Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 6826)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

During the Reporting Period, the Group recorded a revenue of RMB2,446.31 million, representing a decrease of RMB233.36 million, or 8.71%, as compared to the previous year.

During the Reporting Period, the Group's R&D expenses amounted to approximately RMB197.78 million, representing a decrease of RMB41.15 million, or 17.22%, as compared to the previous year. The R&D expenses accounted for 8.08% of the revenue (2024: 8.92%).

During the Reporting Period, the Group's net profit attributable to shareholders of the Company and net profit attributable to shareholders of the Company after deducting non-recurring profit or loss was approximately RMB251.01 million and RMB160.48 million respectively, representing decreases of 40.30% and 57.67% as compared to the previous year, respectively.

The Board has proposed to declare the final dividend of RMB0.60 (inclusive of tax) per share for the year ended 31 December 2025 (2024: RMB0.60 per share).

The board of directors (the "**Board**") of Shanghai Haohai Biological Technology Co., Ltd.* (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**", "**we**", "**our**" or "**us**") for the year ended 31 December 2025 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Note	**2025**	2024
		RMB'000	*RMB'000*
REVENUE	*4*	**2,446,306**	2,679,667
Cost of sales		**(734,729)**	(810,879)
Gross profit		**1,711,577**	1,868,788
Other income and gains, net	*4*	**204,158**	149,761
Selling and distribution expenses		**(814,823)**	(780,850)
Administrative expenses		**(433,068)**	(446,975)
(Impairment losses)/reversal of impairment losses on financial assets, net		**(4,620)**	2,229
Research and development costs		**(197,778)**	(238,929)
Other expenses		**(207,333)**	(70,804)
Finance costs	*6*	**(18,877)**	(18,061)
Share of profits and losses of:			
An associate		**10**	986
PROFIT BEFORE TAX	*5*	**239,246**	466,145
Income tax expense	*7*	**(30,924)**	(89,902)
PROFIT FOR THE YEAR		**208,322**	376,243
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**11,949**	8,502
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods:		**11,949**	8,502

	Note	2025 *RMB'000*	2024 *RMB'000*
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value		**17,772**	(137,365)
Income tax effect		**726**	18,071
		18,498	(119,294)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		**18,498**	(119,294)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**30,447**	(110,792)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**238,769**	265,451
Profit attributable to:			
Owners of the parent		**251,009**	420,447
Non-controlling interests		**(42,687)**	(44,204)
		208,322	376,243
Total comprehensive income attributable to:			
Owners of the parent		**275,075**	308,897
Non-controlling interests		**(36,306)**	(43,446)
		238,769	265,451
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	*9*	**1.08**	1.80

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	**2025**	2024
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,738,876**	1,700,688
Right-of-use assets		**185,090**	193,954
Other intangible assets		**403,467**	559,880
Goodwill	*10*	**271,095**	422,928
Investment in an associate		**4,659**	4,473
Equity investments designated at fair value through other comprehensive income		**496,247**	496,561
Deferred tax assets		**72,254**	59,300
Other non-current assets		**85,562**	25,340
Total non-current assets		**3,257,250**	3,463,124
CURRENT ASSETS			
Inventories		**522,875**	490,651
Trade and bills receivables	*11*	**275,453**	324,280
Prepayments, other receivables and other assets		**141,607**	125,286
Financial assets at fair value through profit or loss		**76,109**	87,846
Pledged deposits		**795**	899
Cash and bank balances		**2,445,974**	2,629,306
Total current assets		**3,462,813**	3,658,268
CURRENT LIABILITIES			
Trade payables	*12*	**68,145**	62,099
Other payables and accruals		**497,797**	480,711
Interest-bearing bank and other borrowings	*13*	**334,592**	305,683
Tax payable		**14,137**	17,400
Total current liabilities		**914,671**	865,893
NET CURRENT ASSETS		**2,548,142**	2,792,375
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,805,392**	6,255,499

	Notes	**2025**	2024
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*13*	**63,906**	142,744
Deferred tax liabilities		**121,960**	151,766
Deferred income		**14,442**	15,406
Provision		**581**	28,542
Total non-current liabilities		**200,889**	338,458
Net assets		**5,604,503**	5,917,041
EQUITY			
Equity attributable to ordinary equity holders of the parent			
Share capital	*14*	**230,562**	233,194
Treasury shares	*14*	**(310,856)**	(228,341)
Reserves		**5,502,075**	5,570,406
		5,421,781	5,575,259
Non-controlling interests		**182,722**	341,782
Total equity		**5,604,503**	5,917,041

1. CORPORATE AND GROUP INFORMATION

The Company was established as a limited liability company on 24 January 2007 in the People's Republic of China (the "**PRC**"), and the Company was transformed into a joint stock company with limited liability on 2 August 2010. The registered office of the Company is located at No. 5 Tongjing Road, Songjiang Industrial Zone, Shanghai, PRC. The Company issued 40,000,000 H shares and 45,300 H shares on 30 April 2015 and 28 May 2015, respectively. The H shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**HKSE**") since 30 April 2015. The Company issued 17,800,000 A shares on 30 October 2019 ("**A Share Offering**"). The A shares of the Company have been listed on the Sci-tech Innovation Board of the Shanghai Stock Exchange (the "**SSE**") since 30 October 2019. The total number of issued shares of the Company after the A Share Offering was 177,845,300 (comprising 40,045,300 H shares and 137,800,000 A shares).

As of 31 December 2025 the Company had repurchased and cancelled its own shares as follows:

Repurchase of H shares

During the period from March 2020 to December 2024, the Company repurchased an aggregate of 12,938,800 H shares, among which, 12,742,900 H shares have been cancelled as of 31 December 2024. During the year ended 31 December 2025, the Company repurchased 3,016,900 H shares and cancelled an aggregate of 2,632,100 H shares.

Repurchase of A shares

During the period from August 2023 to August 2024, the Company completed its first round of A share repurchase and a total of 2,015,674 A shares were repurchased. The Company then implemented its second round of A share repurchase plan and a total of 1,832,421 A shares were repurchased from November to December 2025. As of 31 December 2025, none of these repurchased A shares were cancelled.

(i) During the year ended 31 December 2025, the Group's primary activities were focused on the manufacture and sale of biologicals, medical hyaluronate and ophthalmology products, alongside with research and development of biological engineering.

(ii) Furthermore, the Group was involved in the production and distribution of pharmaceutical and ophthalmology products, as well as offering related services.

In the opinion of the directors, the ultimate controlling stakeholders are Mr. Jiang Wei and his spouse, Ms. You Jie.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of business	Paid-up capital/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
			%	%	
上海其勝生物製劑有限公司 Shanghai Qisheng Biologicals Co., Ltd.* ("**Shanghai Qisheng**")	PRC/Chinese mainland 27 May 1992	RMB160,000,000	100	–	Manufacture and sale of biological reagents, biologicals and biological materials
上海利康瑞生物工程有限公司 Shanghai Likangrui Bioengineering Co., Ltd.* ("**Shanghai Likangrui**")	PRC/Chinese mainland 3 September 2001	RMB250,000,000	70	–	Research and development, consultation and services of biological engineering and pharmaceutical products and related technology transfer
河南宇宙人工晶狀體研製有限公司 Henan Universe Intraocular Lens Research and Manufacture Co., Ltd. ("**Henan Universe**")	PRC/Chinese mainland 23 April 1991	RMB10,000,000	–	100	Manufacture and sale of intraocular lens and related products
深圳市新產業眼科新技術有限公司 Shenzhen New Industries Material of Ophthalmology Co., Ltd* ("**NIMO**")	PRC/Chinese mainland 27 April 2006	RMB11,000,000	–	100	Sale of ophthalmology products
Contamac Limited	United Kingdom 10 May 1991	GBP1,000	–	79	Manufacture and sale of contact lens and intraocular lens material, machines and accessories
歐華美科(天津)醫學科技有限公司 Ouhua Meike (Tianjin) Medical Technology Co., Ltd. ("**JUVA MEDICAL**")	PRC/Chinese mainland 12 May 2014	RMB126,500,000	100	–	Sale machines of medical aesthetics, professional life cosmetology and home cosmetology
EndyMed Ltd.	Israel	ILS2,749,248	–	100	Research and development of radiofrequency instruments and product and sale of radiofrequency instruments

* English translations of names for identification purposes only.

* All of the Company's subsidiaries registered in the PRC are limited liability companies under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for bills receivable and certain equity investments and certain other payables and accruals, which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

(b) rights arising from other contractual arrangements; and

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

[1] Effective for annual periods beginning on or after 1 January 2026
[2] Effective for annual/reporting periods beginning on or after 1 January 2027
[3] No mandatory effective date yet determined but available for adoption

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

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share and* IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

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

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively.

Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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

- IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating activities are related to a single operating segment, which is the manufacture and sale of biologicals, medical hyaluronate and intraocular lens, research and development of biological engineering and pharmaceutical products and the provision of related services. Therefore, management monitors the operating results of the Group's operating segment as a whole for the purpose of making decision about resources allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	2025	2024
	RMB'000	*RMB'000*
Chinese mainland	**2,036,778**	2,245,880
Europe	**155,104**	154,216
USA	**112,460**	137,782
Other regions and countries	**141,964**	141,789
Total revenue	**2,446,306**	2,679,667

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

(b) Non-current assets

	2025	2024
	RMB'000	*RMB'000*
Chinese mainland	**2,278,089**	2,471,771
U.K.	**305,601**	286,531
USA	**11,478**	38,982
Other regions and countries	**93,581**	109,979
Total non-current assets	**2,688,749**	2,907,263

The non-current asset information is based on the locations of the assets and excludes equity investments designated at fair value through other comprehensive income and deferred tax assets.

Information about major customers

No revenue from a single customer contributed to 10% or more of the Group's revenue during the year.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	**2,446,306**	2,679,667

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025	2024
	RMB'000	*RMB'000*
Types of goods sold		
Medical aesthetics and wound care products	**1,034,784**	1,189,225
Ophthalmology products	**721,046**	853,423
Orthopedic products	**425,526**	454,281
Antiadhesion and hemostasis products	**228,456**	144,924
Other products	**36,494**	37,814
Total	**2,446,306**	2,679,667
Timing of revenue recognition		
Goods transferred at a point in time	**2,442,871**	2,678,612
Services rendered over time	**3,435**	1,055
Total	**2,446,306**	2,679,667

(b) Performance obligation

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

Sale of products

The performance obligation is satisfied upon delivery of products and payment is generally due within six months from delivery, except for distributors, where payment in advance is normally required.

Equipment technical service

The performance obligation is satisfied over time as services are rendered. Service contracts are billed based on the time incurred or monthly.

Other income and gains

	2025	2024
	RMB'000	*RMB'000*
Bank interest income	**76,875**	73,962
Government grants	**51,221**	44,160
Fair value gain of financial assets at fair value through profit or loss	**31,062**	25,915
Dividend income from equity investments designated at fair value through other comprehensive income	**33**	16
Gain on extinguishment of contingent consideration	**4,500**	–
Gain on reversal of estimated liabilities	**20,460**	–
Service income	**14,178**	4,719
Others	**5,829**	989
Total	**204,158**	149,761

Note:

Various government grants have been received from local government authorities in various regions in the PRC, for compensating research activities. The government grants released have been recorded in other income and gains, among which there were no unfulfilled conditions or contingencies relating to these recognised government grants.

