouping Scheme for Payment of Fees According to the Value of Disease Groups and Types of Diseases and Deepening the Related Work (《關於印發按病組和病種分值付費2.0版分組方案並深入推進相關工作的通知》)", pointing out that it will accelerate the implementation of the version 2.0 grouping scheme, improve the standardization and uniformity of the payment reform, enhance the level of the settlement of the medical insurance funds, and encourage the use of fund pre-payment to alleviate the pressure on the capital of the medical institutions, and comprehensively clear up the outstanding fees due under medical insurance funds;

(7) In July 2024, the third plenary session of the 20th Central Committee of the Communist Party of China announced the "Decision on Further Deepening Reforms and Promoting Chinese-Style Modernization (《關於進一步深化改革，推進中國式現代化的決定》)", which states that it would adhere to the principle and policy of creating a favorable environment and providing more opportunities for the development of non-publicly-owned economy, formulate a law on the promotion of privately-owned economy, break down the barriers to market access in depth, and improve the long-term effective mechanism for the participation of privately-owned enterprises in the construction of major national projects;

(8) In March 2024, Premier Li Qiang, on behalf of the State Council, delivered the "Report on the Work of the Government (《政府工作報告》)" at the second session of the 14th NPC, proposing to improve the capacity of medical and health services as one of the government's work tasks in 2024, to increase the standard of per capita financial subsidy for residents' medical insurance by RMB30, and to promote the synergistic development and governance of medical insurance, medical care and medicine;

(9) In February 2024, the Ministry of Justice, in conjunction with relevant departments, accelerated the legislative process of the Private Economy Promotion Law. This is to provide a solid legal foundation for promoting the healthy development of the private economy and to better foster a first-class business environment that is market-oriented, rule-of-law-based, and internationalized;

(10) In October 2023, the National Health Commission, together with 13 departments, issued the "Healthy China Action — Cancer Prevention and Control Action Implementation Plan (2023–2030) (《健康中國行動 — 癌症防治行動實施方案(2023–2030年)》)", which establishes the main goals for the period until 2030: cancer prevention and control system will be further improved, the capacity of comprehensive prevention and control of risk factors, cancer screening and early diagnosis and treatment will be significantly strengthened, the level of standardized diagnostic and treatment will steadily be raised, and the increasing trend of cancer incidence and mortality rates will be contained, the overall five-year survival rate of cancer will reach 46.6%, and the burden of disease on patients will be effectively controlled; it is also proposed to promote the expansion, allocation to grassroots and balanced distribution of quality cancer prevention and treatment resources, to deeply promote early screening and early diagnosis and treatment of cancer, to optimize the mode of diagnosis and treatment, to continue promoting the multidisciplinary diagnosis and treatment mode, and to enhance the capacity of cancer-related clinical specialties;

(11) In July 2023, the National Development and Reform Commission and other departments issued the "Notice on Implementing Several Measures to Promote the Development of the Private Economy in the Near Term (《關於實施促進民營經濟發展近期若干舉措的通知》)", which introduces 28 specific measures to address the prominent issues faced in the development of the private economy, stimulate the vitality of private economic development and boost confidence in the development of the private economy, thereby promoting the growth of the private economy;

(12) In July 2023, the National Health Commission issued the "Guiding Opinions on Promoting Clinical Specialty Capacity Building (《關於推動臨床專科能力建設的指導意見》)", which emphasizes the importance of specialty capacity building, pointing out that: on the basis of giving full consideration to the needs of local people for medical treatment and their own functional positioning, medical institutions should focus on cardio-cerebral-vascular diseases, malignant tumors, respiratory diseases, metabolic diseases and other major diseases with high morbidity and seriously endangering people's health by combining with the overall planning of the administrative departments of health and wellness, and the strengths of the organization and key supportive disciplines, and determine the direction of the key construction of the clinical specialties of the organization, and specify the core types of diseases and the objectives of construction;

(13) In July 2023, the Central Committee of the Communist Party of China and the State Council issued the "Opinions on Promoting the Development and Growth of the Private Economy (《關於促進民營經濟發展壯大的意見》)", which clearly points out: the private economy is a vital force in advancing Chinese-style modernization, an important foundation for high-quality development, and a significant power in driving China to fully build a strong modern socialist country in all respects and achieve the second centenary goal. The "Opinions" proposed a series of key measures to promote the development and growth of the private economy: firstly, the environment for the development of the private economy should be continuously optimized; secondly, the policy support for the private economy should be increased; thirdly, the rule of law guaranteeing the development of the private economy should be enhanced; fourthly, efforts should be made to promote high-quality development of the private economy; fifthly, the healthy growth of members of the private economy should be promoted; sixthly, a social atmosphere of caring for and promoting the development and growth of the private economy should be built up continuously;

(14) In March 2023, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council released the "Opinions on Further Improving the Medical and Health Service System (《關於進一步完善醫療衛生服務體系的意見》)", which proposes to promote the expansion of high-quality medical resources and a balanced regional distribution, and build a Chinese-characteristic medical and health service system that is high-quality and efficient; while private medical institutions may take the lead in forming or participate in medical consortiums; and

(15) In February 2023, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the "Opinions on Further Deepening Reforms to Promote the Healthy Development of the Rural Medical and Health System (《關於進一步深化改革促進鄉村醫療衛生體系健康發展的意見》)", which states that social forces are encouraged to establish clinics, outpatient departments, private hospitals, etc., to provide diversified medical services for the rural population.

With the support of multiple national policies, the development environment for social capital in healthcare sector in China has been continuously optimized. As a result, private medical institutions have experienced rapid growth, with steady increase in the number of hospitals, beds, health technical personnel, outpatient visits, hospital admissions and revenue. The proportion of private medical institutions in the overall medical service market has been steadily increasing.

The expanding market demand for oncology medical services lays a solid foundation for the rapid development of the industry

The "2024 Statistical Bulletin on the National Economic and Social Development of the People's Republic of China (《中華人民共和國2024年國民經濟和社會發展統計公報》)" shows that: by the end of 2024, the elderly population in China aged 60 and above reached 310 million, with the proportion of the elderly population in the total population rising to 22.0%; the population aged 65 and above reached 220 million, accounting for 15.6% of the total population. According to the estimation of the National Health Commission, in the coming period, the degree of aging will continue to intensify, and it is expected that the elderly population aged 60 and above will exceed 400 million by 2035, accounting for more than 30% of the total population, and entering the stage of severe aging. Therefore, it can be expected that tumors and other age-related diseases brought on by the aging population will continue to grow and the demand for relevant diagnosis and treatment services will gradually increase.

According to Frost & Sullivan's analysis, the market size of China's oncology healthcare services market (measured by revenue) has increased from RMB337.1 billion in 2018 to RMB495.1 billion in 2022, with a compound annual growth rate of 10.1%. With the growing demand for and the increasing accessibility to oncology treatment, the market size of China's oncology healthcare services market (measured by revenue) is expected to reach RMB768.7 billion in 2026, with a compound annual growth rate of 11.6% from 2022 to 2026. Meanwhile, the market size of China's private oncology healthcare services market (measured by revenue) will reach RMB109.2 billion in 2026, with a compound annual growth rate of 19.8% from 2022 to 2026. The market size of China's oncology healthcare services market (measured by revenue) will continue to increase from RMB768.7 billion in 2026 to RMB1,121.4 billion in 2030, and the market size of the private oncology healthcare services market for the same period will increase from RMB109.2 billion to RMB207.5 billion, with a compound annual growth rate of 17.4%. The Group believes that by enhancing construction of academic disciplines and improving diagnosis and treatment technology and services continuously, the Group is able to provide multi-level and one-stop diagnosis and treatment services to more oncology patients and satisfy their unmet needs.

Looking forward

With the aging of China's population and the increasing incidence of cancer, the demand for oncology medical treatment will continue to grow. The Group will continue to focus on its core business of oncology treatment, strengthen and expand the influence of its core disciplines such as oncology and increase the scale of its business, so as to satisfy the growing demand for medical treatment from oncology patients.

The Group will continue to promote the long-term brand building of its hospitals, adhere to the patient-centered approach, continuously improve the comprehensive diagnostic and treatment technology of its hospitals, improve its standardized and refined hospital management system, and enhance the core competitiveness of its in-network hospitals, so as to maintain its competitive advantages in the industry.

The Group will steadily push forward the construction of new hospital projects as well as the Phase II projects of the existing hospitals, and continue to reserve potential high-quality hospital targets, so as to strive for more favorable merger and acquisition conditions.

The Group will continue to develop self-financed diagnosis and treatment items to meet the diversified needs of patients for medical treatment, further promote the group's strategic cooperation with commercial insurance companies, gradually improve the healthcare payment system that combines medical insurance and commercial insurance, closely integrate the Group's quality medical resources with the healthcare needs of its commercial insurance customers, and continue to innovate the direct compensation service under commercial insurance, so as to provide patients with better and more convenient diagnostic and treatment service processes.

The Group will actively embrace innovative technologies and initiative. By leveraging AI image recognition technology, we aim to support physicians in achieving rapid and precise disease diagnosis, thereby elevating both the efficiency and accuracy of diagnostic processes. Furthermore, we will develop an AI-powered intelligent triage system to optimize patient treatment processes, enabling the intelligent allocation of medical resources and enhancing operational efficiency. The Group will also establish an AI-driven intelligent customer service platform to deliver online consultations, health management and other services, with a view to enhancing patient convenience and improving their healthcare experience.

