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RICI HEALTHCARE HOLDINGS LIMITED

瑞慈醫療服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1526)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL HIGHLIGHTS

- Revenue for the year ended December 31, 2025 amounted to RMB2,795.6 million, representing a decrease of 4.4% from revenue of RMB2,924.5 million for the year ended December 31, 2024.
- Gross profit for the year ended December 31, 2025 amounted to RMB1,207.3 million, representing an increase of 3.4% from gross profit of RMB1,167.8 million for the year ended December 31, 2024.
- Profit attributable to owners of the Company for the year ended December 31, 2025 amounted to RMB307.1 million, as compared to profit attributable to owners of the Company of RMB297.3 million for the year ended December 31, 2024.
- Adjusted EBITDA for the year ended December 31, 2025 amounted to RMB1,094.5 million, representing an increase of 3.8% from adjusted EBITDA of RMB1,054.1 million for the year ended December 31, 2024.

In this announcement, “we”, “us”, “our” and “Rici” refer to the Company (as defined below) and where the context otherwise requires, the Group (as defined below).

The board (the “**Board**”) of directors (the “**Directors**”) of Rici Healthcare Holdings Limited (the “**Company**”) is pleased to announce that the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2025 (the “**Reporting Period**”) with the comparative figures for the year ended December 31, 2024 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2025

		Year ended 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
Revenue	15	2,795,553	2,924,457
Cost of sales	16	<u>(1,588,193)</u>	<u>(1,756,698)</u>
Gross profit		1,207,360	1,167,759
Distribution costs and selling expenses	16	(323,798)	(301,847)
Administrative expenses	16	(221,416)	(265,140)
Fair value change on financial assets		(1,337)	—
Reversal of/(impairment loss) on financial assets	16	1,989	(18,819)
Impairment loss on non-financial assets	16	(12,956)	(18,749)
Other income		25,301	47,682
Other losses		<u>(10,065)</u>	<u>(3,391)</u>
Operating profit		665,078	607,495
Finance costs	17	(103,553)	(128,852)
Finance income	17	<u>5,907</u>	<u>4,873</u>
Finance costs — net	17	<u>(97,646)</u>	<u>(123,979)</u>
Share of results of investments accounted for using equity method		<u>(93)</u>	<u>405</u>
Profit before income tax		567,339	483,921
Income tax expense	18	<u>(184,311)</u>	<u>(129,266)</u>
Profit for the year		<u>383,028</u>	<u>354,655</u>
Profit for the year attributable to:			
Owners of the Company		307,128	297,321
Non-controlling interests		<u>75,900</u>	<u>57,334</u>
		<u>383,028</u>	<u>354,655</u>
Earnings per share for profit attributable to owners of the Company			
— Basic and diluted	19	<u>RMB0.19</u>	<u>RMB0.19</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2025

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year	383,028	354,655
Other comprehensive income		
Item that will not be subsequently reclassified to profit or loss		
— Change in fair value of financial assets at fair value through other comprehensive income	<u>(6,900)</u>	<u>(13,100)</u>
	<u>(6,900)</u>	<u>(13,100)</u>
Total comprehensive income for the year	<u>376,128</u>	<u>341,555</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	300,228	284,221
Non-controlling interests	<u>75,900</u>	<u>57,334</u>
	<u>376,128</u>	<u>341,555</u>

CONSOLIDATED BALANCE SHEET

As at December 31, 2025

		As at 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property and equipment		1,422,827	1,491,855
Right-of-use assets	4	1,148,344	1,297,547
Intangible assets		13,461	15,636
Investments accounted for using equity method		1,872	10,485
Financial assets at fair value through profit or loss		—	1,500
Financial assets at fair value through other comprehensive income		162,100	169,000
Deposits for long-term leases		70,403	62,047
Deferred tax assets	5	91,332	118,236
Prepayments	9	214,602	25,030
		<u>3,124,941</u>	<u>3,191,336</u>
Current assets			
Inventories		29,394	35,962
Trade receivables	6	286,060	324,064
Other receivables	7	230,664	162,779
Prepayments	9	27,674	30,049
Financial assets at fair value through profit or loss		10,163	—
Amounts due from related parties		—	2,772
Deposits in financial institution		18,065	—
Restricted cash	8	15,994	1,722
Cash and cash equivalents	8	1,135,425	1,109,817
		<u>1,753,439</u>	<u>1,667,165</u>
Total assets		<u><u>4,878,380</u></u>	<u><u>4,858,501</u></u>