5. PROFIT BEFORE TAX

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

	2025	2024
	RMB'000	*RMB'000*
Cost of inventories sold	**734,729**	810,788
Cost of services provided	**–**	91
Depreciation of property, plant and equipment	**115,676**	116,241
Depreciation of right-of-use assets	**32,583**	33,341
Less: Capitalised in construction in progress	**(6,515)**	(6,515)
Depreciation charged to profit or loss	**26,068**	26,826
Amortisation of other intangible assets	**65,015**	62,159
Auditor's remuneration	**2,600**	2,710
Research and development costs	**197,778**	238,929
Lease payments not included in the measurement of lease liabilities	**6,152**	5,038
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	**607,509**	631,903
Pension scheme contributions (defined contribution scheme)	**74,236**	61,038
Equity-settled share option expense	**–**	3,002
	681,745	695,943
Foreign exchange differences, net	**(5,066)**	4,481
Impairment losses/(reversal of impairment losses) on financial assets, net:		
Trade receivables, net	**504**	(2,854)
Prepayments, other receivables and other assets, net	**1,652**	625
Other non-current assets, net	**2,762**	–
Impairment of goodwill	**151,093**	–
Impairment of other intangible assets	**24,981**	–
Impairment of property, plant and equipment	**86**	–
Write-down of inventories to net realisable value	**22,060**	32,238
Loss on disposal and obsolescence of items of property, plant and equipment	**201**	16

6. FINANCE COSTS

	2025	2024
	RMB'000	*RMB'000*
Interest on bank loans and other loans	**16,817**	15,823
Interest on lease liabilities	**2,060**	2,238
Total	**18,877**	18,061

7. INCOME TAX

The Company is registered in the PRC and is subject to PRC corporate income tax ("**CIT**") on the taxable income as reported in its PRC statutory accounts adjusted in accordance with relevant PRC income tax laws.

The Company, Shanghai Qisheng, Shanghai Jianhua Fine Biological Products Co., Ltd. ("**Shanghai Jianhua**"), Henan Universe, and Qingdao Huayuan Fine Biological Product Co., Ltd. ("**Qingdao Huayuan**") were accredited as high and new-tech enterprises (the "**HNTE**") for the three years from 2023 to 2025 by the relevant authorities. Therefore, the preferential income tax rate of 15% was applied during 2025 for the Company, Shanghai Qisheng, Shanghai Jianhua, Henan Universe and Qingdao Huayuan.

NIMO and Sanhe Leike Optoelectronics Technology Co., Ltd. ("**Laserconn**") were accredited as HNTE for the three years from 2025 to 2027 by the relevant authorities. Therefore, the preferential income tax rate of 15% was applied during 2025 for NIMO, and Laserconn.

Henan Simedice Biotechnologies Co., Ltd ("**Henan Simedice**") was accredited as HNTE for the three years from 2024 to 2026 by the relevant authorities. Therefore, the preferential income tax rate of 15% was applied during 2025 for Henan Simedice.

Hangzhou Aijinglun Technology Co., Ltd.("**Hangzhou Aijinglun**") passed the HNTE qualification review in December 2025, and was listed in the 2025 HNTE public notice, hence the preferential income tax rate of 15% was applied during 2025 for Hangzhou Aijinglun.

The applicable tax rate for the other subsidiaries registered in Chinese mainland was 25% (2024: 25%) during the year.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

The profits tax for subsidiaries in the USA has been provided at the rate of 21% (2024: 21%) on the estimated assessable profits arising in the USA during the year.

The profits tax for subsidiaries in the U.K. has been provided at the rate of 25% (2024: 25%) on the estimated assessable profits arising in the U.K. during the year.

The profits tax for subsidiaries in France has been provided at the rate of 25% (2024: 25%) on the estimated assessable profits arising in France during the year.

The profits tax for subsidiaries in Israel has been provided at the rate of 23% (2024: 23%) on the estimated assessable profits arising in Israel during the year.

	2025	2024
	RMB'000	*RMB'000*
Current		
Charge for the year	**73,415**	97,790
Under provision in prior years	**1,586**	795
Deferred	**(44,077)**	(8,683)
Total tax charge for the year	**30,924**	89,902

8. DIVIDENDS

	2025	2024
	RMB'000	*RMB'000*
Interim – RMB0.40 (2024: RMB0.40) per ordinary share	**91,493**	92,902
Proposed final – RMB0.60 (2024: RMB0.60) per ordinary share	**135,680**	138,023

On 20 March 2026, the directors proposed to declare a final dividend of RMB0.60 (inclusive of tax) per ordinary share, amounting to RMB135,679,680 for the year ended 31 December 2025, based on the total number of shares issued by the Company and deducting total shares which have been repurchased but not cancelled by the Company as of 20 March 2026.

The proposed final dividend of RMB0.60 (inclusive of tax) per ordinary share of the Company for the year ended 31 December 2024 was declared payable by the shareholders of the Company at the annual general meeting of the Company on 10 June 2025.

The interim dividend of RMB0.40 (inclusive of tax) per ordinary share, amounting to RMB91,493,200 for the six-month period ended 30 June 2025 was declared payable by the shareholders of the Company at the extraordinary general meeting of the Company On 22 August 2025.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 231,804,116 (2024: 233,108,062) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024.

The calculation of basic and diluted earnings per share is based on:

	2025	2024
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**251,009**	420,447

	Numbers of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding used in the basic and diluted earnings per share calculation	**231,804,116**	233,108,062

10. GOODWILL

	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**422,928**	413,021
Acquisition of a subsidiary	**–**	9,807
Disposals	**(3,313)**	–
Impairment during the year	**(151,093)**	–
Exchange realignment	**2,573**	100
At the end of the year	**271,095**	422,928
Cost	**421,503**	432,809
Accumulated impairment	**(150,408)**	(9,881)
Net carrying amount	**271,095**	422,928

Impairment testing of goodwill

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

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

Cash-generating unit named NIMO Group;

Cash-generating unit of Aaren Business;

Cash-generating unit named Contamac Group;

Cash-generating unit named Qingdao Huayuan;

Cash-generating unit named Hangzhou Aijinglun[1];

Cash-generating unit named JUVA MEDICAL Group[2];

Cash-generating unit named Bioxis[2]; and

Cash-generating unit named Shanghai Shenhao Eye Health Technology Development Co., Ltd (Shenhao Eye Health) [3].

[1] During the year ended 31 December 2020, the Group acquired a total of 55.00% of equity shares of Hangzhou Aijinglun.

[2] During the year ended 31 December 2021, the Group acquired a total 63.64% of equity shares of JUVA MEDICAL Group and 65.61% equity shares of Bioxis.

[3] During the year ended 31 December 2024, the Group acquired a total 51.00% of equity shares of Shenhao Eye Health.

Cash-generating unit named NIMO Group

During the year ended 31 December 2025, due to a decline in the total volume of cataract surgeries and increasing market competition, the operating profit of NIMO Group for the year ended 31 December 2025 fell short of expectations. According to the results of the impairment test, the total impairment loss on the goodwill of the NIMO Group amounted to approximately RMB140,746,000. The recoverable amount of the cash-generating unit named NIMO Group was determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 16% (2024: 14%). The growth rate used to extrapolate the cash flows beyond the five-year period was 2% (2024: 2%), which was the same as the long-term growth rate.

Cash-generating unit of Aaren Business

During the year ended 31 December 2022 in view of the termination of the distribution agreement between Aaren and the former domestic exclusive distributor in China and the proposed re-integration of the domestic sales channels of the Aaren-branded IOL products, and according to the results of the impairment test, the total impairment loss on the goodwill, property, plant and equipment and other intangible assets of the Aaren business amounted to approximately USD6,615,000 (equivalent to RMB46,071,000) which consisted of the impairment loss on goodwill amounted to USD1,375,000 (equivalent to RMB9,574,000), impairment loss of property, plant and equipment amounted to USD996,000 (equivalent to RMB6,936,000) and impairment loss on other intangible assets amounted to USD4,244,000 (equivalent to (RMB29,561,000).

During the year ended 31 December 2025 in view of actual sales performance of the Aaren-branded IOL products in the market, and according to the results of the impairment test, the total impairment loss on the brands and constructions in progress of the Aaren business amounted to approximately USD3,566,200 (equivalent to RMB25,067,000) which consisted of the impairment loss on the brands amounted to USD3,554,000 (equivalent to RMB24,981,000) and impairment loss on constructions in progress amounted to USD12,200 (equivalent to RMB86,000).

Cash-generating unit named Contamac Group

The recoverable amount of the cash-generating unit named Contamac Group was determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 14% (2024: 14%). The growth rate used to extrapolate the cash flows beyond the five-year period was 2% (2024: 2%), which was the same as the long-term growth rate.

Cash-generating unit named Qingdao Huayuan

The recoverable amount of the cash-generating unit named Qingdao Huayuan was determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 15% (2024: 15%). The growth rate used to extrapolate the cash flows beyond the five-year period was 2% (2024: 2%), which was the same as the long-term growth rate.

Cash-generating unit named Hangzhou Aijinglun

The recoverable amount of the cash-generating unit named Hangzhou Aijinglun was determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 15% (2024: 15%). The growth rate used to extrapolate the cash flows beyond the five-year period was 2% (2024: 2%), which was the same as the long-term growth rate.

Cash-generating unit named JUVA MEDICAL Group

The recoverable amount of the cash-generating unit named JUVA MEDICAL Group was determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 24% (2024: 24%). The growth rate used to extrapolate the cash flows beyond the five-year period was 2% (2024: 2%), which was the same as the long-term growth rate.

Cash-generating unit named Bioxis

The recoverable amount of the cash-generating unit named Bioxis was determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 23% (2024: 22%). The growth rate used to extrapolate the cash flows beyond the five-year period was 2% (2024: 2%), which was the same as the long-term growth rate.

Cash-generating unit named Xiamen Nanpeng

During the year ended 31 December 2025, Hengtai Optical Co., Ltd. ("**Hengtai Optical**") announced that Carl Zeiss Vision International GmbH intends to acquire 100% of its shares. After negotiation, the Group signed a "Termination of Cooperation Agreement" with Hengtai Optical's existing major shareholders and stakeholders, thereby terminating the original exclusive distribution agreements between Hengtai Optical and the Group's subsidiary Shanghai Hengtai Vision Technology Co., Ltd. ("**Hengtai Vision**"), and the original exclusive distribution agreement between Xiamen Nanpeng Optical Co., Ltd. ("**Xiamen Nanpeng**") and Hengtai Optical will not be renewed upon expiration in January 2026. Xiamen Nanpeng and Hengtai Vision were primarily engaged in the sales of orthokeratology lenses produced by Hengtai Optical in Chinese mainland. The termination of the aforementioned exclusive distribution agreements essentially constitutes the disposal of the related business asset group. As of 31 December 2025, recoverable amount of cash-generating unit of Xiamen Nanpeng were based on its fair value less cost of disposal with reference to the proceeds from the compensation accordingly. The Group recorded an asset impairment loss of RMB10,347,000, being the difference of the disposal proceeds received of RMB80,582,000 and the carrying value of the related asset group of RMB90,929,000 (including goodwill that amounted to approximately RMB13,660,000).