We will continue to enhance our ESG building by reinforcing the regulatory measures on the environment, fulfilling social responsibilities, continuously improving and strengthening corporate governance and standardized governance of listed companies, so as to safeguard the rights and interests of all stakeholders through good operational management, standardized corporate governance and positive investor returns.

Financial Review

Revenue

During the Reporting Period, the Group's revenue was generated primarily from (i) operating private for-profit hospitals; and (ii) other business.

The Group's revenue increased by 9.1% to RMB4,446.1 million for the year ended December 31, 2024 from RMB4,076.7 million for the year ended December 31, 2023.

Hospital Business

The Group's revenue from hospital business, accounting for 97.2% of the Group's total revenue, increased by 11.1% to RMB4,322.6 million for the year ended December 31, 2024 from RMB3,890.3 million for the year ended December 31, 2023. The Group is committed to continually enhancing the brand influence and reputation of the Group's in-network hospitals, leading to the continuous and stable growth in its overall revenue. For the year ended December 31, 2024, the number of patient visits of the Group was approximately 4.5 million, representing an increase of 23.8% over last year.

Other Business

For the year ended December 31, 2024, the Group's revenue from other business amounted to RMB123.6 million, accounting for 2.8% of the Group's total revenue.

Cost of Revenue

During the Reporting Period, the Group's cost of revenue primarily consisted of cost of pharmaceuticals, medical consumables and other inventories, employee benefits expenses, depreciation and amortization, consultancy and professional service fees.

The Group's cost of revenue increased by 11.7% to RMB3,116.6 million for the year ended December 31, 2024 from RMB2,790.4 million for the year ended December 31, 2023, which was mainly due to the increase in cost of revenue brought by the continuous increase in revenue.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 3.4% to RMB1,329.5 million for the year ended December 31, 2024 from RMB1,286.3 million for the year ended December 31, 2023. For the year ended December 31, 2024, the Group's gross profit margin was 29.9%.

Selling Expenses

During the Reporting Period, the Group's selling expenses primarily consisted of consultancy and professional service fees, marketing and promotion expenses, as well as employee benefits expenses.

For the year ended December 31, 2024, the Group's selling expenses were RMB53.4 million, accounting for 1.2% of the Group's total revenue.

Administrative Expenses

During the Reporting Period, the Group's administrative expenses primarily consisted of employee benefits expenses, consultancy and professional service fees, depreciation and amortization, travelling expenses, vehicle and office expenses, utilities, cleaning and other logistical expenses, repair and maintenance expenses and taxation expenses.

The Group's administrative expenses increased by 6.1% to RMB437.3 million for the year ended December 31, 2024 from RMB412.2 million for the year ended December 31, 2023. The ratio of administrative expenses to the Group's total revenue decreased by 0.3 percentage point to 9.8% in 2024 from 10.1% in 2023, primarily due to the Group's continuous optimization of management costs to maintain the advantage of economies of scale.

Impairment Losses on Financial Assets

During the Reporting Period, the Group's impairment losses on financial assets primarily consisted of impairment losses on receivables.

For the year ended December 31, 2024, the Group's impairment losses on financial assets was RMB57.6 million.

Other Income

During the Reporting Period, the Group's other income was primarily composed of government grants.

The Group's other income decreased by 3.6% to RMB48.9 million for the year ended December 31, 2024 from RMB50.7 million for the year ended December 31, 2023.

Other (Losses)/Gains — Net

During the Reporting Period, the Group's other (losses)/gains — net mainly included realized and unrealized gains on financial assets at fair value through profit or loss.

The Group recorded other losses — net of RMB8.9 million for the year ended December 31, 2024 and other gains — net of RMB14.9 million for the year ended December 31, 2023, with other gains decreased by RMB23.8 million in aggregate, primarily due to the decrease of RMB12.5 million in net foreign exchange gains.

Finance Income and Costs

During the Reporting Period, the Group's finance income was composed of interest income on bank savings. The Group's finance income decreased to RMB1.5 million for the year ended December 31, 2024 from RMB10.2 million for the year ended December 31, 2023.

During the Reporting Period, the Group's finance costs were mainly composed of interest expenses on bank borrowings. The Group's finance costs increased to RMB71.8 million for the year ended December 31, 2024 from RMB43.2 million for the year ended December 31, 2023.

During the Reporting Period, the Group's finance costs — net increased by RMB37.3 million as compared to the last year.

Income Tax Expense

The Group's income tax expense decreased by 10.9% to RMB152.5 million for the year ended December 31, 2024 from RMB171.1 million for the year ended December 31, 2023.

Net Profit and Non-IFRS Adjusted Net Profit

As a result of the foregoing, the Group's net profit decreased by 12.6% to RMB598.3 million for the year ended December 31, 2024 from RMB684.9 million for the year ended December 31, 2023. The Group defined non-IFRS adjusted net profit as profit and total comprehensive income for the period adjusted for items which are non-recurring or extraordinary, including share-based compensation expenses, depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals, net foreign exchange losses/(gains). The Group's non-IFRS adjusted net profit decreased by 15.6% to RMB602.3 million for the year ended December 31, 2024 from RMB713.4 million for the year ended December 31, 2023.

Non-IFRS Measures

To supplement the Group's consolidated statement of comprehensive income which are presented in accordance with IFRS, the Company has provided adjusted net profit as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors in understanding and evaluating the Group's consolidated statement of comprehensive income in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's financial and operating performance from period to period by eliminating impacts of items that the Group does not consider indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies as they do not share a standardized meaning. The use of these non-IFRS measures has limitations as an analytical tool, as such, they should not be considered in isolation from, or as substitute for analysis of, the Group's consolidated statement of comprehensive income as reported under IFRS. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS.

The following table sets forth the reconciliations of the Group's non-IFRS adjusted financial measures for the years indicated to the nearest measures prepared in accordance with IFRS:

	Year ended December 31,	
	2024	2023
	(RMB'000)	*(RMB'000)*
Net profit	**598,332**	684,948
Adjustments:		
Depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals	**13,267**	10,413
Net foreign exchange losses/(gains)	**1,401**	(11,166)
Share-based compensation expenses	**(10,736)**	29,250
Non-IFRS adjusted net profit	**602,264**	713,445

Liquidity and Capital Resources

As of December 31, 2024, the Group had cash and cash equivalents of RMB369.1 million, structured deposit and wealth management products of RMB282.5 million, for a total of RMB651.6 million.

Cash Flow

Operating Activities

During the Reporting Period, the Group derived its cash inflow primarily through provision of healthcare services. Cash outflow from operating activities was primarily composed of payments for procurement of pharmaceuticals and medical consumables, employee benefits expenses, and other operating expenses.

The Group's net cash generated from operating activities decreased by 9.7% to RMB707.1 million for the year ended December 31, 2024 from RMB782.8 million for the year ended December 31, 2023. Excluding the pre-completion tax paid for the acquired hospitals of RMB17.7 million and the settlement of previous suppliers' payables of RMB96.0 million, the net cash generated from the Group's operating activities amounted to RMB820.8 million, representing an increase of 4.9% over 2023, with the net cash to net profit ratio increased by 22.9 percentage points over 2023.

Investing Activities

During the Reporting Period, the Group's cash used in investing activities mainly comprised of payments for purchases of property and equipment and payments for purchases of financial assets at fair value through profit or loss. The Group's cash generated from investing activities was mainly composed of proceeds from disposal of financial assets at fair value through profit or loss.

The Group's net cash used in investing activities decreased by 76.6% to RMB671.1 million for the year ended December 31, 2024 from RMB2,863.5 million for the year ended December 31, 2023. The decrease in net cash used in investing activities of RMB2,192.4 million was primarily attributable to (i) the decrease in the Group's payments for acquisition of subsidiaries of RMB1,755.8 million; and (ii) the decrease in payments for purchases of property and equipment of RMB328.1 million.

Financing Activities

During the Reporting Period, cash inflow from financing activities was mainly composed of proceeds from bank borrowings. Cash outflow from the Group's financing activities was mainly composed of repayment of bank borrowings, payment for repurchases of ordinary Shares and payment of interests on bank borrowings.

The Group's net cash used in financing activities for the year ended December 31, 2024 was RMB216.6 million, while the net cash generated from financing activities for the year ended December 31, 2023 was RMB1,775.3 million. The decrease in net cash generated from financing activities of RMB1,991.9 million was mainly due to (i) the decrease of RMB1,217.6 million in the Group's net cash inflow from bank borrowings and the accumulated payments for repurchasing Shares of RMB168.1 million in 2024; and (ii) the proceeds from the placing completed by the Group in January 2023 of RMB681.7 million.

Capital Expenditures

During the Reporting Period, the Group's capital expenditures were primarily composed of expenditures on (i) property and equipment, mainly comprising construction in progress and medical equipment; and (ii) intangible assets. The Group's capital expenditures decreased by 34.6% to RMB615.1 million for the year ended December 31, 2024 from RMB940.8 million for the year ended December 31, 2023.

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2024, there was no significant investment held by the Company, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Financial Position

Total Assets and Total Liabilities

As of December 31, 2024, the Group's total assets were mainly composed of cash and cash equivalents, financial assets at fair value through profit or loss, trade, other receivables and prepayments, property, plant and equipment, inventories and intangible assets. The Group's total assets increased by 1.8% to RMB10,929.3 million as of December 31, 2024 from RMB10,734.6 million as of December 31, 2023.