		As at 31 December	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	10	1,065	1,065
Reserves		<u>1,645,006</u>	<u>1,344,778</u>
		1,646,071	1,345,843
Non-controlling interests		<u>73,738</u>	<u>29,300</u>
		1,719,809	1,375,143
LIABILITIES			
Non-current liabilities			
Borrowings	11	242,450	254,600
Lease liabilities	12	1,114,059	1,230,970
Deferred income		<u>4,207</u>	<u>7,276</u>
		1,360,716	1,492,846
Current liabilities			
Borrowings	11	393,150	542,400
Lease liabilities	12	262,449	272,308
Contract liabilities	13	608,612	630,615
Trade and other payables	14	475,994	495,179
Income tax payables		54,468	46,456
Deferred income		<u>3,182</u>	<u>3,554</u>
		1,797,855	1,990,512
Total liabilities		<u>3,158,571</u>	<u>3,483,358</u>
Total equity and liabilities		<u>4,878,380</u>	<u>4,858,501</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

1 GENERAL INFORMATION

Rici Healthcare Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands on 11 July 2014. The address of the Company’s registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company, an investment holding company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of general hospital services and medical examination services in the People’s Republic of China (“**PRC**”).

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 6 October 2016.

These consolidated financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated.

2 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) *Statement of compliance*

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS Accounting Standards**”) issued by the Hong Kong Institute of Certified Public Accountant (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value.

The preparation of consolidated financial statements in compliance with adopted HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group’s accounting policies.

(b) Going concern

As at 31 December 2025, the Group's current liabilities exceeded its current assets by RMB44,416,000. Contract liabilities and deferred income included in current liabilities of the Group as at 31 December 2025 totaling RMB611,794,000 are not expected to create cash outflow for the Group. The Group meets its day-to-day working capital requirements depending on cash flows generated from operating activities, bank borrowings, and unutilised banking facilities provided by banks in PRC. Based on the Group's past experience and good credit standing, the directors are confident on the Group's future operating cash flows and that the Group's bank financing could be renewed and/or extended for at least another twelve months upon maturity, as and when necessary. The directors therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

(c) Adoption of revised HKFRS Accounting Standards — effective 1 January 2025

In the current year, the Group has applied for the first time the following revised standards, amendments and interpretations (the “**revised HKFRS Accounting Standards**”) issued by HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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Changes in accounting policies and disclosures

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

(d) *New and revised HKFRS Accounting Standards that have been issued but are not yet effective*

The following new and revised HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued but are not yet effective and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)	1 January 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Other than HKFRS 18, these new and amendments to HKFRS Accounting Standards described above are either currently not relevant to the Group or are not expected to have material impact on the Group in the current or future reporting periods and on foreseeable future.

Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a material effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation or disaggregation and labelling of information, and disclosure of management-defined performance measures.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the CODM for the purpose of corporate planning, allocating resources and assessing performance.

Management considers the business from a business perspective, and assesses the performance of the business segment based on segment profit without allocation of administrative expenses, net impairment losses on financial assets, interest income, interest expenses, net exchange gains, other income, other losses, share of result of investments accounted for using equity method and income tax expense.

The amounts provided to management with respect to total assets and total liabilities are measured consistent with that of the consolidated financial statements. These assets are allocated based on the operation of segments. Certain assets and liabilities related to some companies with corporate function are not allocated into segments. Elimination of revenue are mainly inter-segment service charges related to general hospital business.