Cash-generating unit named Shenhao Eye Health

The recoverable amount of the cash-generating unit named Shenhao Eye Health was determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 24% (2024: 23%). The growth rate used to extrapolate the cash flows beyond the five-year period was 2% (2024: 2%), which was the same as the long-term growth rate.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	2025	2024
	RMB'000	*RMB'000*
NIMO Group	**125,280**	266,026
Hangzhou Aijinglun	**53,349**	53,349
Qingdao Huayuan	**32,115**	32,115
Contamac Group	**26,564**	25,556
Bioxis	**21,295**	19,730
Xiamen Nanpeng	**–**	13,660
Shenhao Eye Health	**9,807**	9,807
JUVA MEDICAL	**2,685**	2,685
Total	**271,095**	422,928

Assumptions were used in the value-in-use calculation of cash-generating units for 31 December 2025. The following describes each key assumption on which the management has based its cash flow projections to undertake impairment testing of goodwill:

- Discount rates – The discount rates used were before tax and reflect specific risks relating to the relevant units.
- Growth rates – The growth rates were based on industry growth forecasts.
- Changes in selling prices and direct costs – These were based on past practices and expectations of future changes in the market.

Other than the carrying amounts of cash-generating units of NIMO Group, Aaren Business and Xiamen Nanpeng, at the end of the reporting period, the directors of the Company considered a reasonably possible change in the key assumptions mentioned above would not cause the carrying amounts of the cash-generating units to exceed their recoverable amounts.

11. TRADE AND BILLS RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Bills receivable	**4,449**	8,170
Trade receivables	**302,792**	347,533
	307,241	355,703
Impairment	**(31,788)**	(31,423)
Net carrying amount	**275,453**	324,280

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to twelve months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

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

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**263,666**	313,591
1 to 2 years	**9,819**	8,665
2 to 3 years	**1,968**	2,024
Total	**275,453**	324,280

12. TRADE PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables	**68,145**	62,099

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

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**64,707**	52,489
3 months to 1 year	**2,816**	8,902
Over 1 year	**622**	708
Total	**68,145**	62,099

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2025			31 December 2024		
	Effective interest rate			Effective interest rate		
	(%)	***Maturity***	***RMB'000***	*(%)*	*Maturity*	*RMB'000*
Current						
Lease liabilities *(note 14(b))*	**–**	**2026**	**21,122**	3.60-5.80	2025	18,595
Bank loans						
unsecured *(a)*	**2.08-2.40**	**2026**	**235,866**	2.22-2.40	2025	211,500
Current portion of long term other loans						
guaranteed *(b)*	**2.25**	**2026**	**–**	2.25	2025	1,129
Current portion of long term bank loans						
guaranteed *(b)*	**0.73**	**2026**	**1,622**	0.73	2025	1,168
unsecured *(c)*	**1.70-1.80**	**2026**	**75,982**	1.80-2.50	2025	73,291
Total – current			**334,592**			305,683
Non-current						
Lease liabilities *(note 14(b))*	**–**	**2026-2030**	**30,806**	3.60-5.80	2025-2030	32,023
Bank loans						
unsecured *(c)*	**1.70-1.80**	**2026-2027**	**33,100**	1.80-2.50	2025-2027	109,082
guaranteed *(b)*	**–**	**–**	**–**	0.73	2025-2026	698
Other loans						
guaranteed *(b)*	**–**	**–**	**–**	2.25	2025-2026	941
Total – non-current			**63,906**			142,744
Total			**398,498**			448,427

	2025 *RMB'000*	2024 *RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**313,470**	285,959
In the second year	**33,100**	76,680
In the third to fifth years, inclusive	**–**	33,100
Subtotal	**346,570**	395,739
Other borrowings and lease liabilities repayable:		
Within one year or on demand	**21,122**	19,724
In the second year	**17,162**	13,355
In the third to fifth years, inclusive	**9,374**	14,093
Beyond five year	**4,270**	5,516
Subtotal	**51,928**	52,688
Total	**398,498**	448,427

Notes:

(a) The short-term unsecured bank loans represent the loans obtained by the Company, Shanghai Qisheng, Shanghai JianHua and Haoleyuan*, with interest rates of 2.08%-2.40% in 2025.

(b) The guaranteed bank and other loans represent the loans obtained by Bioxis guaranteed by the government.

(c) The long-term unsecured bank loans represent the loans obtained by the Company and Haohai Development with interest rates of 1.70%-1.80% in 2025.

* Shanghai Haoleyuan Biotechnology Co., Ltd. ("**Haoleyuan**") is a wholly owned subsidiary of the Company.

14. SHARE CAPITAL

	2025 *RMB'000*	2024 *RMB'000*
Issued and fully paid: 230,561,595 (2024: 233,193,695) ordinary shares of RMB1.00 each	**230,562**	233,194

A summary of the Company's share capital is as follows:

	Number of shares in issue	Share Capital
At 1 January 2024	171,477,258	171,477
Issue of A shares *(note 1)*	526,445	526
Capitalisation issue of new shares *(note 2)*	66,782,692	66,784
Cancellation of repurchased H shares *(note 3)*	(5,592,700)	(5,593)
At 31 December 2024 and 1 January 2025	**233,193,695**	**233,194**
Cancellation of repurchased H shares *(note 4)*	**(2,632,100)**	**(2,632)**
At 31 December 2025	**230,561,595**	**230,562**

Note 1:

The subscription rights attaching to 526,445 share options were exercised at the subscription price of RMB93.90 per share, resulting in the issue of 526,445 shares for a total cash consideration, before expenses, of RMB49,451,000.

Note 2:

On 8 March 2024, the directors proposed to issue 4 new shares for every 10 existing shares of the Company to the shareholders by transferring reserve to share capital (the "**Capitalisation Issue**"), which was approved by the shareholders of the Company at the annual general meeting of the Company on 29 May 2024. In June 2024, the Capitalisation Issue was completed, resulting in issuance of 66,782,692 shares (comprising 54,943,252 A shares and 11,839,440 H shares), and approximately RMB66,784,000 was transferred from share premium in capital reserve to share capital.

Note 3:

On 20 March 2024, 3,296,500 H Shares repurchased in 2023 were cancelled. In addition, during the year ended 31 December 2024, the Company repurchased 2,492,100 H shares as treasury shares, which accounted for approximately 1.069% of the Company's total share capital, at a total consideration of approximately HK$75,982,000 (equivalent to approximately RMB69,587,000), among which, a total of 2,296,200 repurchased H shares were cancelled as of 31 December 2024. The remaining 195,900 H shares, at a total consideration of approximately HK$5,297,000 (equivalent to RMB4,899,000) were accounted as treasury shares as of 31 December 2024.

During the year ended 31 December 2024, the Company also repurchased 1,418,934 A shares as treasury shares, which accounted for approximately 0.6214% of the Company's total share capital, at a total consideration of approximately RMB106,280,000. These repurchased A shares were not cancelled and accounted as treasury shares as of 31 December 2024.

Note 4:

During the year ended 31 December 2025, the Company repurchased 3,016,900 H shares as treasury shares, which accounted for approximately 1.309% of the Company's total share capital, at a total consideration of approximately HK$81,279,000 (equivalent to approximately RMB74,109,000). On 28 July 2025 and 29 December 2025, a total of 2,632,100 repurchased H shares were cancelled and the remaining 580,700 H shares, at a total consideration of approximately HK$15,313,000 (equivalent to RMB14,079,000) were accounted as treasury shares as of 31 December 2025.

During the year ended 31 December 2025, the Company also repurchased 1,339,675 A shares as treasury shares, which accounted for approximately 0.5810% of the Company's total share capital, at a total consideration of approximately RMB73,335,000. These repurchased A shares were not cancelled and accounted as treasury shares as of 31 December 2025.

Note 5:

As of 31 December 2025, treasury shares amounted to RMB310,856,000 (comprising 580,700 H shares and 3,848,095 A shares) and as of 31 December 2024, treasury shares were amounted to RMB228,341,000 (comprising 195,900 H shares and 2,508,420 A shares). These treasury shares will either be used for implementing future shares incentive scheme or to be cancelled.

15. EVENTS AFTER THE REPORTING PERIOD

Cancellation of repurchased H shares

On 6 March 2026, the Company completed the cancellation of a total of 580,700 repurchased H shares. Following the aforementioned cancellation, the total share capital of the Company changed from 230,561,595 shares to 229,980,895 shares.

Operation Overview

2025 is a year in which the Company navigated forward under pressure amid complex economic and industrial changes. Focusing on four core business sectors of medical aesthetics, ophthalmology, orthopedics, anti-adhesion and hemostasis, the Group actively responded to opportunities and challenges from external environment, and continued to deepen product innovation, market exploration and lean management.

During the Reporting Period, the Group's operating performance was impacted by multiple overlapping external factors. On one hand, Shanghai Qisheng, a major subsidiary, was affected by the increase in the value-added tax rate from 3% to 13%, leading to a decrease in the after-tax unit price and sales revenue of related products during the Reporting Period. On the other hand, the national volume-based procurement of ophthalmic intraocular lens ("**IOL**") products entered the second phase of the two-year agreement period, coupled with the increasingly fierce competitive landscape of the industry, there was an increase in the number of competing products in the market. In particular, domestic IOL products posed greater challenges to imported brand products by virtue of their notable cost and price advantages. Furthermore, the total volume of domestic cataract surgeries in 2025 decreased compared with 2024, leading to a decline in the overall market demand. The Group's operating results for IOL business fell below expectation. In addition, in consideration of the anticipated price reductions for IOL products in the second round of the national centralized volume-based procurement to be initiated in the first half of 2026, the Group has, in line with the principle of prudence, made a provision for impairment of goodwill related to Shenzhen NIMO (a subsidiary of the Group operating the business of Lenstec-branded IOL imported from the United States) of approximately RMB141.00 million. Additionally, an impairment provision of approximately RMB25.00 million was made for the intangible asset – the brand – held by the US subsidiary Aaren Scientific Inc. ("**Aaren**"), which is engaged in the production and sales of Aaren-branded IOL products.