As of December 31, 2024, the Group's total liabilities were mainly composed of borrowings, trade and other payables, current income tax liabilities, deferred income tax liabilities, deferred revenue and contract liabilities. The Group's total liabilities decreased by 5.0% to RMB4,254.9 million as of December 31, 2024 from RMB4,479.7 million as of December 31, 2023.

Inventories

The Group's inventories were mainly composed of pharmaceuticals, medical consumables and spare parts. The Group's inventories increased by 3.8% to RMB215.8 million as of December 31, 2024 from RMB207.9 million as of December 31, 2023.

Trade, Other Receivables and Prepayments

The Group's trade receivables mainly represented the balances of the receivables arising from the provision of healthcare services. The Group's trade receivables decreased by 4.7% to RMB823.0 million as of December 31, 2024 from RMB864.0 million as of December 31, 2023.

The Group's other receivables mainly represented deposits receivables. The Group's other receivables increased by 12.3% to RMB49.3 million as of December 31, 2024 from RMB43.9 million as of December 31, 2023.

The Group's prepayments for current assets mainly included prepayments to suppliers. The Group's prepayments to suppliers decreased by 14.5% to RMB61.1 million as of December 31, 2024 from RMB71.5 million as of December 31, 2023.

The Group's prepayments for non-current assets included prepayments for property and equipment. Prepayments for property and equipment represented prepaid construction fees to contractors which undertook the construction work of the Group's self-owned hospitals as well as prepayments for purchase of medical equipment. The Group's prepayments for property and equipment decreased by 76.9% to RMB32.1 million as of December 31, 2024 from RMB138.8 million as of December 31, 2023, primarily due to the decrease in prepayments for large-scale medical equipment purchased upon acceptance and commissioning.

Intangible Assets

The Group's intangible assets were primarily comprised of goodwill, medical licenses, software, and contractual rights to provide management services. The Group's intangible assets decreased by 0.1% to RMB3,943.4 million as of December 31, 2024 from RMB3,945.8 million as of December 31, 2023.

Trade and Other Payables

The Group's trade payables primarily represented outstanding amounts due to the Group's suppliers of pharmaceuticals and medical consumables as well as the Group's providers of radiotherapy center services. The Group's trade payables decreased by 20.1% to RMB549.0 million as of December 31, 2024 from RMB687.1 million as of December 31, 2023, primarily due to settlement of previous suppliers' payables for the acquired hospitals of RMB96.0 million in 2024.

The Group's other payables primarily represented salaries payables, other taxes payables and payables for construction projects. The Group's other payables decreased by 18.7% to RMB587.5 million as of December 31, 2024 from RMB723.0 million as of December 31, 2023, primarily due to (i) the decrease in salaries payable of RMB70.0 million; and (ii) the decrease in payables of considerations for acquisition of subsidiaries of RMB50.1 million.

Borrowings

As of December 31, 2024, the Group had outstanding short-term borrowings of RMB532.0 million and long-term borrowings of RMB2,247.2 million.

Pledge of Assets

Except for equity pledge of the Group and pledge of property, plant and equipment mentioned in Note 14 to the consolidated financial statements, the Group had no other pledged assets as of December 31, 2024.

Contract Liabilities

The Group's contract liabilities represented advance payments from the Group's customers while the underlying services have not been provided. The Group's contract liabilities increased by 0.7% to RMB54.7 million as of December 31, 2024 from RMB54.3 million as of December 31, 2023.

Capital Commitments

Capital commitments that were contracted but not provided for primarily represented commitments arising out of a contractual relationship where the relevant property and equipment or intangible assets were not provided as of the relevant dates. The Group's capital commitments as of December 31, 2024 were primarily related to commitments for (i) the construction and renovation of its in-network hospitals; and (ii) the purchase of large equipment. The Group's capital commitments decreased by 6.3% to RMB463.1 million as of December 31, 2024 from RMB494.4 million as of December 31, 2023.

Contingent Liabilities

As of December 31, 2024, the Group did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, liabilities under acceptance or acceptance credits, or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities.

Financial Instruments

The financial instruments were mainly composed of cash and cash equivalents, amounts due from related parties, trade and other receivables excluding non-financial assets, financial assets at fair value through profit or loss, trade and other payables excluding non-financial liabilities, lease liabilities and borrowings.

Debt to Asset Ratio

The debt to asset ratio is calculated as total borrowings divided by total assets and multiplied by 100%. The debt to asset ratio of the Group as of December 31, 2024 was 25.4%, which was unchanged from that of 2023.

Gearing Ratio

Gearing ratio is calculated as net debt divided by total equity and multiplied by 100%. Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents. The gearing ratio of the Group as of December 31, 2024 was 36.3%.

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group's businesses are principally conducted in RMB. The majority of financial assets and financial liabilities is denominated in RMB. The Group had minimal transactions denominated in foreign currencies during the years ended 31 December 2024 and 2023 and the impact of foreign currency risk on the Group's operation is minimal.

Interest Rate Risk

The Group's interest rate risk arises from interest-bearing borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group currently does not use any interest rate swap contracts or other financial instruments to hedge against interest rate exposure.

Credit Risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, financial assets at fair value through profit or loss, trade and other receivables and amounts due from related parties. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets. Management of the Group puts in place a credit policy and the exposure to these credit risks is monitored on an on-going basis.

To manage this risk, financial assets at fair value through profit or loss, cash and cash equivalents and restricted cash are mainly placed with state-owned financial institutions in the PRC and reputable international financial institutions outside the PRC. There has been no recent history of default in relation to these financial institutions.

The Group's trade receivables are mainly from providing medical service to patients as well as providing services to the radiotherapy centers and the Managed Hospital. The Group, being a provider of healthcare service to patients, has a highly diversified customer base, without any single customer contributing significant revenue. However, the Group has concentrated debtor's portfolio, as most of the patients will claim their medical bill from public medical insurance program. The reimbursement from these organizations may take one to twelve months. The Group has policy in place to ensure the treatments and medicines prescribed and provided to such insured patients are in line with respective organizations' policy, fulfilling all ethics and moral responsibilities as a healthcare provider. The Group also has controls to closely monitor the patients' billings and claim status to minimize the credit risk. For the receivables from the radiotherapy centers and Managed Hospital, the Group has granted credit term of 0–90 days and would follow up actively on the settlement with respective counterparties to avoid any overdue receivables.

For other receivables and amounts due from related parties, the management makes periodic collective assessments as well as individual assessment on the recoverability of such receivables based on historical settlement records and past experience. The Directors believe that there is no significant credit risk inherent in the Group's outstanding balance of other receivables and amounts due from related parties as the Group closely monitors their repayment.

Liquidity Risk

The Group manages liquidity risk by closely and continuously monitoring its financial position. The Group aims to maintain adequate cash and cash equivalents to meet its liquidity requirements.

FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the year ended December 31, 2024.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company repurchased a total of 11,097,200 Shares on the Stock Exchange at an aggregate amount of approximately HK$183.8 million. As of the date of this announcement, 1,344,200 Shares repurchased during the Reporting Period have not been cancelled by the Company.

Details of the Shares repurchased during the Reporting Period are as follows:

Month of repurchases	Number of Shares repurchased on the Stock Exchange	Price paid per Share		Aggregate purchase price
		Highest	Lowest	
		(HK$)	*(HK$)*	*(HK$ million)*
September 2024	6,009,800	19.38	14.60	98.14
October 2024	2,323,800	19.60	17.02	42.70
November 2024	1,252,000	17.00	15.64	20.43
December 2024	1,511,600	15.64	14.14	22.49

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury Shares) during the Reporting Period. As of December 31, 2024, the Company did not hold any treasury Shares.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2024, the Group had 8,169 full-time employees, among whom 82 were employees at the headquarters level and 8,087 were employees of self-owned hospitals. The following table shows a breakdown of the employees by function:

Functions	**Number of employees**	
	December 31, 2024	December 31, 2023
Headquarters level		
Operations	**49**	52
Manufacturing	**14**	18
Management, administrative and others	**19**	23
Sub-total	**82**	93
Self-owned hospitals		
Physicians	**2,400**	2,341
Other medical professionals	**4,567**	4,578
Management, administrative and others	**1,120**	1,226
Sub-total	**8,087**	8,145
Total	**8,169**	8,238

The Group believes it has maintained good relationships with its employees. Employees of the Group's in-network hospitals are not represented by a labor union. As of the date of this announcement, the Group did not experience any strikes or any labor disputes with its employees which have had or are likely to have a material effect on its business.

The employees of the Group typically enter into standard employment contracts with the Group. Each in-network hospital independently recruits and enters into employment contracts with its own employees.

The Group provides both in-house and external trainings for its employees to improve their skills and knowledge. Remuneration packages for the employees of the Group were mainly composed of a base salary and performance-related bonus. The Group sets performance targets for its employees primarily based on their position and department and periodically reviews their performance. The results of such reviews are used in their salary determinations, bonus awards and promotion appraisals. During the Reporting Period, the Group contributed to social insurance and housing provident funds for its employees in accordance with applicable PRC laws, rules and regulations.

For the year ended December 31, 2024, total staff remuneration expenses including Directors' remuneration amounted to RMB1,456.1 million (for the year ended December 31, 2023: RMB1,335.9 million). Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice. On top of salary payments, other employee benefits primarily include social insurance and housing provident contributions burdened by the Group, performance-based compensation and discretionary bonus.

SHARE OPTION SCHEME

In order to improve the governance structure of the Company and to effectively attract, motivate and retain talents, the Company has adopted a share option scheme on October 15, 2021 (the "**Share Option Scheme**"). The participants of the Share Option Scheme include any director or employee of the Group and any medical expert who in the sole discretion of the Board has contributed or will contribute to the Group.