The Group manages its business by two operating segments based on their services, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. The principal assets employed by the Group are allocated in the PRC, and accordingly, no geographical segment analysis has been prepared.

a) **General hospital**

The business of this segment is in Nantong, a city of Jiangsu Province. Revenue from this segment is derived from general hospital services provided by Nantong Rich Hospital Co., Ltd. ("**Nantong Rich Hospital**"), maternity care services provided by Nantong Advanced Hejia Maternity and Child Nursing Service Co., Ltd., and elderly care services provided by Nantong Rich Meidi Elderly Care Centre Co., Ltd. ("**Nantong Meidi**").

b) **Medical examination centres**

The business of this segment is in Shanghai City, Jiangsu Province and other provinces in China. Revenue from this segment is derived from medical examination services.

The following table presents revenue and profit information regarding the Group's operation segments for the years ended 31 December 2025 and 2024, and the segment assets and liabilities at the respective balance sheet dates.

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties is measured in the same way as in the consolidated statement of profit or loss.

	General hospital RMB'000	Medical examination centres RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
For the year ended 31 December 2025					
Revenue	441,326	2,386,267	—	(32,040)	2,795,553
Segment profit/(loss)	71,815	803,496	(4,705)	—	870,606
Administrative expenses					(221,416)
Fair value change on financial assets					(1,337)
Reversal of impairment loss on financial assets					1,989
Interest income					5,907
Interest expenses					(100,173)
Net exchange losses					(3,380)
Other income					25,301
Other losses					(10,065)
Share of result of investments accounted for using equity method					(93)
Profit before income tax					567,339
Income tax expense					(184,311)
Profit for the year					<u>383,028</u>

	General hospital RMB'000	Medical examination centres RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
As at 31 December 2025					
Segment assets	776,789	4,167,014	1,413,582	(1,479,005)	4,878,380
Segment liabilities	116,147	2,749,934	768,013	(475,523)	3,158,571
Other segment information					
Addition to property and equipment, right-of-use assets and intangible assets	25,953	265,165	—	—	291,118
Depreciation and amortisation	48,786	370,106	100	(18)	418,974
Impairment loss on non-financial assets	—	12,956	—	—	12,956
	<u>—</u>	<u>12,956</u>	<u>—</u>	<u>—</u>	<u>12,956</u>

	General hospital RMB'000	Medical examination centres RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
For the year ended 31 December 2024					
Revenue	604,418	2,358,755	—	(38,716)	2,924,457
Segment profit/(loss)	109,930	739,150	(1,917)	—	847,163
Administrative expenses					(265,140)
Net impairment losses on financial assets					(18,819)
Interest income					4,873
Interest expenses					(128,135)
Net exchange losses					(717)
Other income					47,682
Other losses					(3,391)
Share of result of investments accounted for using equity method					405
Profit before income tax					483,921
Income tax expense					(129,266)
Profit for the year					<u>354,655</u>
As at 31 December 2024					
Segment assets	1,324,047	4,184,782	787,912	(1,438,240)	4,858,501
Segment liabilities	632,374	2,951,475	341,150	(441,641)	3,483,358
Other segment information					
Addition to property and equipment, right-of-use assets and intangible assets	59,987	508,946	—	—	568,933
Depreciation and amortisation	49,668	379,535	100	—	429,303
Impairment loss on non-financial assets	—	18,749	—	—	18,749