Affected by the combination of the above factors, the Group's key financial indicators experienced a temporary decline. During the Reporting Period, the Group recorded a revenue of RMB2,446.31 million in total, representing a decrease of RMB233.36 million or 8.71% as compared to the previous year. The breakdown of the Group's revenue from the main business of each product line by therapeutic areas is as follows (by the amount and as a percentage of the total revenue of the Group):

Unit:'000; Currency: RMB

	2025		2024		Change
Product Line	**Amount**	**Percentage (%)**	Amount	Percentage (%)	(%)
Medical aesthetics and wound care products	**1,034,784**	**42.30**	1,189,225	44.38	-12.99
Ophthalmology products	**721,046**	**29.47**	853,423	31.85	-15.51
Orthopedics products	**425,526**	**17.39**	454,281	16.95	-6.33
Anti-adhesion and hemostasis products	**228,456**	**9.34**	144,924	5.41	57.64
Other products	**36,494**	**1.50**	37,814	1.41	-3.49
Total	**2,446,306**	**100.00**	2,679,667	100.00	-8.71

During the Reporting Period, the overall gross profit margin of the Group was 69.97%, maintaining stable as compared to 69.74% of the previous year.

During the Reporting Period, the Group's net profit attributable to shareholders of the Company and net profit attributable to shareholders of the Company after deducting non-recurring gains or loss was RMB251.01 million and RMB160.48 million respectively, representing decreases of 40.30% and 57.67% as compared to the previous year, respectively.

As at the end of the Reporting Period, the total assets of the Group were RMB6,720.06 million, and the net assets of the Group attributable to shareholders of the Company were RMB5,421.78 million, representing decreases of 5.64% and 2.75% as compared to those at the end of 2024, respectively.

Regarding the research and development ("**R&D**") layout, several core R&D projects of the Group achieved critical progress. During the Reporting Period, the Group incurred R&D expenses of RMB197.78 million, representing a decrease of RMB41.15 million or 17.22% as compared to the previous year. R&D expenses accounted for 8.08% of revenue (2024: 8.92%). Several key R&D projects successively completed clinical trials during the Reporting Period, leading to the temporary reduction in related R&D expenses.

During the Reporting Period, multiple products of the Group received approval for marketing. The hydrophobic molded toric aspheric IOL and the preloaded hydrophobic molded toric aspheric IOL products were approved in January 2025 and February 2025, respectively. The first cross-linked sodium hyaluronate gel with lidocaine (HA Dermal Filler) product and the collagen composite solution for skin care (Class II Medical Device) were approved in December 2025. Furthermore, in March 2026, an internationally innovative bio-gel product for intraocular fillers were approved for marketing, and the hydrophilic aspheric multifocal IOL products successfully completed the registration technical review and entered the administrative approval stage.

Meanwhile, significant progress was also made on several R&D projects of the Group. As of the date of this announcement, the Group's hydrophobic molded aspheric trifocal IOL, the hydrophobic molded Extended-depth-of-focus ("**EDOF**") IOL, the aqueous humor permeable Phakic Refractive Lens ("**PRL**"), high gas permeable scleral lens products, EDOF IOL, enhanced HA hydro-dermabrasion injection, cross-linked sodium hyaluronate gel for correction of temporal depression, and sodium hyaluronate gel for endoscopic submucosal injection projects have all completed clinical trials and entered the registration application stage. The Group's medical cross-linked chitosan gel product has completed its clinical trials and reached the conclusion stage. Clinical trials for multiple key R&D projects, including the new ultra-high gas permeable (DK180) Orthokeratology Lenses product, the second and third cross-linked sodium hyaluronate gel with lidocaine, homogeneous precision cross-linked hyaluronic acid skin booster, smart cross-linked collagen solution, hyaluronic acid sodium composite solution for injection, the first injectable calcium hydroxyapatite microspheres products, cross-linked sodium hyaluronate gel for labia majora augmentation, homogeneous cross-linked chitosan intra-articular injection, and the long-acting cross-linked sodium hyaluronate injection (Class I innovative drug), were all proceeding smoothly. In addition, the Group's self-developed Class I innovative drug LBM801 intra-articular viscosupplement products received clinical trial approvals for the indications of articular cartilage injury in October 2025 and osteoarthritis in December 2025, respectively. The aforementioned R&D projects will lay a solid foundation for the Group's medium-to-long-term development.

MANAGEMENT DISCUSSION AND ANALYSIS BY PRODUCT LINE

Medical Aesthetics and Wound Care Products

In the field of medical aesthetics and wound care, the Group has formed a business matrix covering four categories, namely HA Dermal Filler, genetic-engineering preparations for epidermal repair, radio frequency devices and laser equipment. Through the multi-level business arrangements, the Group was able to meet the comprehensive demand of end customers for medical aesthetics in relation to epidermis, dermis and subcutaneous tissue.

During the Reporting Period, the Group's medical aesthetics and wound care products achieved revenue in aggregate of RMB1,034.78 million, representing a decrease of RMB154.44 million or 12.99% as compared to the previous year. The breakdown of product revenue by specific product type is as follows:

Unit:'000; Currency: RMB

	2025		2024		Change
Item	**Amount**	**Percentage (%)**	Amount	Percentage (%)	(%)
HA Dermal Filler	**566,177**	**54.72**	737,860	62.05	-23.27
Radio frequency devices and laser equipment	**265,358**	**25.64**	262,994	22.11	0.90
hEGF	**203,249**	**19.64**	188,371	15.84	7.90
Total	**1,034,784**	**100.00**	1,189,225	100.00	-12.99

From an industry environment perspective, the domestic medical aesthetics market is undergoing profound changes. Currently, China's economic growth faces pressure from the transition between old and new growth drivers, the medical aesthetic market is experiencing a series of challenges such as slowing down of growth of end-user organizations and increasingly stringent compliance requirement. Meanwhile, China's per capita disposable income continues to rise steadily, the public acceptance of medical aesthetics is constantly improving, China has become the world's second-largest medical aesthetics market. According to "China Medical Aesthetic Industry Outlook 2025" jointly published by Chinese Association of Plastics and Aesthetics and Allergan and Deloitte Consulting, from 2022 to 2024, the CAGR of China's medical aesthetics market size was about 10~15%, and is expected to maintain a CAGR of 10% in future. In terms of treatment projects, light medical aesthetic is still the mainstream choice. In terms of injection projects, the consumption willingness remains high. Amongst them, the percentage of people accepted HA filling/plastic and wrinkle removal/anti-aging photoelectric projects increased from 54% and 52% in 2023 to 72% and 62% in 2024, respectively. Compared with well-developed countries, China records only 17 medical aesthetic treatments per 1,000 people (data in 2022), is only 1/3 of that in Brazil and the USA, and 1/5 of that in South Korea. The low penetration rate indicates that China's medical aesthetic market will have room to continue to increase in the coming years.

The Group's HA Dermal Filler products portfolio has been widely recognized in the market and has become a leading brand of domestic HA Dermal Filler products for injections. Leveraging on its competitive R&D efforts in biomedical materials, manufacturing and marketing platforms, the Group has independently developed and mastered the cross-linking processes such as monophase cross-linking, low-temperature secondary cross-linking, linear non-particle cross-linking, and organic cross-linking, together with the comprehensive advantages in crafts and techniques and quality control for HA Dermal Filler products, we have developed the characteristics of differentiated positioning and complementary development in terms of products features and efficacy.

- First-generation HA Dermal Filler "Matrifill": the first mono-phase sodium hyaluronate gel for injection approved by the National Medical Products Administration of the PRC ("**NMPA**") in the PRC. It is mainly positioned as a popular entry-level HA.

- Second-generation HA Dermal Filler "Janlane": positioned at the mid-to-high end and mainly features the dynamic filling function, and, at the same time, has two indications for nasolabial fold injections and lip augmentation, thereby expanding its clinical application scenarios.

- Third-generation HA Dermal Filler "Hyalumatrix": has won the market's recognition for its high-end HA positioning due to its non-particle and high cohesion features, providing the "precise embellishment" function, making it less susceptible to deformation and displacement after injection and delivering a natural and long-lasting effect. The clinical trial of rectifying indications for temporal depression for "Hyalumatrix"is also smoothly carried out.

- Fourth-generation HA Dermal Filler product "Hyalumatrix MoonWhite": has better long-term safety, longer-lasting characteristics and stimulation of collagen hyperplasia. "Hyalumatrix MoonWhite" continued the brand DNA of "Hyalumatrix" series, and together with "Hyalumatrix" and "Hyalumatrix YUN", will form the Group's high-end HA Dermal Filler product series.

- Cross-linked HA Dermal Filler with lidocaine: Approved for marketing in December 2025, it is the Group's first cross-linked HA Dermal Filler product for injection with lidocaine.

In terms of marketing, the Group provides multidimensional and all-round services to medical institutions, doctors and consumers, conducts client-side education through new media channels and builds personal brand (IP) for doctors, continuously launches rich comprehensive offline solutions for facial rejuvenation through a diversified product matrix, thus leading the trend of combined application of HA Dermal Filler in the non-invasive medical aesthetic market in the PRC, and continuously strengthens the stickiness among brands, institutions and consumers to drive the expansion of influence of brands.

During the Reporting Period, the Group's HA Dermal Filler products recorded sales revenue of RMB566.18 million, representing a decrease of RMB171.68 million, or 23.27%, as compared to the previous year. Except for the decrease in income from sales of a subsidiary Shanghai Qisheng due to the change in VAT rate, the Group's first-generation and second-generation HA Dermal Filler products, positioned at entry-level have encountered the impacts of decrease in consumption demands in stages, resulting in a more pronounced decrease in the sales revenue as compared to last year. But meanwhile, "Hyalumatrix MoonWhite", the HA Dermal Filler products approved in July 2024 has gained outstanding outcomes after being rolled out, which contributed significant incremental revenue to the HA Dermal Filler product line. Through the high-end "Hyalumatrix" series products, i.e. "Hyalumatrix", "Hyalumatrix YUN" and "Hyalumatrix MoonWhite", the Group solidified its leading academic position in the industry, enhanced the customer stickiness to HA Dermal Filler products of the Group and ensured that its market share led steadily.

The Group's revenue from radio frequency devices ("**RF**") and laser equipment product line was mainly generated by its subsidiary Juva Medical, the Israel subsidiary of which EndyMed Ltd. ("**EndyMed**") focuses on RF beauty equipment, and a subsidiary of which Laserconn focuses on laser beauty equipment, with its presence covering domestic and overseas markets. During the Reporting Period, the Group's revenue from the radio frequency and laser equipment product line was RMB265.36 million, representing an increase of RMB2.36 million compared with last year. From the analysis of the sales region, the sales were polarized. Impacted by the weak demands in Europe and U.S., the sales revenue of overseas market decreased by RMB32.68 million, while the Group's medical grade RF equipment product "EndyMed Pro" (Gold RF Microneedling) exhibited great growth momentum in domestic market. During the Reporting Period, the domestic sales revenue of "EndyMed Pro" high-frequency skin treatment device and Intensif treatment needle increased RMB12.78 million and RMB30.41 million, respectively, as compared to the previous year, representing an increase of 33.54% and 56.61% respectively.

Through continuous market education, gold RF microneedling products have become the current mainstream wrinkle removal/anti-aging photoelectric project in domestic market. Through the combination of three technologies, mechanical stimulation of micro-needle, radiofrequency thermal effect and transdermal drug delivery, the project effectively promote collagen denaturation, reorganization and coagulation, can be used to repair acne marks, oil control and acne removal, and shrink pore size, and can be used to combat aging, achieving facial contour rejuvenation and improving the overall state of the skin condition.