Under the Share Option Scheme, the Company is authorized to issue up to 18,540,000 Shares ("**Share Options**" or "**Option(s)**"), which represents 3% of the total number of issued Shares of the Company as at October 15, 2021. No Options shall be granted to any eligible person ("**Relevant Eligible Person**") if the number of Shares issued and to be issued upon the exercise of all Options granted and to be granted (including exercised, cancelled and outstanding Options) to the Relevant Eligible Person in the 12-month period up to and including the offer date of the relevant Option would exceed 1% of the total number of Shares in issue at such time. The Share Option Scheme will be valid and effective for a period of 10 years commencing from October 15, 2021. The exercise period of the granted Options will be ten (10) years from the date of grant. During the Reporting Period, no Share Options were exercised. As of the date of this announcement, 6,623,600 Share Options are available for issue under the Share Option Scheme upon exercise of all Share Options which had been granted and yet to be exercised under the Share Option Scheme, representing approximately 1.07% of the total number of issued Shares of the Company.

An offer shall be deemed to have been granted and the Option to which the offer relates shall be deemed to have been accepted when the Company receives the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance of the Option price, being HK$1.00 payable for each acceptance of grant of an Option, to the Company. The exercise price of the Share Options shall be a price determined by the Board and the basis of which shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; (b) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date; and (c) the nominal value of a Share.

The Share Option Scheme does not stipulate a minimum period for which an Option must be held before an Option may be exercised. However, under the Share Option Scheme, the Board may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making an offer to the Relevant Eligible Person (including, without limitation, as to any performance targets which must be satisfied by the Relevant Eligible Person and/or the Company and/or its subsidiaries, and any minimum period for which an Option must be held, before an Option may be exercised, if any), provided that such conditions shall not be inconsistent with any other terms and conditions of the Share Option Scheme.

The exercise price of the Share Options granted is HK$66.80 per Share, representing the highest of: (i) the closing price of HK$66.80 per Share as stated in the Stock Exchange's daily quotations sheet on the grant date; (ii) the average closing price of HK$63.96 per Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date; and (iii) the nominal value of US$0.00001 per Share.

Share Options granted under the Share Option Scheme shall be valid and effective for a period of 10 years from the date of grant and vest over a five-year period, with 20%, 20%, 20%, 20% and 20% of total Share Options vesting on March 31 each year from 2023 to 2027. Details of the movements of the Options granted and outstanding during the Reporting Period, the exercise price, the vesting date and the impact of Options granted under the Share Option Scheme on the financial statements are set out in the announcement of the Company dated August 24, 2021 and circular of the Company dated September 23, 2021 and under Note 16 to the consolidated financial statements.

The number of Share Options available for grant under the Share Option Scheme was 10,657,000 shares and 10,657,000 shares as of January 1, 2024 and December 31, 2024, respectively. During the Reporting Period, the number of Shares underlying the Share Options that granted under the Share Options Scheme divided by the weighted average number of total Shares in issue during the Reporting Period is nil.

The table below shows details of the movements in the Share Options granted and outstanding under the Share Option Scheme during the Reporting Period:

Category and name of participants	Date of grant	Exercise price per share	Closing price of Shares immediately before the date of grant	Closing price (weighted average) of Shares immediately before the date of exercise/vest	Fair value at the date of grant *(Note 5)*	Outstanding as at January 1, 2024 *(Note 6)*	Granted during the Reporting Period	Vested as at December 31, 2024	Exercised during the Reporting Period	Exercise Period	Cancelled/ lapsed/ forfeited during the Reporting Period *(Note 4)*	Exercise price of cancelled/ lapsed/ forfeited during the Reporting Period	Outstanding as at December 31, 2024 *(Note 6)*	Vesting date *(Note 3)*
Directors or chief executive and their associate														
Mr. Zhu Yiwen	November 12, 2021	HK$66.80	HK$66.05	—	HK$6,740,146	224,000	—	56,000	—	10 years	—	—	168,000	*(Note 1)*
Ms. Cheng Huanhuan	November 12, 2021	HK$66.80	HK$66.05	—	HK$1,925,756	64,000	—	16,000	—	10 years	—	—	48,000	*(Note 1)*
Mr. Ren Ai	November 12, 2021	HK$66.80	HK$66.05	—	HK$2,888,634	96,000	—	24,000	—	10 years	—	—	72,000	*(Note 1)*
Mr. Zhang Wenshan	November 12, 2021	HK$66.80	HK$66.05	—	HK$1,444,317	48,000	—	12,000	—	10 years	—	—	36,000	*(Note 1)*
Ms. Jiang Hui	November 12, 2021	HK$66.80	HK$66.05	—	HK$1,444,317	48,000	—	12,000	—	10 years	—	—	36,000	*(Note 1)*
Sub-total						480,000	—	120,000	—	—	—	—	360,000	
Substantial shareholders and their associates								N/A						
Participants with options in excess of 1% individual limit								N/A						
Related entity participants or service providers with options granted and to be granted during the year exceeding 0.1% individual limit								N/A						
Other employees participants (in aggregate)														
557 employees	November 12, 2021	HK$66.80	HK$66.05	—	HK$153,656,830	5,218,400	—	1,166,000	—	10 years	400,200	—	3,652,200	*(Note 2)*
Sub-total						5,218,400	—	1,166,000	—	—	400,200	—	3,652,200	
Other related entity participants								N/A						
Other service providers								N/A						
Total						5,698,400	—	1,286,000	—	—	400,200	—	4,012,200	

Notes:

Note 1

As of December 31, 2024, the vesting dates of the Share Options granted to the Directors are as follows:

Number of Share Options	Vesting Date
20% of the total Share Options	March 31, 2023;
20% of the total Share Options	March 31, 2024;
20% of the total Share Options	March 31, 2025;
20% of the total Share Options	March 31, 2026; and
20% of the total Share Options	March 31, 2027.

Note 2

As of December 31, 2024, the vesting dates of the Share Options granted to the employees are as follows:

Number of Share Options	Vesting Date
20% of the total Share Options	March 31, 2023;
20% of the total Share Options	March 31, 2024;
20% of the total Share Options	March 31, 2025;
20% of the total Share Options	March 31, 2026; and
20% of the total Share Options	March 31, 2027.

Note 3

The vesting of the Share Options is conditional on the fulfillment of vesting conditions, including certain performance targets, which are set out in the respective letter of offer of each grantee.

Note 4

Where the Share Options are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such share options are reversed on the effective date of the forfeiture.

Note 5

The fair value of Share Options at the date of grant has been prepared in accordance with all applicable IFRS and the disclosure requirements of Hong Kong Companies Ordinance Cap. 622. For details of the basis of calculation, please refer to Note 16 to the consolidated financial statements.

Note 6

The number of unvested Share Options, which will be vested to the grantees according to the vesting schedule, subject to fulfilment of the vesting conditions applicable to such grantees.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Company has complied with all the applicable code provisions of the CG Code throughout the year ended December 31, 2024 (except as disclosed below).

On July 6, 2021, the Company appointed Mr. Zhu Yiwen as the Chairman of the Board and on August 23, 2021, the Company re-designated Mr. Zhu Yiwen from a non-executive Director to an executive Director and appointed him to be the chief executive officer of the Company. Upon the appointment, Mr. Zhu Yiwen assumes the dual role as the Chairman of the Board and the chief executive officer of the Company. Accordingly, notwithstanding that the code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, the Board is of the view that with support of the mature structure of the Company with a strict operational system and a set of procedural rules for the Board meetings, the Chairman does not have any power different from that of other Directors in relation to the decision making process. Moreover, the Company has also implemented an integrated system and a structured procedure to daily operations of the Group which ensure the diligence and efficiency of the chief executive officer of the Company. As such, the Board believes that the management structure of the Company will ensure management efficiency and at the same time, protect the rights and interests of all Shareholders of the Company to the greatest extent. The Board will continue to review the effectiveness of the corporate governance structure to consider whether any further improvement to the above personnel arrangements is required.

In view of the above, the Board considers that such structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will continue to review the corporate governance structure and practices from time to time and shall make necessary arrangement when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Director's securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he or she has complied with the required standard as set out in the Model Code for the year ended December 31, 2024.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. The Audit Committee consists of three independent non-executive Directors, being Mr. Ye Changqing (chairman of the Audit Committee), Mr. Liu Yanqun and Mr. Zhao Chun. The primary duties of the Audit Committee include, among others, reviewing the Company's compliance, accounting policies and financial reporting procedures, supervising the implementation of the Company's internal audit system, advising on the appointment or replacement of external auditors, liaising between internal audit department and external auditors, and other responsibilities as authorized by the Board.

The Audit Committee has, together with the management and auditor of the Company, reviewed the accounting standards and policies adopted by the Group and the consolidated financial statements for the year ended December 31, 2024, and has recommended for the Board's approval thereof.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The financial figures for the year ended December 31, 2024 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended December 31, 2024. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the PricewaterhouseCoopers on this announcement.

SUBSEQUENT EVENT

In January 2025, the Company repurchased a total of 1,928,000 Shares on the Stock Exchange with an aggregate amount of HK$25,578,484. As of the date of this announcement, the repurchased Shares have not been cancelled by the Company.

Save for the above, there was no significant event that might affect the Group after the Reporting Period.