4 RIGHT-OF-USE ASSETS

	As at 31 December			
	2025	2024		
	RMB'000	RMB'000		
Properties	1,145,746	1,294,849		
Equipment	<u>—</u>	—		
Land use rights	2,598	2,698		
	<u>1,148,344</u>	<u>1,297,547</u>		
	Properties	Equipment	Land use rights	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024				
Cost	1,931,042	32,445	4,698	1,968,185
Accumulated depreciation	<u>(698,183)</u>	<u>(22,847)</u>	<u>(1,900)</u>	<u>(722,930)</u>
Net book amount	<u>1,232,859</u>	<u>9,598</u>	<u>2,798</u>	<u>1,245,255</u>
Year ended 31 December 2024				
Opening net book amount	1,232,859	9,598	2,798	1,245,255
Additions	362,703	—	—	362,703
Modification	(62,254)	—	—	(62,254)
Impairment	(13,411)	—	—	(13,411)
Transfer to property and equipment	—	(7,091)	—	(7,091)
Depreciation	<u>(225,048)</u>	<u>(2,507)</u>	<u>(100)</u>	<u>(227,655)</u>
Closing net book amount	<u>1,294,849</u>	<u>—</u>	<u>2,698</u>	<u>1,297,547</u>
At 31 December 2024 and 1 January 2025				
Cost	1,976,479	—	4,698	1,981,177
Accumulated depreciation	<u>(681,630)</u>	—	<u>(2,000)</u>	<u>(683,630)</u>
Net book amount	<u>1,294,849</u>	<u>—</u>	<u>2,698</u>	<u>1,297,547</u>
Year ended 31 December 2025				
Opening net book amount	1,294,849	—	2,698	1,297,547
Additions	144,505	—	—	144,505
Modification	(44,202)	—	—	(44,202)
Impairment	(8,621)	—	—	(8,621)
Termination	(29,029)	—	—	(29,029)
Depreciation	<u>(211,756)</u>	—	<u>(100)</u>	<u>(211,856)</u>
Closing net book amount	<u>1,145,746</u>	<u>—</u>	<u>2,598</u>	<u>1,148,344</u>
At 31 December 2025				
Cost	1,991,009	—	4,698	1,995,707
Accumulated depreciation	<u>(845,263)</u>	—	<u>(2,100)</u>	<u>(847,363)</u>
Net book amount	<u>1,145,746</u>	<u>—</u>	<u>2,598</u>	<u>1,148,344</u>

- a. As at 31 December 2025, land use rights with a total carrying amount of RMB2,598,000 (31 December 2024: RMB2,698,000) were pledged for the Group's borrowings.

5 DEFERRED TAX ASSETS

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
The balance comprises temporary differences attributable to:		
Tax losses	19,055	37,005
Right-of-use assets and lease liabilities	46,285	45,401
	<u>65,340</u>	<u>82,406</u>
Share option scheme	21,882	24,279
Loss allowances for financial assets	3,269	8,248
Impairment of property and equipment	841	3,303
	<u>25,992</u>	<u>35,830</u>
Total deferred tax assets	<u><u>91,332</u></u>	<u><u>118,236</u></u>

6 TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	299,328	357,264
Less: Loss allowance	(13,268)	(33,200)
	<u>286,060</u>	<u>324,064</u>

As at 31 December 2025 and 2024, the fair value of trade receivables of the Group approximated to their carrying amounts.

The aging analysis of trade receivables based on the date the relevant services were rendered are as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables		
— Up to 6 months	285,448	341,458
— 6 months to 1 year	6,888	8,079
— 1 to 2 years	4,405	2,911
— 2 to 3 years	802	646
— Over 3 years	1,785	4,170
	299,328	357,264

7 OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loans to non-controlling interests of subsidiaries (<i>note (a)</i>)	168,000	59,000
Deposits	6,592	6,139
Advances to staff	13,150	10,551
Interest receivables	8,070	4,397
Others (<i>note (b)</i>)	36,602	84,442
	232,414	164,529
Less: Loss allowance	(1,750)	(1,750)
	230,664	162,779

Notes:

- a. Balance represents loans to the non-controlling interests of subsidiaries, which are unsecured and bore the interest rate at 1-year loan prime rate plus 1 basis point. They were recoverable within twelve months from the reporting date as at 31 December 2025 and 2024.