The "EndyMed Pro" Gold RF Microneedling product of EndyMed has passed the regulatory approvals of various countries and regions, including U.S. FDA certification, EU CE certification, and is one of a few imported RF products which have gained Class III registration certificates for medical devices in PRC, making it scarce in domestic market. "EndyMed Pro" Gold RF Microneedling products have been sold to over 50 countries globally, with broad international recognition and great market demands. This product uses non-insulated phased microneedles to heat the entire needle body, ensuring a gentle insertion process with minimal damage to the epidermis. It offers technical advantages such as minimal bleeding, faster healing, and a shorter recovery period, making it the leading brand in gold RF microneedling products. In February 2025, the Group has completed the privatization and delisting of EndyMed, which has become a wholly-owned subsidiary of the Group.

During the Reporting Period, the Group's hEGF products "Healin" achieved revenue of RMB203.25 million, representing an increase of RMB14.88 million or 7.90% as compared to the previous year. In recent years, the Group strengthened the academic promotion of this product, the awareness of product efficacy has been continuously strengthened, and the application of the product has been gradually extended from traditional departments such as burns and dermatology to pediatrics, oncology, stomatology, general surgery, obstetrics and gynecology, endocrinology, gastroenterology and other departments. "Healin" is the only epidermal growth factor product in China that has exactly the same quantity, sequence and spatial structure of amino acids as human natural epidermal growth factor and the first registered hEGF product for external use in the world. According to the research reports of Guangzhou Biaodian Medical Information Co., Ltd.* ("**Biaodian Medical**"), the domestic market share of "Healin" products in 2024 was 26.96% (2023: 26.91%), continuing to be ranked second in the domestic market share.

Ophthalmology Products

Focusing on the leading technologies in the global ophthalmology field, the Group is committed to expediting the localization of China's ophthalmology industry through independent R&D and investment integration, with the goal of becoming an internationally renowned manufacturer of comprehensive ophthalmology products. During the Reporting Period, the Group's ophthalmology business covered the therapeutic fields including cataract treatment, myopia prevention and control, refractive correction, and ocular surface, and has owned a number of products under development in the field of fundus disease treatment.

The Group is the largest OVD product manufacturer in the PRC. According to the research reports of Biaodian Medical, the market share of the Group's OVD products increased from 46.98% in 2023 to 51.42% in 2024, ranking first in China for the past 18 consecutive years. Meanwhile, the Group is a major supplier in the domestic IOL market. In addition, Contamac Holdings Limited ("**Contamac**"), a subsidiary, is one of the world's largest independent manufacturers of ophthalmology and optometry materials, such as providing materials for IOL and Orthokeratology Lens to customers in more than 70 countries worldwide.

During the Reporting Period, the Group's revenue from the sales of ophthalmology products was RMB721.05 million, representing a decrease of RMB132.38 million, or 15.51%, as compared to the previous year. The breakdown of revenue from ophthalmology products by specific products is as follows:

Unit:'000; Currency: RMB

Item	2025 Amount	2025 Percentage (%)	2024 Amount	2024 Percentage (%)	Change (%)
Cataract product line	**314,359**	**43.60**	418,656	49.05	-24.91
IOL products	**237,220**	**32.90**	326,370	38.24	-27.32
OVD products	**77,139**	**10.70**	92,286	10.81	-16.41
Myopia prevention and control, and refractive correction product line	**376,136**	**52.17**	400,257	46.90	-6.03
Ophthalmology and optometry materials	**213,278**	**29.58**	203,652	23.86	4.73
Ophthalmology and optometry end products	**162,858**	**22.59**	196,605	23.04	-17.16
Other ophthalmology products	**30,551**	**4.23**	34,510	4.05	-11.47
Total	**721,046**	**100.00**	853,423	100.00	-15.51

IOL and OVD products are mainly used for cataract surgery. During the Reporting Period, the revenue of the Group from the cataract product line amounted to RMB314.36 million, representing a decrease of RMB104.30 million or 24.91% as compared to the previous year. Specifically, the revenue from IOL products was RMB237.22 million, representing a decrease of RMB89.15 million or 27.32% as compared to the previous year. The revenue of OVD products was RMB77.14 million, representing a decrease of RMB15.15 million or 16.41% as compared with the previous year.

In November 2023, the Group's IOL products from 5 brands and OVD products from 4 brands were fully selected in the first centralized volume-based procurement of intraocular lens medical consumables organized by the state. The selection results were gradually implemented in the first half of 2024, leading to a significant reduction in the selling price per unit of the Group's selected IOL products. At the same time, with the further implementation of DRG (Diagnosis-Related Groups) and DIP (Diagnosis-Intervention Packet) payment models, changes in medical insurance policies of cataract surgery in some provinces have significantly impacted the sales volume of the Group's ordinary spherical and aspheric IOL products.

Facing downward pressure on prices, the Group has actively optimized its sales structure to offset the gross margin loss. In particular, mid-end preloaded aspheric IOL products have rapidly replaced ordinary spherical and aspheric products, with sales volume increasing by 21.68% as compared to the previous year, and its proportion of sales revenue from IOL products has risen from 18.37% in the previous year to 27.74% for the Reporting Period.

During the Reporting Period, the revenue of the Group from the myopia prevention and control, and refractive correction product line amounted to RMB376.14 million, representing a decrease of RMB24.12 million or 6.03% as compared with the previous year. The revenue from the ophthalmology and optometry materials business in the upstream part of the supply chain was RMB213.28 million during the Reporting Period, representing an increase of RMB9.63 million or 4.73% as compared with the previous year. The revenue of the Group from the ophthalmology and optometry end products amounted to RMB162.86 million, representing a decrease of RMB33.75 million or 17.16% as compared with the previous year.

Ophthalmology and optometry end products cover Orthokeratology Lenses and eye drops used in conjunction, specialty frame glasses, "Yijing" PRL and other products. During the Reporting Period, the sales revenue from Orthokeratology Lens products recorded a decrease of 11.73% as compared to the previous year. From the external environment perspective, the ophthalmology consumer market for non-essential demand has continued to show weakness since the second half of 2023, with consumption willingness falling short of expectations. At the same time, the domestic market for orthokeratology lenses has seen a surge of new product approvals, leading to increasingly intense competition within the category. Furthermore, new categories with lower unit price such as functional frame glasses has also created a certain diversion effect on orthokeratology lenses customers, further intensifying the growth pressure on the Group's core product category.

During the Reporting Period, the Group's orthokeratology lenses business faced more complex structural challenges. As Carl Zeiss Vision International GmbH announced in June 2025 the acquisition of 100% equity in Brighten Optix Co., Ltd. ("**Brighten Optix**"), the manufacturer of the orthokeratology lenses distributed by the Group, and through friendly consultations, the substantial shareholders and interested parties of Brighten Optix paid the Group a cooperation termination subsidy of RMB80.00 million in December 2025. This was in exchange for the Group's early termination of the exclusive distribution agreement for Brighten Optix's orthokeratology lenses in Mainland China. Consequently, the Group's business of distributing Brighten Optix's orthokeratology lenses saw a significant decrease. However, amid the dual tests of external market fluctuations and major cooperation adjustments, the Group adhered to its self-developed strategy, demonstrating strong risk resilience and inherent growth momentum. During the Reporting Period, the Group's self-developed "Optoshare"(童享) and "TongLiang"(童靚) brand orthokeratology lenses products, relying on higher gas permeable materials and more advanced design concepts, saw an increase in sales volume of prescription lens against the trend by 61.06% as compared to the previous year, offsetting the adverse impact of the decline in Brighten Optix orthokeratology lenses business.

Cataract is the biggest cause of blindness in the PRC. The only effective treatment for cataract is IOL implantation through surgery. In terms of industrial chain construction, the Group currently has initially completed the layout of the entire industrial chain of IOL products. We have opened up the upstream raw material production link of the IOL industrial chain through our subsidiary Contamac, mastered the R&D and production process of hydrophilic and hydrophobic IOL products through our subsidiaries Aaren, Henan Universe, and Henan Simedice Biotechnologies Co., Ltd. and strengthened the downstream sales channels of IOL products through the professional ophthalmology high-value consumables marketing platform of our subsidiary NIMO at the same time. In terms of the layout of product lines, leveraging on its domestic and foreign brands, the Group has covered a full range of products from ordinary spherical monofocal IOL to multifocal IOL. In addition, the Group created synergy among the ophthalmology R&D innovation platforms in the PRC, the USA and the U.K. to promote the R&D and registration activities for high-end multifocal and EDOF IOL products. The Group adopts the one-time injection molding process that is different from the traditional turning and milling process, thus achieving a comprehensive layout of high-end IOL materials, complex optical features, and innovative processing technology. Among them:

- the hydrophobic molded toric aspheric IOL and the preinstalled hydrophobic molded toric aspheric IOL products obtained the registration certificate for Class III medical devices approved by the NMPA in January and February 2025, respectively;

- the hydrophilic aspheric multifocal IOL has completed the clinical trials, and smoothly completed technical evaluation for registration in March 2026, entering the administrative approval stage;

- innovative hydrophobic molded aspheric trifocal IOL has completed the clinical trials, and entered the registration application stage in February 2025. In addition, the project has passed the evaluation by the Center for Medical Device Evaluation of the NMPA and entered the special review "green channel" of innovative medical devices; and

- both hydrophilic EDOF IOL and the hydrophobic molded EDOF IOL have completed the clinical trials smoothly and entered the registration application stage.

China is one of the countries with the largest number of blind and visually impaired patients in the world, with cataracts accounting for 32.5% and refractive errors accounting for 44.2% of visual impairment factors, while the prevalence of ophthalmic diseases in the highly myopic population is much higher than that in the normal-vision population. In 2019, the number of myopia patients worldwide was approximately 1.4 billion, among which, the number of myopia patients in China exceeded 600 million, and as a result the capacity of China's myopia prevention and control and refractive correction market is considerable while the penetration rate is low.

In the field of myopia prevention, control and refractive correction management, developed using the self-developed optical design system, based on the world's leading high oxygen permeability material of Contamac, the self-developed "Optoshare" (童享) and "TongLiang" (童靚) series of new Orthokeratology Lens products have an oxygen permeability coefficient of 125 DK. At the same time, the Group started clinical trials for another new type of ultra-high oxygen permeable Orthokeratology Lens product, which is made of high oxygen permeable material Contamac Infinite with a DK coefficient of up to 180, which will become one of the Orthokeratology Lens products with the highest oxygen permeability in the world.