ANNUAL GENERAL MEETING

The AGM will be held on June 27, 2025. A notice convening the AGM will be published on the Company's website and the Stock Exchange's website in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from June 24, 2025 to June 27, 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM. During such period, no transfers of Shares of the Company will be registered. The record date for determining the eligibility to attend the forthcoming AGM to be held on June 27, 2025 will be June 27, 2025. In order to be eligible for attending the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on June 23, 2025.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hygeia-group.com.cn), and the 2024 annual report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

The Board of Directors (the "**Board**") of Hygeia Healthcare Holdings Co., Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended December 31, 2024 together with the comparative figures for the same period in 2023:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended December 31,	
	Notes	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*3*	**4,446,120**	4,076,680
Cost of revenue	*3,6*	**(3,116,647)**	(2,790,428)
Gross profit		**1,329,473**	1,286,252
Selling expenses	*6*	**(53,413)**	(50,567)
Administrative expenses	*6*	**(437,314)**	(412,183)
Impairment losses on financial assets		**(57,614)**	—
Other income	*4*	**48,862**	50,674
Other (losses)/gains — net	*5*	**(8,850)**	14,928
Operating profit		**821,144**	889,104
Finance income	*7*	**1,514**	10,153
Finance costs	*7*	**(71,842)**	(43,170)
Finance costs — net		**(70,328)**	(33,017)
Profit before income tax		**750,816**	856,087
Income tax expense	*8*	**(152,484)**	(171,139)
Profit and total comprehensive income for the year		**598,332**	684,948
Profit and total comprehensive income attributable to			
— Owners of the Company		**598,261**	682,928
— Non-controlling interests		**71**	2,020
Earnings per share (expressed in RMB per share)			
— Basic earnings per share *(in RMB)*	*9*	**0.95**	1.08
— Diluted earnings per share *(in RMB)*	*9*	**0.95**	1.08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at December 31, 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**5,079,050**	4,630,468
Intangible assets		**3,943,417**	3,945,827
Prepayments for non-current assets	*12*	**32,133**	138,790
Deferred income tax assets		**48,906**	43,888
Total non-current assets		**9,103,506**	8,758,973
Current assets			
Inventories		**215,833**	207,942
Trade, other receivables and prepayments	*12*	**933,417**	979,396
Amounts due from related parties		**23,552**	20,255
Financial assets at fair value through profit or loss	*10*	**282,522**	206,151
Restricted cash	*11*	**1,355**	12,104
Cash and cash equivalents	*11*	**369,070**	549,742
Total current assets		**1,825,749**	1,975,590
Total assets		**10,929,255**	10,734,563
EQUITY			
Equity attributable to owners of the Company			
Share capital, share premium and treasury share	*13*	**7,466,271**	7,634,348
Other reserves		**(2,810,146)**	(2,805,189)
Retained earnings		**1,996,519**	1,404,037
		6,652,644	6,233,196
Non-controlling interests		**21,760**	21,678
Total equity		**6,674,404**	6,254,874

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at December 31, 2024** *RMB'000*	As at December 31, 2023 *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings	*14*	**2,247,211**	2,318,992
Deferred income tax liabilities		**158,427**	168,409
Deferred revenue		**35,425**	36,084
Lease liabilities		**8,987**	2,437
Other non-current liabilities		**8,963**	9,620
Total non-current liabilities		**2,459,013**	2,535,542
Current liabilities			
Trade and other payables	*15*	**1,136,535**	1,410,054
Contract liabilities		**54,682**	54,258
Current income tax liabilities		**69,376**	76,677
Lease liabilities		**3,246**	793
Borrowings	*14*	**531,999**	402,365
Total current liabilities		**1,795,838**	1,944,147
Total liabilities		**4,254,851**	4,479,689
Total equity and liabilities		**10,929,255**	10,734,563

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on September 12, 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in providing healthcare services through wholly owned, private, for-profit hospitals that are variable interest entities owned by the Group in the People's Republic of China (the "**PRC**").

The businesses are controlled by Mr. Zhu Yiwen (朱義文, "**Mr. Zhu**").

The Company completed its Initial Public Offerings ("**IPO**") and listed its shares on Main Board of the Stock Exchange of Hong Kong Limited ("**HKSE**") on June 29, 2020.

The consolidated financial information is presented in Renminbi ("**RMB**") and rounded to the nearest thousand yuan, unless otherwise stated.

2 BASIS OF PREPARATION

(i) Compliance with IFRS Accounting Standards ("IFRS") and the disclosure requirements of Hong Kong Companies Ordinance Cap. 622 ("HKCO")

The consolidated financial statements of the Group have been prepared in accordance with IFRS and the disclosure requirements of the HKCO.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (financial assets at "**FVPL**") which are measured at fair value.

(iii) New standards and amendments to IFRSs effective for the financial year beginning on or after January 1, 2024

		Effective for annual periods beginning on or after
Amendments to IFRS 16	Lease liability in Sale and Leaseback	January 1, 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	January 1, 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	January 1, 2024

The standards and amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New and amended standards and interpretations not yet adopted

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations. According to the preliminary assessment made by the directors, these amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 SEGMENT INFORMATION AND REVENUE

(a) Description of segments and principal activities

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions. As a result of this evaluation, the Group determined that it has operating segments as follows:

- Hospital Business; and

- Other Business.

The CODM assesses the performance of the operating segments mainly based on segment revenues, segment cost of revenue, gross profit and operating profit. Assets and liabilities dedicated to a particular segment's operations are included in that segment's total assets and liabilities. Assets and liabilities are regularly reviewed on a consolidated basis.

The following items are not allocated to individual operating segments:

(i) Administrative expenses and other (losses)/gains — net incurred by the entities which perform the management functions as the headquarter, finance costs — net, and income tax expense; and

(ii) Assets and liabilities of the entities which perform the management functions as the headquarter, deferred income tax assets and deferred income tax liabilities.

The revenues from external customers reported to CODM are measured as segment revenues, which are the revenues derived from customers of each segment.

	Year ended December 31, 2024			
	Hospital Business	Other Business	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	4,322,569	123,551	—	4,446,120
Cost of revenue	(3,044,198)	(72,449)	—	(3,116,647)
Gross profit	1,278,371	51,102	—	1,329,473
Selling expenses	(53,413)	—	—	(53,413)
Administrative expenses	(374,474)	(13,281)	(49,559)	(437,314)
Impairment losses on financial assets	(55,022)	(2,592)	—	(57,614)
Other income	44,831	4,031	—	48,862
Other (losses)/gains — net	(5,265)	(3,802)	217	(8,850)
Segment profit	835,028	35,458	(49,342)	821,144
Finance income				1,514
Finance costs				(71,842)
Finance costs — net				(70,328)
Profit before income tax				750,816
As at December 31, 2024				
Assets				
Segment assets	10,151,541	173,190	555,618	10,880,349
Deferred income tax assets				48,906
Total assets				10,929,255
Liabilities				
Segment liabilities	3,837,317	37,435	221,672	4,096,424
Deferred income tax liabilities				158,427
Total liabilities				4,254,851
Other segment information				
Depreciation of property, plant, and equipment	259,807	12,727	2,650	275,184
Amortisation of intangible assets	17,860	698	1,383	19,941
Additions of non-current assets except for deferred income tax assets	628,461	9,340	16,994	654,795

	Year ended December 31, 2023			
	Hospital Business	Other Business	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	3,890,293	186,387	—	4,076,680
Cost of revenue	(2,711,134)	(79,294)	—	(2,790,428)
Gross profit	1,179,159	107,093	—	1,286,252
Selling expenses	(50,567)	—	—	(50,567)
Administrative expenses	(341,327)	(12,630)	(58,226)	(412,183)
Other income	46,418	4,119	137	50,674
Other (losses)/gains — net	(7,181)	(3,737)	25,846	14,928
Segment profit	826,502	94,845	(32,243)	889,104
Finance income				10,153
Finance costs				(43,170)
Finance costs — net				(33,017)
Profit before income tax				856,087
As at December 31, 2023				
Assets				
Segment assets	9,829,881	181,763	679,031	10,690,675
Deferred income tax assets				43,888
Total assets				10,734,563
Liabilities				
Segment liabilities	3,984,947	236,216	90,117	4,311,280
Deferred income tax liabilities				168,409
Total liabilities				4,479,689
Other segment information				
Depreciation of property, plant, and equipment	179,493	12,139	2,453	194,085
Amortisation of intangible assets	14,477	698	1,282	16,457
Additions of non-current assets except for deferred income tax assets	3,455,114	30,819	2,641	3,488,574

(b) Revenue by business line and nature:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Hospital Business		
— Outpatient services	**1,632,993**	1,351,356
— Inpatient services	**2,689,576**	2,538,937
Other Business	**123,551**	186,387
Total revenue	**4,446,120**	4,076,680
Including revenue from contracts with customers	**4,421,645**	4,038,705

The Group derives revenue from the transfer of goods and rendering of services over time and at a point in time as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
— Inpatient services	**208,737**	180,605
— Other Business	**65,399**	77,556
Over time	**274,136**	258,161
— Inpatient services	**2,480,839**	2,358,332
— Outpatient services	**1,632,993**	1,351,356
— Other Business	**33,677**	70,856
At a point in time	**4,147,509**	3,780,544
Revenue from contracts with customers	**4,421,645**	4,038,705

(c) Geographical information

The Company is domiciled in the Cayman Islands while the Group's non-current assets and revenues are substantially located in and derived from the PRC, therefore, no geographical segments are presented.