- b. Consideration receivable of RMB1,099,000 (2024: RMB50,000,000) from the disposal of Shanghai Shuixian Obstetrics, Gynecology & Pediatric Hospital Co., Ltd. (“**Rici Shuixian**”) during the year ended 31 December 2022 is included in Others. The consideration receivable is unsecured and non-interest bearing. RMB48,901,000 has been received during the year ended 31 December 2025.

The carrying amounts of the Group’s other receivables are denominated in RMB.

As at 31 December 2025 and 2024, the fair value of other receivables of the Group approximated to their carrying amounts.

8 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31 December	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Cash at bank and on hand		
— Denominated in RMB	1,085,609	1,103,627
— Denominated in USD	42,774	1,963
— Denominated in HKD	7,042	4,227
	<u>1,135,425</u>	<u>1,109,817</u>

(b) Restricted cash

The amount of RMB15,994,000 is a security deposit for the letter of guarantee from the banks for the daily operation of the Group as at 31 December 2025.

9 PREPAYMENTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current:		
Deposit for purchase of investment property	198,951	—
Prepayment for property and equipment	15,651	25,030
	<u>214,602</u>	<u>25,030</u>
Current:		
Prepayment for consumables	13,014	13,840
Others (<i>note</i>)	14,660	16,209
	<u>27,674</u>	<u>30,049</u>
Total prepayments	<u><u>242,276</u></u>	<u><u>55,079</u></u>

Note:

Others mainly included prepaid advertising expenses, prepaid property management fee and prepaid recruitment fee.

10 SHARE CAPITAL

Ordinary shares, issued and fully paid:

	Number of ordinary shares	Share capital RMB'000
As at 31 December 2025 and 2024	<u>1,590,324,000</u>	<u>1,065</u>

11 BORROWINGS

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Bank borrowings — secured and/or guaranteed	<u>635,600</u>	<u>797,000</u>
	635,600	797,000
Less: Non-current portion	<u>(242,450)</u>	<u>(254,600)</u>
Total current borrowings	<u>393,150</u>	<u>542,400</u>

All the borrowings are denominated in RMB and their fair value approximated to their carrying amounts.

12 LEASE LIABILITIES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Present value of the minimum lease payments:		
Within 1 year	262,449	272,308
After 1 year but within 2 years	235,768	252,859
After 2 year but within 5 years	497,107	547,076
After 5 years	<u>381,184</u>	<u>431,035</u>
	<u>1,376,508</u>	<u>1,503,278</u>
Current	262,449	272,308
Non-current	<u>1,114,059</u>	<u>1,230,970</u>
	<u>1,376,508</u>	<u>1,503,278</u>

13 CONTRACT LIABILITIES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of medical examination cards	588,824	559,060
Advances from medical examination customers	10,606	64,298
Advances from hospital patients	9,182	7,257
	<u>608,612</u>	<u>630,615</u>

14 TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables due to third parties (<i>note (a)</i>)	155,462	162,299
Staff salaries and welfare payables	108,227	129,427
Payables for purchase of property and equipment	79,811	111,248
Deposits received	26,246	19,082
Accrued expenses	39,557	36,364
Accrued taxes other than income tax	6,651	6,352
Accrued professional service fees	3,206	4,277
Interest payables	468	682
Others	56,366	25,448
	<u>475,994</u>	<u>495,179</u>

(a) The aging analysis of the trade payables based on invoice date is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
— Up to 3 months	133,395	141,205
— 3 to 6 months	4,207	3,413
— 6 months to 1 year	3,324	3,953
— 1 to 2 years	2,161	3,887
— 2 to 3 years	3,492	979
— Over 3 years	8,883	8,862
	<u>155,462</u>	<u>162,299</u>

The trade payables are usually paid within 30–60 days of recognition. The fair value of all trade and other payables of the Group approximated to their carrying amounts and the carrying amounts of the Group's trade and other payables are denominated in RMB.