In the terminal product line used in conjunction with Orthokeratology Lens and other products, the Group's self-developed eye drops product "Eyesucom" is made of our exclusive patented ingredients including medical chitosan and sodium hyaluronate, and is packaged in an aseptic packaging method without preservatives. The product has the functions of natural antibacterial, moisturizing and lubricating, promoting the repair of corneal epithelial damage and reducing staining, etc. It can comprehensively protect the eye surface health of the wearers of Orthokeratology Lens. Moxifloxacin hydrochloride eye drops used in the treatment of bacterial conjunctivitis belong to the fourth-generation fluoroquinolones and is one of the mainstream drugs used in the treatment of bacterial conjunctivitis. In addition, the sodium hyaluronate eye drops developed by the Group can be used for the treatment and relief of endogenous diseases such as dry eye syndrome, as well as conjunctival epithelial damage caused from operations, drugs-induced, trauma, wearing of contact lenses and other exogenous diseases.

In the field of refractive correction, our subsidiary Hangzhou Aijinglun is mainly engaged in the R&D, production and sales of crystalline refractive lenses products, and has independent intellectual property rights of its own developed "Yijing" PRL product, which has a refractive correction range of -10.00D~-30.00D and has been approved by the NMPA. Refractive lens surgery with crystalline lens can correct myopia without cutting normal corneal tissues and has the advantages of preserving the adjustment function of the human lens and surgical reversibility, so it is a safe and effective method to correct myopia. Currently, there are only three such products approved for sale in the Chinese market, and "Yijing" PRL is the only choice for patients with severe myopia above 1,800 degrees. In addition, the Group began the process of upgrading its PRL products after the acquisition of Hangzhou Aijinglun, with the second generation of the aqueous humor permeable product conducting clinical trials, which, compared with the first generation, will enable aqueous humor circulation and provide a wider range of vision correction. On 17 July 2025, according to the Review Results of the Special Review Application for Innovative Medical Devices in 2025 (No.6) (2025 年第 6 號創新醫療器械特別審查申請審查結果) announced by the NMPA, the project's product entered the innovative approval channel. In August 2025, the project officially entered the product registration application stage.

Through the above product layout, the Group has been able to provide a variety of myopia solutions from prevention and control to correction for all age groups.

Orthopedics Products

In the field of orthopedics, the Group is the largest domestic manufacturer of orthopedic intraarticular viscoelastic supplements. According to the research reports of Biaodian Medical, in 2024, the Group has been ranked the largest manufacturer of orthopedic intra-articular viscoelastic supplements in the PRC for eleven consecutive years, with a market share significantly increasing from 41.61% in 2023 to 44.43%.

During the Reporting Period, the revenue of the Group from orthopedics products was RMB425.53 million, representing a decrease of RMB28.76 million or 6.33% as compared to the previous year. The breakdown of the revenue from the orthopedics products by specific products is as follows:

Unit:'000; Currency: RMB

Item	**2025**		2024		Change
	Amount	**Percentage (%)**	Amount	Percentage (%)	(%)
Sodium hyaluronate injection	**287,030**	**67.45**	290,030	63.84	-1.03
Medical chitosan used for intra-articular viscosupplement	**138,496**	**32.55**	164,251	36.16	-15.68
Total	**425,526**	**100.00**	454,281	100.00	-6.33

Orthopedic intra-articular viscoelastic supplements are mainly used in degenerative osteoarthritis. Degenerative osteoarthritis is also a common disease in the senior population. According to statistics, the incidence of osteoarthritis in men over the age of 65 is 58%, and that in women is 65% to 67%; the incidence of people over the age of 75 is as high as 80%. At present, there are more than 100 million osteoarthritis patients in China. The Group is the only manufacturer having sodium hyaluronate injection products with full series of specifications of 2ml, 2.5ml and 3ml in the PRC market. The Group's medical chitosan product (for intra-articular viscosupplement) is the only intra-articular viscoelastic supplement registered as a Class III medical device in the PRC. Such product combined with the sodium hyaluronate injection product has formed unique therapeutic effects and synergic advantages. With a good pricing system, the product portfolio continued to expand its market share.

During the Reporting Period, sodium hyaluronate injection products entered the implementation stage in the provincial volume-based procurement in Sichuan, Guizhou, Yunnan, Gansu, Hebei, Guangdong Provinces and other regions, resulting in a decrease in product sales prices. However, the Group managed to increase the sales volume of this product through various means of actively fulfilling the committed volumes under the procurement and expanding sales channels, etc. Meanwhile, the Group also actively expanded the external contract manufacturing business of sodium hyaluronate injection products, which effectively utilized the existing capacity and showed the steady development of this product line.

During the Reporting Period, in addition to the impact of the increased VAT rate of Shanghai Qisheng, the sales model of medical chitosan product (for intra-articular viscosupplement) switched more toward distribution and the proportion of direct sales somewhat decreased, and the average unit sales price also decreased accordingly. In the face of price pressure, the Group will continue to optimize its sales strategy to consolidate and expand market share.

Anti-adhesion and Pemostasis Products

According to the research report of Biaodian Medical, the Group was the largest supplier of anti-adhesion materials in China, with our share of the anti-adhesion materials market reaching 25.87% in 2024.

During the Reporting Period, the Group's anti-adhesion and hemostasis products recorded revenue of RMB228.46 million, representing an increase of RMB83.53 million, or 57.64% as compared to the previous year. The breakdown of the revenue from the anti-adhesion and hemostasis products by specific products is as follows:

Unit:'000; Currency: RMB

Item	**2025**		2024		Change
	Amount	**Percentage (%)**	Amount	Percentage (%)	(%)
Medical chitosan used for anti-adhesion	**55,480**	**24.28**	64,717	44.66	-14.27
Medical sodium hyaluronate gel	**46,664**	**20.43**	53,511	36.92	-12.80
Collagen sponge	**27,995**	**12.25**	26,696	18.42	4.87
Porcine Fibrin Sealant Kit	**98,317**	**43.04**	–	–	N/A
Total	**228,456**	**100.00**	144,924	100.00	57.64

Among them, revenue from the anti-adhesion material medical chitosan and medical sodium hyaluronate gel products decreased by 14.27% and 12.80%, respectively, as compared to the previous year, which was mainly influenced by policy factors such as cost and volume control of high-value consumables, and centralized volume-based procurement in some provinces.

Collagen sponge product, a new hemostasis material, recorded a revenue of RMB28.00 million during the Reporting Period, and levelled with a slight increase as compared to the previous year. The Group's collagen sponge product was successfully selected as the first rank in the centralized volume-based procurement under the "3+N" League of Hebei Province, together with Anhui Province, Guangxi Autonomous Region, Yunnan Province and other regions. The implementation of such procurement has successfully driven the increase in sales volume of the product line.

During the Reporting Period, the Porcine Fibrin Sealant Kit product of "Kangrui Gel (康瑞膠)" researched and produced by the Group achieved revenue of RMB98.32 million. This product is a novel biomaterial made from pig blood protein, which has the functions of reducing bleeding, closing wounds, and promoting wound healing. It can be widely used in general surgery, gynecology, cardiovascular and cerebrovascular surgery, neurosurgery, thoracic surgery, hepatobiliary surgery, and other departments, and can be used as an adjunct to conventional surgical procedures for unsatisfactory bleeding control. The Group's "Kangrui Gel" product was included in the Product Catalog of Biological Pharmaceutical "New and Quality Medical Devices" of Shanghai (《上海市生物醫藥"新優藥械"產品目錄》) (the fourth batch) in December 2024. The products included in the catalog can be permitted by public hospitals of Shanghai to enter into green channel and gain priority access to Shanghai medical insurance negotiation recommendation qualifications, accelerating the speed to enter into medical insurance catalog in local areas while improving patients's willingness to make payment. During the Reporting Period, the Group quickly completed the market access of "Kangrui Gel" product in certain regions such as Shanghai, Henan, opening new opportunities for marketing.

DISCUSSION AND ANALYSIS OF FUTURE DEVELOPMENT

Development Strategy

The Group always aims to continuously improve the health quality of Chinese people and promote the rehabilitation of patients, focusing on differentiated development as its corporate strategy. The Group will continue to focus on four fast-growing therapeutic areas, including medical aesthetics and wound care, ophthalmology, orthopedics and surgery. The Group will pay attention to scientific research innovation and achievement transformation, and strengthen professional services; continue to maintain its leading position in technology through cooperation with domestic and foreign well-known R&D institutions, independent R&D and technology introduction; continuously optimize and improve management capabilities and improve operational efficiency; continuously expand and improve product lines and integrate the industrial chain through the combination of endogenous growth and mergers and acquisitions; strengthen the Company's brand building and enhance brand value, making the Group a leading domestic and internationally renowned biomedical company in the field of biomedical materials.

Business Plan

Facing an operating environment characterize by normalized centralized procurement, stratified consumption and intensified competition in 2026, the Group will continue to deepen internal resources coordination within the Group, and further strengthen the integration of merged and acquired enterprises in all aspects of R&D, production, sales and services. Aiming to maximize synergy, improve operational efficiency, develop innovative technologies, and expand market space, the Group will continue to enhance core competitiveness while striving to mitigate risks.

First, deepening innovation-driven R&D to build a moat with high-end products. The Group will focus on the core technological barriers in each business segment, and accelerate the registration, launch and clinical progress of major pipeline products. In ophthalmology, the hydrophilic aspheric multifocal IOL and hydrophobic molded aspheric trifocal IOL are expected to be approved for marketing within the year, forming a powerful high-end product portfolio with existing products and achieving overall upgrade and improvement of IOL product line. The Group will expedite the registration application and clinical trials for the second-generation of the aqueous humor permeable PRL product, EDOF IOL and the new ultra-high oxygen permeable (DK180) Orthokeratology Lens product, consolidating its technical leadership position in refractive correction and myopia prevention and control. In medical aesthetics, we will proceed as planned for R&D projects on various series of cross-linked HA Dermal Filler with lidocaine products, HA Dermal Filler products for indications such as correcting temporal depression and intimate use, collagen products, HA hydro-dermabrasion injection and injectable calcium hydroxyapatite microsphere tissue fillers series, further perfecting the product line. In orthopedics and surgery, clinical trials for new products such as LBM801 intra-articular viscosupplement products and long-acting cross-linked sodium hyaluronate injection will be accelerated to reserve new momentum for medium to long-term growth. Meanwhile, through the newly established subsidiary Haohai Xinchen, which has secured distribution rights in China for allogeneic tissue material products such as biological amniotic membranes, acellular allogeneic dermal soft tissue patches, and molded decalcified bone matrix materials, the Group will successfully enter the field of regenerative materials. It will actively deploy applications of high-end regenerative materials in medical aesthetics, orthopedics, ophthalmology, and other areas, thereby enriching the product matrix across the Group's four therapeutic areas.