(d) Information about major customers

All the revenues derived from single external customers were less than 10% of the Group's total revenues for the years ended December 31, 2024 and 2023.

(e) Accounting policies for revenue recognition

The Group operates two types of business, namely:

- Hospital Business; and

- Other Business.

Revenue is measured at the fair value of the consideration received or receivable for the goods or services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales between the Group companies. The Group recognises revenue when it transfers control of the goods or render services to a customer.

Hospital Business:

Revenue from ancillary medical services includes outpatient and inpatient services and is recognised when the related services have been rendered. The policy for the medical fees to be recovered from the relevant public medical insurance program have been treated as changes in variable considerations. The Group estimates the variable considerations based on the most likely amount, which is based on historical practice and all reasonably available information and adjusts to the actual amount for the satisfied ancillary medical services in the period when the annual quota is agreed.

(i) Outpatient services

For outpatient services, the patient normally receives outpatient treatment which contains various treatment components. Outpatient services contain more than one performance obligations, including (i) provision of consultation services and (ii) sale of pharmaceutical products. The Group allocates the transaction price to each performance obligation on relative stand-alone selling price basis. Both (i) provision of consultation services and (ii) sale of pharmaceutical products for which the control of services or pharmaceutical products is transferred at a point in time, revenue is recognised when the customer obtains the control of the completed services or pharmaceutical products and the Group has satisfied its performance obligations with present right to payment and the collection of the consideration is probable.

(ii) Inpatient services

For inpatient services, the customers normally receive inpatient treatment which contains various treatment components. Inpatient services contain more than one performance obligations, including (i) provision of consultation services, (ii) provision of inpatient healthcare services and (iii) sale of pharmaceutical products. The Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

For revenue from (i) provision of consultation services and (iii) sale of pharmaceutical products for which control of services or pharmaceutical products is transferred at a point in time, revenue is recognised when the customer obtains the control of the completed services or pharmaceutical products and the Group has satisfied its performance obligations with present right to payment and the collection of the consideration is probable.

For revenue from (ii) provision of inpatient healthcare services, the corresponding revenue is recognised over the service period when customers simultaneously receive the services and consumes the benefits provided by the Group's performance as the Group performs.

Other Business:

Other business includes radiotherapy center service, radiotherapy equipment leases, radiotherapy equipment sales, radiotherapy equipment disposal service, radiotherapy equipment post-sales repair and maintenance service, hospital management services and sales of pharmaceutical, medical consumables and medical equipment to third parties.

(i) Radiotherapy center service

The Group has signed cooperation agreement with the radiotherapy centers for (i) lease of radiotherapy equipment (ii) provision of technical support and maintenance service and (iii) provision of radiotherapy center consulting service. The consideration is calculated based on pre-set formulas set out in the arrangements primarily relating to the radiotherapy centers' revenue. The Group has allocated the lease component and non-lease component and further allocate between technical support and maintenance service and radiotherapy center consulting service on a relative stand-alone selling price basis.

The Group has outsourced the radiotherapy service to third parties and recorded revenue on gross basis. Determining whether such revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. The Group needs to first identify who controls the service before they are transferred to radiotherapy centers. The Group is a principal if it obtains control of the service from third parties that it then transfers to the customer. There are indicators that the Group is a principal, when the Group is primarily obligated in a transaction, is subject to inventory risk, and has latitude in establishing prices and selecting suppliers.

(ii) Radiotherapy equipment leases

The Group has agreed with customers in provision of radiotherapy equipment and related technical support and maintenance service at agreed amount annually. The Group has allocated the lease component and non-lease component on a relative stand-alone selling price basis.

(iii) Radiotherapy equipment sales

Revenue from the sales of radiotherapy equipment is recognised when control of the radiotherapy equipment has been transferred, being when the radiotherapy equipment is installed and accepted by the customers.

(iv) Radiotherapy equipment disposal service

All the radiotherapy equipment needs to be disposed carefully to comply with safety requirements when they are abandoned. The Group provided disposal service to the equipment sold by the Group and charge customers at a fixed fee. Revenue from the radiotherapy equipment disposal service is recognised when safety certification from the government is obtained.

(v) Radiotherapy equipment post-sales repair and maintenance service

The Group also provides radiotherapy equipment post-sales repair and maintenance service for a fixed fee. Revenue from radiotherapy equipment post-sales repair and maintenance service is recognised evenly over the service period as specified in the contracts.

(vi) Hospital management services

The Group provides the management related services to other hospitals, usually over a service period of 40 years. The hospital receives and consumes the benefits provided by the Group's performance as the Group performs. Revenue from provision of trustee hospital management services is recognised over the period in which the services are rendered.

For revenue from trustee hospital management services, service fee is calculated based on pre-set formulas set out in the arrangements, which primarily relating to the trustee hospital's revenue.

(vii) Sales of pharmaceutical, medical consumables and medical equipment

Revenue from sales of pharmaceutical, medical consumables and medical equipment are recognised when control of the inventory has been transferred, being when the inventory is delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the inventory.

4 OTHER INCOME

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Government grants *(i)*	**35,394**	42,917
Others	**13,468**	7,757
	48,862	50,674

(i) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

5 OTHER (LOSSES)/GAINS — NET

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Realised and unrealised gains on financial assets at FVPL	**10,518**	15,562
Net foreign exchange (losses)/gains	**(1,401)**	11,095
Losses on disposal of property, plant and equipment, and intangible assets	**(6,514)**	(4,829)
Others	**(11,453)**	(6,900)
	(8,850)	14,928

6 EXPENSES BY NATURE

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Employee benefits expenses	**1,456,058**	1,335,866
Cost of pharmaceutical, medical consumables and other inventories	**1,401,414**	1,241,409
Depreciation and amortisation	**295,125**	210,542
Utilities, cleaning and other logistical expenses	**115,204**	92,952
Consultancy and professional service fees	**77,774**	109,479
Radiotherapy service fees	**73,475**	81,523
Travelling, entertainment, vehicle and office expenses	**57,286**	51,834
Taxation expenses	**41,423**	30,038
Repair and maintenance expenses	**24,367**	19,377
Marketing and promotion expenses	**18,354**	18,576
Auditor's remuneration		
— Audit services	**2,980**	3,600
Rental expenses	**1,831**	1,872
Other expenses	**42,083**	56,110
	3,607,374	3,253,178

7 FINANCE COSTS — NET

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Finance income		
Interest income of bank savings	**1,514**	10,153
Finance costs		
Interest expense on borrowings	**(97,797)**	(74,348)
Interest expense on lease liabilities	**(653)**	(238)
	(98,450)	(74,586)
Amount capitalised *(i)*	**26,608**	31,416
Finance costs expensed	**(71,842)**	(43,170)
Finance costs — net	**(70,328)**	(33,017)

(i) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year, in this case 3.52% (2023: 4.20%).

8 INCOME TAX EXPENSE

(a) Income tax expense

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Current income tax		
— PRC corporate income tax	**167,484**	158,951
Deferred income tax	**(15,000)**	12,188
	152,484	171,139

The Group's principal applicable taxes and tax rates are as follows:

Cayman Islands

Under the prevailing laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, no Cayman Islands withholding tax is payable on dividend payments by the Company to its shareholders.

British Virgin Islands

The Group's entity incorporated in the British Virgin Islands is not subject to tax on income or capital gains.

Hong Kong

The Group's entity incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5%.

PRC corporate income tax ("CIT")

CIT was made on the estimated assessable profits of the entities within the Group incorporated in the PRC and was calculated in accordance with the relevant tax rules and regulations of the PRC after considering the available tax refunds and allowances. The general CIT rate is 25%.

The Company's subsidiaries, Chongqing Hygeia Hospital Co., Ltd. ("**Chongqing Hygeia Hospital**"), Hezhou Guangji Hospital, Kaiyuan Jiehua Hospital Co., Ltd, Qihai (Chongqing) Pharmaceutical Co., Ltd. and Chang'an Hospital Co., Ltd. ("**Chang'an Hospital**") were established in the western region of the PRC. Pursuant to the relevant laws and regulations, entities located in the western region of the PRC and engaged in the business encouraged by the PRC government are entitled to the concession rate of 15% if the operating revenue of the encouraged business in a year accounted for more than 60% of the total income in that year. The construction and service of general medical facilities business of the above entities comply with the policies and such entities are subject to a tax concession rate of 15% for the years ended December 31, 2024 and 2023.

The Company's subsidiary, Shanghai Gamma Star Technology Development Co., Ltd. ("**Gamma Star Tech**"), was approved as "High and New Technology Enterprise" on November 12, 2020 (valid for 3 years, renewed on November 15, 2023). Under the relevant tax rules and regulations of the PRC, and accordingly, Gamma Star Tech is subjected to a reduced preferential CIT rate of 15% for the years ended December 31, 2024 and 2023. Based on management's self-assessment and their track record of success in obtaining such types of qualifications, Gamma Star Tech will qualify as a "High and New Technology Enterprise" after the expire date and thus will further be subjected to a 15% preferential tax rate.

Withholding tax on undistributed profits

According to the relevant tax rules and regulations of the PRC, distribution to foreign investors of profits earned by PRC companies since January 1, 2008 is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investors' foreign incorporated immediate holding companies. As at December 31, 2024, the retained earnings of the Group's PRC subsidiaries not yet remitted to holding companies incorporated outside the PRC, for which no deferred income tax liability had been provided, were approximately RMB2,494,271,000 (December 31, 2023: approximately RMB1,767,972,000). Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their overseas holding companies in the foreseeable future based on management's best estimates of the Group's overseas funding requirements.