15 REVENUE

Revenue of the Group consists of the following:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
General hospital		
Outpatient pharmaceutical revenue	43,133	60,571
Outpatient service revenue	54,323	66,227
Inpatient pharmaceutical revenue	103,458	184,631
Inpatient service revenue	208,372	254,273
Medical examination centres		
Examination service revenue	2,384,550	2,357,590
Management service revenue and others	1,717	1,165
	<u>2,795,553</u>	<u>2,924,457</u>

16 EXPENSES BY NATURE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Employee benefit expenses	1,017,085	1,091,246
Depreciation and amortisation	418,974	429,303
Pharmaceutical costs	92,647	146,712
Outsourced testing expenses	152,716	166,907
Medical consumables costs	165,002	167,001
Advertising expenses	91,701	117,289
Utility expenses	50,168	50,321
Office expenses	39,349	49,248
Professional service charges	15,150	18,986
Maintenance expenses	33,578	29,511
Entertainment expenses	12,948	15,329
Travel expenses	8,571	8,254
Short-term or low-value operating lease rentals	10,774	8,296
Labour union dues	2,634	2,872
Stamp duty and other taxes	9,858	9,343
Auditor's remuneration		
— Audit services	1,130	1,130
— Non-audit services	570	570
Laundry expenses	8,061	8,639
Security costs	18	514
Gain on lease modification	(7,518)	(6,025)
Fair value change on financial assets	1,337	—
Reversal/Impairment losses on financial assets	(1,989)	18,819
Impairment losses on non-financial assets	12,956	18,749
Other expenses	9,991	8,239
	2,145,711	2,361,253

17 FINANCE COSTS — NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on lease liabilities	(79,330)	(98,810)
Interest on borrowings	(20,843)	(29,325)
	<u>(100,173)</u>	<u>(128,135)</u>
Net exchange losses	<u>(3,380)</u>	<u>(717)</u>
Finance costs	<u>(103,553)</u>	<u>(128,852)</u>
Interest income	<u>5,907</u>	<u>4,873</u>
Finance income	<u>5,907</u>	<u>4,873</u>
Finance costs — net	<u>(97,646)</u>	<u>(123,979)</u>

18 INCOME TAX EXPENSE

The amount of income tax expense recognised in the consolidated statement of profit or loss represents:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
— Current year	137,682	125,161
— Adjustments for current tax of prior periods	19,725	12,430
Deferred income tax	<u>26,904</u>	<u>(8,325)</u>
Income tax expense	<u>184,311</u>	<u>129,266</u>

On 16 March, 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") which became effective on 1 January 2008. Under the CIT Law, the CIT rate applicable to the most of the Group's subsidiaries located in mainland China from 1 January 2008 is 25%. In 2025 and 2024, the CIT rate applicable to some of the subsidiaries in mainland China is 15%.

19 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing:

- the earnings attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

	Year ended 31 December	
	2025	2024
Profit attributable to owners of the Company (RMB'000)	<u>307,128</u>	<u>297,321</u>
Total profit attributable to owners of the Company (RMB'000)	<u>307,128</u>	<u>297,321</u>
Weighted average number of ordinary shares in issue	<u>1,590,324,000</u>	<u>1,590,324,000</u>
Basic earnings per share (RMB)	<u>0.19</u>	<u>0.19</u>

(b) Diluted

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account, where applicable:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted number of ordinary shares in issue for the potential dilutive effect caused by the share options granted under the share option scheme assuming they were exercised.

For the year ended 31 December 2025 and 2024, as the average market share price of the Company's share was lower than assumed exercise price including the fair value of any services to be supplied to the Group in the future under the share option arrangement, there would be no dilutive impact.

20 DIVIDEND

Subsequent to the end of the reporting period, the Board proposed a final dividend for the year ended 31 December 2025 of HK\$0.02 per ordinary share, in the aggregate amount of approximately HK\$31,806,000, equivalent to RMB28,728,000.