Second, strengthening marketing system synergy to enhance market penetration and brand potential. In medical aesthetics, the Group will deepen the differentiated positioning of the "Matrifill-Janlane-Hyalumatrix-Hyalumatrix-MoonWhite" series of four generation HA Dermal Filler products, focusing on building the brand image of "Hyalumatrix" high-end HA Dermal Filler products, strengthening the market education of the new indications of "Janlane Lips", assisting downstream medical institutions in developing unique injection solutions, and increasing the overall market share of the HA Dermal Filler product series. Meanwhile, leveraging the synergistic effects of the wholly-owned subsidiary EndyMed, the Group will prioritize promoting the "EndyMed Pro" Gold RF Microneedling. Through all-around empowerment via "training + marketing + new media," it will drive the combined sales of RF equipment and HA Dermal Filler products, achieving a synergistic effect of 1+1>2. In ophthalmology, the Group will fully promote the integration of the IOL marketing team. Under the new marketing landscape of the post volume-based procurement era, it will fully leverage the advantages of a complete product line under multiple brands, distribution channels and cost efficiency, promptly adjusting supply chain and sales strategies. In the field of myopia prevention and control, in response to changes in the ophthalmology consumer market, the Group will deeply explore brand operations for the "Optoshare"(童享) and "TongLiang"(童靚) orthokeratology lenses products, increase market penetration and enhance market share.

Third, flexibly responding to policy changes, seizing opportunities in centralized procurement and market access. The Group will closely monitor policy developments related to the second round of national centralized volume-based procurement policy for IOL, as well as policies regarding centralized volume-based procurement by provinces or provincial alliances for orthopedic sodium hyaluronate injection, surgical collagen sponges and other products. It will fully leverage the advantages of multiple brands and specifications, actively participate in bidding, trading price for volume to consolidate and expand market share. The Group will also fully utilize the policy benefit of "Kangrui Gel (康瑞膠)" being included in the Shanghai "New and Quality Medical Devices" catalog to accelerate nationwide market access and healthcare and insurance connection, thereby increasing market share.

In 2026, the Group will manage the complex external environment with pragmatic operational measures, and adhere to the strategic main line of "R&D-driven, Marketing-empowered, Integration for Efficiency enhancement", laying a solid foundation for achieving high-quality development in the long term.

FINANCIAL REVIEW

Revenue, Cost and Gross Profit Margin

During the Reporting Period, the Group recorded an aggregate revenue of approximately RMB2,446.31 million (2024: approximately RMB2,679.67 million), a decrease of approximately RMB233.36 million as compared to that of 2024, representing a decline of approximately 8.71%. Influenced by factors such as the gradual implementation of national centralized procurement policies, intensified industry competition, the weakening of the domestic consumer market and the value-added tax rate applicable to Shanghai Qisheng, a principal subsidiary of the Group, adjusted and increased from 3% to 13%, the Group's ophthalmology product line saw a decrease in total revenue of approximately RMB132.38 million as compared to that of 2024, representing a decline of approximately 15.51%. The revenue of the Group's medical aesthetics and wound care product lines decreased by approximately RMB154.44 million as compared to that of 2024, representing a decrease of approximately 12.99%. However, the revenue of the Group's antiadhesion and hemostasis product lines increased by approximately RMB83.53 million, with an increase rate of approximately 57.64% as compared to that of 2024, mainly because the "Kangrui Gel" product was included in the Product Catalog of Biological Pharmaceutical "New and Quality Medical Devices" of Shanghai《(上海市生物醫藥"新優藥械"產品目錄》) (the fourth batch) in December 2024, which was permitted by public hospitals of Shanghai to enter into green channel and gain priority access to Shanghai medical insurance negotiation recommendation qualifications, accelerating the speed to enter into medical insurance catalog in Shanghai, Henan and other local areas and opening new opportunities for marketing.

During the Reporting Period, the Group's overall gross margin was 69.97%, which remained stable as compared to that of 69.74% in 2024.

Other Income and Gains

During the Reporting Period, the Group's other income and gains were approximately RMB204.16 million, representing an increase of approximately RMB54.40 million or 36.32% as compared to that of 2024, primarily due to the fact that (1) the Group made provisions of approximately RMB27.60 million in respect of certain litigation disputes in 2024, and as these disputes were resolved during the Reporting Period, the Group reversed the difference between the actual settlement amount and the provisions of approximately RMB20.46 million; (2) the Group is actively committed to expanding its business scope, resulting in an increase of approximately RMB9.46 million in revenue from commissioned research services and other technical services as compared to that of 2024; (3) the amount of government grants received by the Group increased by approximately RMB7.06 million as compared to that of 2024; (4) the Group recognized a performance compensation amount receivable from minority shareholders of NIMO, a subsidiary of the Company, of approximately RMB31.06 million, an increase of approximately RMB5.15 million compared to 2024; (5) as Hangzhou Aijinglun, a subsidiary of the Company, failed to complete the new products registration as agreed, the Group reversed the contingent consideration that was no longer required to be paid to the former shareholders of Hangzhou Aijinglun, resulting in a one-off gain of RMB4.50 million.

R&D Expenses

During the Reporting Period, the Group's R&D expenses amounted to approximately RMB197.78 million, a decrease of approximately RMB41.15 million compared to that of 2024, representing a decrease of approximately 17.22%. This decrease was primarily due to the fact that certain core R&D projects had completed their clinical trials or had already progressed to the regulatory review phase during the Reporting Period, resulting in a temporary decrease in related R&D expenses, particularly clinical trial fees and trial-related direct materials. The Group's R&D expenses accounted for 8.08% of revenue (2024: 8.92%), consistently maintaining a high level.

Other Expenses

During the Reporting Period, the Group's other expenses amounted to approximately RMB207.33 million, representing an increase of approximately RMB136.53 million or 192.84% as compared to that of 2024, which is mainly because the Group made impairment provisions of approximately RMB140.75 million and RMB10.35 million for the goodwill of NIMO and Xiamen Nanpeng (two subsidiaries of the Group) respectively, as well as the intangible asset impairment provision of the brand name of Aaren (a subsidiary in the United States) of approximately RMB24.98 million. In addition, the Group recognized a one-off provision of approximately RMB27.60 million in connection with certain litigation disputes in 2024, which partially offset the impact of the aforementioned impairment provisions.

For further information on the reasons for the goodwill impairments of NIMO and Xiamen Nanpeng, as well as the intangible assets impairment of Aaren, please refer to Note 10 to the financial statements in this announcement. The Company has engaged an independent valuer, Zhoulan (Shanghai) Assets Appraisal Co., Ltd., to issue an appraisal report on the goodwill impairment of NIMO, with 31 December 2025, as the base date. According to the relevant provisions of Accounting Standard for Business Enterprises No. 8 – Impairment of Assets, if there are indications that an asset may be impaired, its recoverable amount shall be estimated and compared with the carrying amounts of the asset group to determine whether the asset group has suffered an impairment. The recoverable amount shall be determined as the higher of two amounts – the net amount obtained by deducting disposal costs from the fair value of the asset, and the present value of the asset's expected future cash flows.

Present value of expected future cash flows

The present value of expected future cash flows is determined using the income approach. The expected future cash flows are based on cash flow forecasts prepared by the Company's management and are divided into two phases – the forecast period and the stabilization period. If the recoverable amount of the asset group containing goodwill is estimated based on the present value of expected future cash flows, it will be calculated by discounting the pre-tax net cash flows of the asset group containing goodwill using a pre-tax discount rate to derive the recoverable amount of the valuation subject. Specifically:

(1) The forecast period is 5 years. Other key assumptions used in projecting cash flows for the asset group include projected revenue, operating costs, growth rates, and related expenses. These assumptions are based on NIMO's past operating performance, growth rates, industry benchmarks, and management's expectations regarding market development.

(2) Pre-tax net cash flow = EBIT + Depreciation and amortization – Capital expenditures – Increase in working capital.

(3) The basic formula for calculating the fair value of the asset group containing goodwill is:

$$P=\sum_{i=1}^{n}\frac{R_i}{(1+r)^i}+\frac{R_n\times(1+g)}{(r-g)\times(1+r)^n}$$

Ri: The expected pre-tax cash flow for the i-th year after the valuation base date;

r: Pre-tax discount rate;

g: Sustainable growth rate;

n: Forecast period

(4) The pre-tax discount rate is the after-tax discount rate calculated based on the weighted average cost of capital (WACC), adjusted accordingly. The pre-tax discount rate used for the forecast period is 16%.

In the stabilization period following the forecast period, the perpetual cash flows are determined based on the level of the final year of the detailed forecast period, adjusted for the long-term inflation rate. According to data released by the Oxford Economics Institute, the long-term inflation rate is 2%.

In summary, NIMO estimates the present value of its future cash flows to be RMB311,770,200.

Net amount after deducting disposal costs from fair value

(1) The market approach is used to determine the fair value of the asset group as a whole

The market approach is a method for determining the value of a target company by comparing it with comparable listed companies or comparable transaction cases. The specific methods commonly used in the market approach are the listed company comparison method and the comparable transaction method. The valuer is of the opinion that comparable transaction cases are relatively scarce for this project, however, there are a number of listed companies on the securities market similar to NIMO, which are actively traded with publicly available transaction and financial data and sufficient information. Taking into account the valuation subject, the purpose of the valuation, and the data collected by the valuers, it has been determined to adopt the listed company comparison method for the valuation. The specifics are as follows:

(i) in the appropriate trading market, the valuer identifies listed companies that operate in the same industry as NIMO or are influenced by the same economic factors and engage in identical or similar business as candidate comparable companies. After carefully examining factors such as the business structure, operating model, company size, asset allocation and utilization, stage of business development, growth potential, operational risks, and financial risks of these candidate comparable companies, the valuer conducts a suitability screening to select an appropriate number of reference companies that are comparable to NIMO.

(ii) select profitability and asset-related parameters of comparable companies – such as revenue, R&D expenses, net profit, paid-up capital, total assets, and net assets – as analytical parameters.

(iii) calculate the proportional relationship between the market value of comparable companies and the selected analytical parameters (i.e. valuation multiples). In this case, NIMO demonstrates relatively stable and sustainable profitability, and since the valuation subject is an asset group rather than equity, the EV/EBIT ratio (16.27) has been chosen as the valuation multiple. Furthermore, a liquidity discount adjustment has been applied to this valuation multiple.

(iv) utilize comparable reference enterprise operational and financial information obtained from public and lawful sources, compare and analyze such information with the actual conditions of NIMO, and make necessary adjustments for any identified differences.

(v) multiply NIMO's value ratio by its corresponding analytical parameter. Since the asset group does not include working capital, subtract NIMO's working capital from the result to obtain the fair value of the entire asset group.

(2) Disposal costs include listing and transaction fees related to asset disposal, relevant taxes and levies, as well as other expenses such as intermediary fees. However, financial expenses and income tax expenses are not included. Listing and transaction fees shall be calculated based on the standard transaction fees publicly announced by the property rights trading market. The relevant taxes and levies primarily include additional taxes and stamp duty.

In summary, the net amount of NIMO's fair value less disposal costs is RMB294,351,500.

The recoverable amount of NIMO asset group is ultimately determined based on the present value of its expected future cash flows, as detailed in the following table:

Unit: RMB

Carrying Amount	**Recoverable Amount**	**Amount of Impairment (Attributable to Shareholders of the Listed Company)**
540,547,600	311,770,200	140,746,000

Income tax expense

During the Reporting Period, the income tax expense of the Group was approximately RMB30.92 million, a decrease of approximately RMB58.98 million compared to 2024, representing a decline of approximately 65.61%, which is mainly due to the decrease of the profit before tax of the Group.