(b) Numerical reconciliation of income tax expense

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Profit before income tax	**750,816**	856,087
Tax calculated at applicable statutory tax rate of 25%	**187,704**	214,022
Effect of different tax rates	**(50,664)**	(50,817)
Items not deductible for tax purposes	**10,130**	9,749
Tax effect of unrecognised tax losses	**7,083**	—
Additional deduction on research and development expenses	**(1,769)**	(1,815)
	152,484	171,139

9 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of outstanding shares in issue during the years ended December 31, 2024 and 2023.

	Year ended December 31,	
	2024	2023
Profit attributable to owners of the Company *(RMB'000)*	**598,261**	682,928
Weighted average number of shares in issue	**628,987,320**	631,118,721
Basic earnings per share *(in RMB)*	**0.95**	1.08

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. In November 2021, the Company granted share options to employees (Note 16). For the years ended December 31, 2024 and 2023, the outstanding share options issued under the Company's share option scheme are dilutive potential ordinary shares. During the years ended December 31, 2024 and 2023, the dilutive potential ordinary shares were not included in the calculation of diluted earnings per share as their inclusion would be anti-dilutive. Accordingly, diluted earnings per share for the years ended December 31, 2024 and 2023 are the same as basic earnings per share.

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Wealth management products	**282,522**	106,127
Structured deposit products	**—**	100,024
	282,522	206,151

As part of the Group's cash management to maximise return on idle cash, the Group invested in certain structured deposit products and wealth management products issued by several commercial banks in the PRC.

The structured deposit products and wealth management products of banks are denominated in RMB, with expected rates of returns ranging from 1.9% to 3.5% per annum for the year ended December 31, 2024 (2023: from 1.7% to 2.8%).

11 CASH AND CASH EQUIVALENTS

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Cash at bank and on hand	**370,425**	561,846
Less: restricted cash *(i)*	**(1,355)**	(12,104)
Cash and cash equivalents	**369,070**	549,742

(i) These deposits are subject to regulatory restrictions on construction-in-progress guarantees and are therefore not available for general use by entities within the Group.

Cash and cash equivalents were denominated in the following currencies:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
RMB	**366,489**	548,583
USD	**617**	948
HKD	**1,964**	211
	369,070	549,742

12 TRADE, OTHER RECEIVABLES AND PREPAYMENTS

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Included in current assets		
Trade receivables — net *(i)*	**822,989**	863,969
Other receivables		
— Deposits receivables	**16,057**	15,850
— Others	**33,241**	28,043
	49,298	43,893
Prepayments to suppliers	**61,130**	71,534
	933,417	979,396
Included in non-current assets		
Prepayments for property, plant and equipment	**32,133**	138,790
	965,550	1,118,186

(i) Details of trade receivables — net are as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**837,547**	863,969
Less: provision for loss allowance	**(14,558)**	—
Trade receivables — net	**822,989**	863,969

The following is an aging analysis of trade receivables presented based on invoice dates:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**553,717**	550,418
91 to 180 days	**94,612**	146,751
181 to 365 days	**108,967**	132,534
1 to 2 years	**70,795**	28,791
2 to 3 years	**8,517**	4,446
Over 3 years	**939**	1,029
	837,547	863,969

The Group's trade receivables are denominated in RMB.

13 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARE

	Number of shares	Nominal value of shares	Equivalent nominal value of shares	Share premium	Treasury share
		USD	*RMB'000*	*RMB'000*	*RMB'000*
Authorised:					
At January 1, 2024 and December 31, 2024	5,000,000,000	50,000	—	—	—
Issued and fully paid:					
At January 1, 2024	631,524,200	6,315	43	7,634,305	—
Repurchase of ordinary shares *(i)*	—	—	—	—	(168,077)
Cancellation of shares	(9,753,000)	(98)	(1)	(149,682)	149,683
At December 31, 2024	621,771,200	6,217	42	7,484,623	(18,394)
At January 1, 2023	616,724,200	6,167	42	7,047,045	—
Issue of shares upon placing	14,800,000	148	1	681,739	—
Dividends	—	—	—	(94,479)	—
At December 31, 2023	631,524,200	6,315	43	7,634,305	—

(i) The Company repurchased a total of 11,097,200 ordinary shares on the HKSE with an aggregate amount of HKD183,761,000 (equivalent to approximately RMB168,077,000). The ordinary shares were repurchased from September 2024 to December 2024. During the year, 9,753,000 repurchased ordinary shares had been cancelled by the Company.

14 BORROWINGS

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Bank borrowings	**2,779,210**	2,715,307
Non-current liabilities:		
— Long-term bank borrowings — secured *(i)*	**2,123,657**	2,191,015
— Long-term bank borrowings — unsecured	**335,553**	312,292
Less: current portion	**(211,999)**	(184,450)
	2,247,211	2,318,857
Current liabilities:		
— Short-term bank borrowings — unsecured	**320,000**	212,000
— Current portion of non-current liabilities	**211,999**	184,450
	531,999	396,450
Other borrowings	**—**	6,050
Non-current liabilities:		
— Long-term other borrowings — secured	**—**	6,050
Less: current portion	**—**	(5,915)
	—	135
Current liabilities:		
— Current portion of non-current liabilities	**—**	5,915
	—	5,915
Total	**2,779,210**	2,721,357

(i) All secured borrowings are guaranteed and pledged as shown below:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Pledged by property, plant and equipment	**909,029**	785,748
Secured by equity pledge of certain subsidiaries of the Group	**1,214,628**	1,411,317
	2,123,657	2,197,065

The Group's bank borrowings as at December 31, 2024 of approximately RMB909,029,000 (2023: approximately RMB785,748,000) were secured by certain buildings, right-of-use for lands and construction in progress of the Group with total carrying values of approximately RMB988,282,000 (2023: approximately RMB751,882,000).

The Group's bank borrowings as at December 31, 2024 of approximately RMB1,214,628,000 (2023: approximately RMB1,411,317,000) were secured by 100% equity of Suzhou Yongding Medical Management Service Co., Ltd., 100% equity of Etern Healthcare (HK) Limited, 100% equity of Etern Group Ltd., 98% equity of Suzhou Yongding Hospital Co., Ltd., 70% equity of Chang'an Hospital and 70% equity of Yixing Hygeia Hospital.

(a) The weighted average effective interest rates per annum at the balance sheet dates were set out as follows:

	As at December 31,	
	2024	2023
Bank borrowings	**3.62%**	4.02%

(b) Details of the Group's exposure to interest rate risks arising from fixed-rate and floating-rate bank borrowings are set out as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Fixed-rate bank borrowings	**461,385**	1,228,718
Floating-rate bank borrowings	**2,317,825**	1,492,639
	2,779,210	2,721,357

(c) The carrying amounts of the borrowings approximated their fair values as at December 31, 2024 as the impact of discounting of borrowings with fixed interest rates was not significant.

(d) The Group's borrowings were repayable based on scheduled repayments as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**531,999**	402,365
Between 1 and 2 years	**466,878**	256,709
Between 2 and 5 years	**1,542,106**	1,829,041
Over 5 years	**238,227**	233,242
	2,779,210	2,721,357

(e) The Group's borrowings were denominated in the following currencies:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
RMB	**2,779,210**	2,721,357

(f) **Compliance with loan covenants**

The Group complied with the financial covenants of its borrowing facilities for the years ended December 31, 2024 and 2023.

15 TRADE AND OTHER PAYABLES

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade payables *(a)*	**549,008**	687,100
Salaries payable	**285,063**	355,066
Payables for construction projects	**172,086**	161,547
Payables of considerations for acquiring equity interest of subsidiaries	**15,071**	65,171
Other taxes payable	**28,403**	43,674
Deposits payable	**5,129**	7,543
Prepayments received for radiotherapy equipment licensing	**4,761**	6,430
Others	**77,014**	83,523
	1,136,535	1,410,054

(a) The credit period granted by suppliers mainly ranges from 30 to 90 days. The following is an aging analysis of trade payables presented based on the invoice dates:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
0 to 90 days	**403,856**	479,403
91 to 180 days	**79,824**	129,778
181 to 365 days	**21,544**	45,316
Over 1 year	**43,784**	32,603
	549,008	687,100

16 SHARE-BASED COMPENSATION EXPENSES

In order to provide incentives and/or rewards to any director or employee of the Group and any medical expert who in the sole discretion of the Board has contributed or will contribute to the Group (the "**Eligible Persons**") for their contributions to, and continuing efforts to promote the interests of, the Group and to enable the Group to recruit and retain talents, the shareholders of the Company adopted a share option scheme (the "**Share Option Scheme**") on October 15, 2021. Pursuant to the Share Option Scheme, on November 12, 2021 (the "**Grant Date**"), the Company granted 7,859,000 share options (the "**Share Options**") to 564 Eligible Persons, who are employees of the Company and its subsidiaries, to subscribe for up to an aggregate of 7,859,000 ordinary shares of the Company with a nominal value of USD0.00001 each in the share capital of the Company.