On 28 August 2024, the Company had declared an interim dividend of HK\$0.045 per ordinary share amounted to HK\$71,565,000, equivalent to RMB65,323,000 and was paid on 23 September 2024. The Board has resolved not to propose any final dividend for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND STRATEGIC OUTLOOK

1 Industry Overview

The year 2025 marks the conclusion of China's 14th Five-Year Plan. With the implementation of the "Healthy China" strategy reaching its midway point, China's healthcare service industry has experienced significant growth compared to the 13th Five-Year Plan period and has also encountered new industry dynamics. According to estimates by VCBeat, the overall market size of China's healthcare services is expected to reach RMB10.5 trillion in 2025, with private healthcare services accounting for approximately RMB996.6 billion. This vast market size primarily stems from the ever-evolving demand for better and more diverse healthcare services and supply-side structural reforms.

In terms of both market share and technological advancement, public hospitals still hold a dominant position in China's hospital industry, while private hospitals play a complementary role. According to the data released by the National Health Commission of the People's Republic of China, as of the end of 2024, there were a total of 38,710 hospitals nationwide, representing an approximate 9.4% increase since 2020. Among them, private hospitals numbered 26,956, marking an approximate 14.6% increase compared to the end of 2020. In 2024, the total revenue of China's hospital industry was approximately RMB4.1 trillion, representing an approximate 36.7% growth since 2020. The total revenue of the private hospital reached approximately RMB674 billion, representing an approximate 51.0% increase compared to 2020. Evidently, as a supplement to public hospitals, the private hospital has continued to thrive throughout the 14th Five-Year Plan period. However, as the hospital industry rapidly evolves, it also faces numerous challenges. Policies like controls over health insurance expenses, Diagnosis Related Groups (DRG)/Diagnosis-Intervention Packet (DIP), and centralized volume-based drug procurement have posed impacts on the industry. Meanwhile, the expansion and integration of public hospitals in recent years, coupled with their inherent brand and scale advantages, have intensified competitive pressure on the private hospital sector. In this new landscape where development and challenges coexist, private hospitals must carefully chart its future.

In contrast, the outlook for the medical examination industry is more optimistic. According to data from the National Health Commission and the National Bureau of Statistics, China's health examination penetration rate increased from approximately 27.9% in 2015 to 37.3% in 2023. By 2025, the health literacy rate among Chinese residents reached 33.69%, an increase of approximately 10.5 percentage points since 2020, already meeting the 2030 target set by the Healthy China Initiative (2019–2030). With the continuous rise in health consciousness over the years, there is an increasing and diverse demand among Chinese residents for high-quality health examinations, health management, and other services. This trend presents new challenges and creates more opportunities for the medical examination industry. On April 7, 2025, 12 ministries, including the Ministry of Commerce and the National Health Commission, jointly issued “The Action Plan to Boost Health-Related Consumption” (《促進健康消費專項行動方案》). This plan proposes “developing new services such as health examinations, health consultations, and health management and enhancing differentiated, intelligent, and customized service capabilities; encouraging medical examination institutions to extend services to include specialized examinations and pre/post-examination items, advocating for early screening and detection of major diseases, and promoting innovative health examination products and testing methods; and fostering the application of big data in health examination results with timely health alerts”. This guiding opinion, specifically targeting the medical examination industry, undoubtedly points the way forward for its development.

2 General Hospital Business

Nantong Rich Hospital, open in 2002, is one of the first private Class III Grade B general hospitals in China. It is positioned as a regional medical center integrating “medical treatment, education and research”, which serves Nantong and its surrounding counties and cities. It has extended its reach to the central and northern Jiangsu Province and the northern wing of the Yangtze River Delta, covering a population of 30 million people.

As of the end of 2025, Nantong Rich Hospital has developed a group of distinctive disciplines, including oncology, cardiology, orthopedics, emergency medicine, and rehabilitation. It hosts several national-level and provincial-level key specialties such as pediatrics, cardiovascular medicine, cardiothoracic surgery, general surgery, neurology, and anesthesiology. During the Reporting Period, the hospital made significant advancements in scientific research and teaching, applying for 98 provincial-level and municipal-level research projects and obtaining approval for 15 of them. Additionally, it published 10 papers in provincial-level journals and journals selected for the Chinese Science and Technology Paper Citation Database (CSTPCD) and 7 in SCI journals.