Performance for the year

During the Reporting Period, the profit attributable to ordinary equity holders of the Company was approximately RMB251.01 million (2024: RMB420.45 million), a decrease of approximately RMB169.44 million compared to that of 2024, representing a decline of approximately 40.30%, primarily due to a decrease in revenue and the Group made provision of goodwill and intangible asset impairment losses.

Basic earnings per Share for the Reporting Period were RMB1.08 (2024: RMB1.80), which was mainly due to the decrease in the profit attributable to ordinary equity holders of the Company.

Liquidity and Capital Resources

As at 31 December 2025, the total current assets of the Group were approximately RMB3,462.81 million, representing a decrease of approximately RMB195.46 million or 5.34% as compared to that of 31 December 2024. In particular, cash and bank balances at the end of the Reporting Period decreased by approximately RMB183.34 million as compared to that of 31 December 2024, which was mainly due to the continuous capital expenditure investment by the Group in the International Medical R&D and Industrialization Project by Shanghai Haohai Biological Technology (i.e. the fund raising project for the Company's initial public offering of A shares for listing on the Sci-Tech Innovation Board, hereinafter refer to as "Project 208").

As at 31 December 2025, the total current liabilities of the Group amounted to approximately RMB914.67 million, an increase of approximately RMB48.78 million compared to that of 31 December 2024, representing an increase of approximately 5.63%, which was mainly due to the balance of outstanding expenses at the end of the Reporting Period increased by approximately RMB31.91 million compared to the end of 2024 due to settlement time differences and other factors, and the portion of bank and other borrowings classified as current liabilities increased by approximately RMB28.91 million compared to the end of 2024.

As at 31 December 2025, the Group's current assets to liabilities ratio was approximately 3.79 (31 December 2024: 4.22), representing a slight decrease as compared with that of the year end of 2024, but it was still at a relatively high and stable level.

Employees and Remuneration Policy

The Group had 2,110 employees as at 31 December 2025. The breakdown of the total number of employees by function was as follows:

Production	816
R&D	386
Sales and Marketing	617
Finance	69
Administration	222
Total	2,110

The Group always adhered to the "people-oriented" philosophy, established a compensation system linked to the operating performance of the Company and the performance of individual employee according to the development of the Company and the results of employees' performance appraisal, encouraged and gave full play to the enthusiasm and creativity of our employees, promoted the growth of the operating performance of the Company, and helped to achieve the development of employees' personal careers. During the Reporting Period, the remuneration policy for the Group's employees had no material change, and the employees' remuneration was determined by taking into account factors such as their working experience, performance, the operation situation of the Company and external market competition. During the Reporting Period, the total employee remuneration of the Group was approximately RMB688.72 million, a slight decrease compared to that of 2024.

The Group closely relies on strategic development needs to clarify talent screening standards and talent training directions. Through measures such as continuously improving the training management mechanism and actively building a learning and exchange platform, we will discover the potential of employees, cultivate compound talents, and build a talent pipeline for the sustainable development of the Company. During the Reporting Period, the Group provided various targeted training programs to its employees, and there was no material change in the Group's training programs.

Treasury Policies

In order to strengthen the monitoring of bank deposits and to ensure that the Group's funds are used effectively, the Group adopts centralized financing and treasury policies. Surplus cash of the Group is generally placed in short-term deposits denominated in RMB, US Dollars and Hong Kong Dollars. It is the Group's policy to enter into principal guaranteed and conservative deposits transactions only and the Group is restricted from investing in high-risk financial products.

Asset Pledge

As at 31 December 2025, the Group had bank deposits of approximately RMB0.80 million (31 December 2024: approximately RMB0.90 million) as guarantee deposits for the issuance of performance guarantee.

Gearing Ratio

As at 31 December 2025, the total liabilities of the Group amounted to approximately RMB1,115.56 million and the gearing ratio (the percentage of total liabilities to total assets) was 16.60%, representing a decrease of 0.31 percentage points from 16.91% as at 31 December 2024, remaining stable in general.

Cash and Cash Equivalents

As at 31 December 2025, the Group's cash and cash equivalents were approximately RMB1,228.40 million, increased by approximately RMB115.49 million on 31 December 2024. The increase was primarily because the net cash flow from operating activities of the Group was approximately RMB490.97 million and as a result of the recovery of certain bank certificates of deposits purchased for the purpose of effective cash management during the Reporting Period was approximately RMB221.50 million, which was partially offset by cash dividends paid and funds spent on share repurchase during the Reporting Period.

Bank Borrowings

As at 31 December 2025, the Group had total interest-bearing bank borrowings of approximately RMB346.57 million (31 December 2024: approximately RMB395.74 million), of which approximately RMB313.47 million (31 December 2024: approximately RMB285.96 million) of the bank borrowings will expire within one year, and the remaining bank borrowings of approximately RMB33.10 million (31 December 2024: approximately RMB109.78 million) will mature within two to five years.

Risk of Exchange Rate Fluctuations

The sales, costs and expenses of the Group were principally and mostly denominated in RMB. Despite the fact that the Group might be exposed to foreign exchange risk, the Board expects that exchange rate fluctuation of the foreign currencies held by the Group will not have any material adverse impact on the Group in the future. During the Reporting Period and as at 31 December 2025, the Group did not enter into any hedging transactions.

Contingent Liabilities

As at 31 December 2025, the Group had no material contingent liabilities.

Significant Subsequent Event

Please refer to note 15 to the financial statements in this announcement for the details of significant subsequent events of the Group.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Announcement, the Group has no other material investment plans or capital asset plans during the year ended 31 December 2025.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this Announcement, the Group did not have any material acquisitions or disposals related to subsidiaries, associates and joint ventures during the year ended 31 December 2025.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

The Board believes that repurchases of H Shares may lead to an enhancement of the net asset value per Share and/or earnings per Share of the Company. Therefore, the Board has flexibly made the repurchase of H Shares pursuant to the Repurchase Mandate. Details of the H Shares repurchased by the Company on the Hong Kong Stock Exchange during the year ended 31 December 2025 are as follows:

Months of repurchase	**Number of Shares repurchased**	**Highest price paid per Share** *(HK$)*	**Lowest price paid per Share** *(HK$)*	**Aggregate Consideration[(1)]** *(HK$)*
January	117,000	26.00	23.95	2,932,925.00
March	20,000	27.15	27.10	542,195.00
April	70,000	23.85	23.85	1,669,500.00
May	209,700	24.45	22.95	4,967,615.00
September	171,200	28.00	26.92	4,726,058.00
October	106,000	27.50	26.92	2,890,088.00
November	1,410,000	28.10	26.88	38,899,532.00
December	913,000	27.70	24.72	24,357,416.00
Total	3,016,900			80,985,329.00

Note (1): The aggregate consideration excludes transaction fee.

The Board believes that the repurchase of A Shares by the Company through centralized bidding trading for use in future employee stock ownership plans or equity incentive in due course demonstrates confidence in the Company's development prospects and a recognition of the Company's value, which is conducive to enhancing investors' confidence in the Company and promoting the stable and healthy development of the Company, effectively aligning the interests of Shareholders, the Company and employees. Details of the A Shares repurchased by the Company on the SSE during the year ended 31 December 2025 are as follows:

Months of repurchase	**Number of Shares repurchased**	**Highest price paid per Share** *(RMB)*	**Lowest price paid per Share** *(RMB)*	**Aggregate Consideration[(1)]** *(RMB)*
January	169,771	69.20	56.78	9,960,277.29
March	164,190	61.20	59.93	9,957,438.25
April	659,256	55.00	49.25	35,443,839.21
May	346,458	52.30	50.73	17,967,749.30
Total	1,339,675			73,329,304.05

Note (1): The aggregate consideration excludes transaction fee.

Save as disclosed in this announcement, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities nor disposed of any of the Company's treasury shares in the market during the Reporting Period. As at the end of the Reporting Period, the Company did not hold any H Shares as treasury shares under the Hong Kong Listing Rules.

PROFIT DISTRIBUTION PLAN AND ANNUAL GENERAL MEETING

The Board proposed to distribute a final dividend of RMB0.6 (tax inclusive) per share for the year ended 31 December 2025. Based on the total number of shares issued by the Company as at the date of this announcement of 229,980,895 Shares and deducting 3,848,095 A Shares held as treasury shares by the Company, the proposed final dividend amounts to RMB135,679,680 (tax inclusive) in total. Prior to the equity registration date, if there is any change in the total share capital of the Company, the Company will maintain the dividend distribution per share and adjust the total dividend accordingly.

The Board also proposed to the shareholders' meeting to authorize the Board to have the right to decide and formulate the Company's interim (including half-year and first three quarters) profit distribution plan for 2026, provided that the Company meets the conditions for and the upper limit of the amount of the dividend distribution.

Both of the above proposals are subject to the approval of the Shareholders at the 2025 annual general meeting of the Company (the "**AGM**"). The specific arrangements regarding the final dividend and the payment thereof, and the time and arrangement of the closure of register of members of H Shares will be announced separately by the Company in a circular of the AGM. Subject to the approval of the AGM, the final dividend is expected to be paid to the eligible Shareholders no later than two months after the AGM. The Company will separately announce the exact expected dividend payment date.

CORPORATE GOVERNANCE CODE

The Company has complied with all applicable code provisions under Part 2 of the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Hong Kong Listing Rules during the Reporting Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the code provisions as set out in the Corporate Governance Code.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Hong Kong Listing Rules as the code of conduct regarding securities transactions by the directors and supervisors of the Company. Having made specific enquiries to all directors and supervisors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference. As at the date of this announcement, the Audit Committee comprises five directors, namely Mr. Shen Hongbo (Chairman), Ms. You Jie, Mr. Jiang Zhihong, Mr. Su Zhi and Mr. Yang Yushe. The primary duties of the Audit Committee are to review the financial information of the Company and the disclosure thereof, supervise and evaluate internal and external audits and internal control, and exercise the powers and functions of the supervisory committee as stipulated in the Company Law of the PRC.

The Group's audited consolidated financial statements and annual results for the year ended 31 December 2025 had been reviewed by the Audit Committee.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the HKExnews website of the HKSE (www.hkexnews.hk) and the Company's website (www.3healthcare.com).

The Company's 2025 annual report containing all information required under the Hong Kong Listing Rules will be dispatched to the shareholders of the Company as per the Company's corporate communications arrangement and will be published on the HKExnews website of the HKSE (www.hkexnews.hk) and the Company's website (www.3healthcare.com) in due course.

By order of the Board
Shanghai Haohai Biological Technology Co., Ltd.*
Hou Yongtai
Chairman

Shanghai, the PRC, 20 March 2026

As at the date of this announcement, the executive Directors are Dr. Hou Yongtai, Mr. Wu Jianying, Ms. Chen Yiyi and Mr. Tang Minjie; the non-executive Directors are Ms. You Jie, Mr. Huang Ming and Mr. Wei Changzheng; and the independent non-executive Directors are Mr. Shen Hongbo, Mr. Jiang Zhihong, Mr. Su Zhi and Mr. Yang Yushe.

* *For identification purpose only*