Share Options granted under the Share Option Scheme shall be valid and effective for a period of 10 years from the Grant Date and vest over a five-year period, with 20%, 20%, 20%, 20% and 20% of total Share Options vesting on March 31 each year from 2023 to 2027. The vesting of the Share Options is conditional on the fulfillment of the vesting conditions including the Company's performance, individual performance target. Details of the Share Options was disclosed in the Company announcement dated November 12, 2021. As at December 31, 2024, 2,738,800 share options of the Company were vested and 1,108,000 share options were forfeited due to dismission of the eligible person. Set out below are summaries of options movements under the plan:

	2024		2023	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options
As at January 1	**HKD66.80**	**7,151,200**	HKD66.80	7,338,000
Forfeited during the year	**HKD66.80**	**(400,200)**	HKD66.80	(186,800)
As at December 31	**HKD66.80**	**6,751,000**	HKD66.80	7,151,200
Including: vested and exercisable at December 31	**HKD66.80**	**2,738,800**	HKD66.80	1,452,800

The Group uses the binomial option pricing model in determining the estimated fair value of the share options granted. The model requires the input of highly subjective assumptions. For the expected volatility, the trading history and observation period of the Group's own share price movement has not been long enough to match the life of the share option. Therefore, the Group has made reference to the historical price volatilities of ordinary shares of several comparable Hong Kong listed companies in the same industry as the Group. For the expected exercise multiple, the Group was not able to develop an exercise pattern as reference, thus the exercise multiple is based on management's estimation, which the Group believes is representative of the future exercise pattern of the options. The risk-free interest rate for periods within the contractual life of the option is based on the interest rate of 10-year Hong Kong government debt at the grant date.

The above transaction was considered as equity-settled share-based payment to employees and others in exchange for their services. The fair value of the Share Options granted to the Eligible Persons on the Grant Date, as determined by a professional valuation firm, was HKD168,100,000. The significant inputs into the Binomial valuation model were listed as below:

	As at Grant Date
Closing price of ordinary share	HKD66.80
Exercise price	HKD66.80
Expected exercise multiple	1.70–2.50
Expected volatility	30.23%
Risk-free interest rate	1.53%
Expected dividend yield	0.80%
Contractual life	10 years

The Group net reversed RMB10,736,000 share-based compensation expenses in the consolidated statements of comprehensive income for the year ended December 31, 2024 due to certain vesting conditions not having been met, (December 31, 2023: recognised RMB29,250,000).

Accounting policies for share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of equity instruments (including share options) is recognised as an expense on the consolidated statements of comprehensive income. If the employees are entitled to receive dividends during the vesting period, the dividends expected to be paid during the vesting period is included in the award's grant date fair value. The total amount to be expensed is determined by reference to the fair value of the equity instruments (including share options) granted:

- Including any market performance conditions;
- Including the impact of any non-vesting conditions (for example, the requirement for employees to serve); and
- Excluding the impact of any service and non-market performance vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments (including share options) that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statements of comprehensive income with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as of the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital. The prepaid exercise price is recorded in equity or liabilities depending on whether the Group has the obligation to settle it by cash or other financial assets.

17 DIVIDENDS

The Board did not propose to declare any final dividend for the year ended December 31, 2024 (for the year ended December 31, 2023: nil).

18 SUBSEQUENT EVENTS

In January 2025, the Company repurchased a total of 1,928,000 Shares on the Hong Kong Stock Exchange with an aggregate amount of HK$25,578,484. As of the date of this announcement, the repurchased Shares have not been cancelled by the Company.

Save for the above, there was no significant event that might affect the Group after the Reporting Period.

DEFINITIONS AND GLOSSARY

"AGM"	annual general meeting of the Company to be held on June 27, 2025
"associates"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"Chang'an Hospital"	Chang'an Hospital Co., Ltd.* (長安醫院有限公司), a limited liability company incorporated under the laws of the PRC on December 31, 2002
"Changshu Hygeia Hospital"	Changshu Hygeia Hospital Co., Ltd.* (常熟海吉亞醫院有限公司), a limited liability company established in the PRC on June 29, 2021 and a subsidiary of the Company
"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to "China" and the "PRC" do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
"Chongqing Hygeia Hospital"	Chongqing Hygeia Hospital Co., Ltd.* (重慶海吉亞醫院有限公司) (formerly known as Chongqing Hygeia Cancer Hospital Co., Ltd.* (重慶海吉亞腫瘤醫院有限公司) and Chongqing Hygeia Hospital Management Co., Ltd.* (重慶海吉亞醫院管理有限公司)), a limited liability company established in the PRC on November 9, 2015 and a subsidiary of the Company

"Company"	Hygeia Healthcare Holdings Co., Limited (海吉亞醫療控股有限公司), an exempted company with limited liability incorporated under the laws of Cayman Islands on September 12, 2018, the Shares of which are listed on the Main Board of the Stock Exchange
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Dezhou Hygeia Hospital"	Dezhou Hygeia Hospital Co., Ltd.* (德州海吉亞醫院有限公司) (formerly known as Dezhou Chongde Hospital Co., Ltd.* (德州崇德醫院有限公司)), a limited liability company established in the PRC on December 18, 2019 and a subsidiary of the Company
"Directors"	director(s) of the Company
"Gamma Star Tech"	Shanghai Gamma Star Technology Development Co., Ltd.* (上海伽瑪星科技發展有限公司), a limited liability company established in the PRC on May 20, 2004 and a subsidiary of the Company
"Global Offering"	the Hong Kong Public Offering and the International Offering (both as defined in the Prospectus)
"Group"	the Company together with its subsidiaries
"Hezhou Guangji Hospital"	Hezhou Guangji Hospital Co., Ltd.* (賀州廣濟醫院有限公司), a limited liability company established under the laws of the PRC on March 4, 2020 and a subsidiary of the Company
"HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"Kaiyuan Jiehua Hospital"	Kaiyuan Jiehua Hospital Co., Ltd. * (開遠解化醫院有限公司), a limited liability company established in the PRC on May 31, 2021 and a subsidiary of the Company

"Liaocheng Hygeia Hospital"	Liaocheng Hygeia Hospital Co., Ltd.* (聊城海吉亞醫院有限公司), a limited liability company established in the PRC on June 20, 2019 and a subsidiary of the Company
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on June 29, 2020
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Longyan Boai Hospital"	Longyan Boai Hospital Co., Ltd.* (龍岩市博愛醫院有限公司), a limited liability company established in the PRC on October 30, 2002 and a subsidiary of the Company
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Managed Hospital"	Handan Renhe Hospital * (邯鄲仁和醫院), a private not-for-profit hospital established under the laws of the PRC which the Group acquired on July 31, 2011
"Model Code"	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"oncology"	the branch of medicine that deals with cancer
"Prospectus"	the prospectus of the Company published on June 16, 2020
"public medical insurance programs"	primarily include the Urban Employee Basic Medical Insurance Scheme (城鎮職工基本醫療保險制度), the Urban Resident Basic Medical Insurance Scheme (城鎮居民基本醫療保險制度) and the New Rural Cooperative Medical Insurance Scheme (新型農村合作醫療保險制度)
"Qufu Chengdong Hospital"	Qufu Chengdong Cancer Hospital Co., Ltd.* (曲阜城東腫瘤醫院有限公司), a limited liability company incorporated under the laws of the PRC on October 30, 2015
"radiotherapy"	a treatment that uses high energy to kill malignant cancer cells or other benign tumor cells

"radiotherapy center services"	the services the Group provides to certain hospital partners in connection with their radiotherapy centers, which primarily comprise (i) provision of radiotherapy center consulting services; (ii) licensing of proprietary SRT equipment for use in the radiotherapy centers; and (iii) provision of maintenance and technical support services in relation to proprietary SRT equipment
"Reporting Period"	from January 1, 2024 to December 31, 2024
"RMB"	the lawful currency of the PRC
"Shanxian Hygeia Hospital"	Shanxian Hygeia Hospital Co., Ltd.* (單縣海吉亞醫院有限公司) (formerly known as Shanxian Hygeia Hospital Investment Co., Ltd. (單縣海吉亞醫院投資有限公司)), a limited liability company established in the PRC on November 20, 2012 and a subsidiary of the Company
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of US$0.00001 each
"Shareholder(s)"	holder(s) of the Shares
"SRT"	stereotactic radiotherapy, namely, a type of external beam radiotherapy that uses special equipment to stereoscopically position the lesion and precisely deliver high doses of radiation to the tumor through short course of treatment
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under section 15 of the Companies Ordinance
"Suzhou Canglang Hospital"	Suzhou Canglang Hospital Co., Ltd.* (蘇州滄浪醫院有限公司), a limited liability company established in the PRC on March 23, 2015 and a subsidiary of the Company
"Suzhou Yongding Hospital"	Suzhou Yongding Hospital Co., Ltd.* (蘇州永鼎醫院有限公司), a for-profit Class II general hospital in Suzhou and a subsidiary of the Company

"Wuxi Hygeia Hospital"	Wuxi Hygeia Hospital Co., Ltd.* (無錫海吉亞醫院有限公司), a limited liability company established in the PRC on July 22, 2020 and a subsidiary of the Company
"Yixing Hygeia Hospital"	Yixing Hygeia Hospital Co., Ltd.* (宜興海吉亞醫院有限公司), a limited liability company established in the PRC on April 6, 2023 and a subsidiary of the Company
"%"	per cent

By order of the Board
Hygeia Healthcare Holdings Co., Limited
Mr. Zhu Yiwen
Chairman

Hong Kong, March 27, 2025

As of the date of this announcement, the Board comprises Mr. Zhu Yiwen as chairman and executive Director, Ms. Cheng Huanhuan, Mr. Ren Ai, Mr. Zhang Wenshan and Ms. Jiang Hui as executive Directors, and Mr. Liu Yanqun, Mr. Zhao Chun and Mr. Ye Changqing as independent non-executive Directors.

* *For identification purpose only*