On June 14, 2025, Nantong Rich Hospital signed the Cooperative Development Agreement with Shanghai East Hospital (East Hospital Affiliated To Tongji University) (上海市東方醫院(同濟大學附屬東方醫院)). On the same day, it was officially inaugurated as “Shanghai East Hospital Nantong Rich Hospital” (上海市東方醫院南通瑞慈醫院). Following the agreement signing, Shanghai East Hospital took over comprehensive management of Nantong Rich Hospital with teams of senior director-level experts from several core departments now regularly working at Nantong Rich Hospital. During the Reporting Period, 17 medical staff from Nantong Rich Hospital received training at Shanghai East Hospital and 8 administrative departments established in-depth exchanges, significantly enhancing their professional technical capabilities.

On December 20, 2025, Nantong Rich Hospital was recognized as an “Advanced Research Base for High-Quality Development of Social Medical Institutions in East China” for its outstanding practice of the “Full-Lifecycle Health Management System”, setting the “Rici model” for high-quality development in private healthcare.

During the Reporting Period, Nantong Rich Hospital actively pursued organizational and personnel reforms, technological upgrades, and refined management. It also optimized its management system to achieve higher operational efficiency and better cost control. In terms of health insurance management, Nantong Rich Hospital has significantly improved the overall medical insurance settlement rate, which has enhanced compliance with medical insurance regulations, and reduced the risk of deductions during audits of medical insurance funds. Its market expansion and collaboration efforts progressed as it secured contracts with eight commercial insurance companies. Each week, experts from various departments offered regular services at the medical examination center, including report interpretation, health risk assessments, and treatment recommendations.

During the Reporting Period, Nantong Rich Hospital provided services for 294,379 outpatient visits (2024: 307,219) and 25,045 inpatient visits (2024: 29,268), representing a decline of 4.2% and 14.4% from the same period last year, respectively. During the Reporting Period, Nantong Rich Hospital proactively optimized its revenue structure and strengthened cost control, which, along with policies like zero-markup drug policy and centralized drug procurement policy, reduced the drug ratio by approximately 7.5 percentage points.

Located in Nantong Rich Hospital, Nantong Rich Meidi Elderly Care Centre is a joint venture formed by Nantong Rich Hospital and Medical Care Service, which is a senior care institution combined with medical and wellness services integrating professional senior care, nursing care, and rehabilitation and physical therapy. During the Reporting Period, the average daily number of elderly residents in the care center was 90 (2024: 85.8), with an occupancy rate of 85.0% (2024: 80.9%).

3 Medical Examination Business

The revenue of the medical examination business takes up the largest share of the Group's total revenue. During the Reporting Period, the medical examination business of the Group remained committed to the strategy of dual-brand operation and development of key markets, with a focus on standardization and chain operation. With the mid-to-high-end brand "RICI HEALTH CHECKUP" ("RICI") and the high-end brand "XMEDIC" complementing each other, we met the needs of Chinese consumers for more segmented and personalized medical examination services. The medical examination business of the Group implemented the strategy of development of key markets, focusing on major markets, including the Yangtze River region, the Greater Bay Area and Beijing, and marching into other first-tier, new first-tier, and second-tier cities. As of the end of 2025, the Group had 86 medical examination centers in China (83 in 2024), among which 79 centers were in operation (75 in 2024), covering 28 cities.

The Group has consistently prioritized medical quality in its medical examination services. During the Reporting Period, various quality control indicators at the Group's medical examination centers continued to improve. Both the self-inspections conducted by our centers and the spot checks carried out by the quality control department for medical examination reports achieved a 100% Grade A rating. The detection rate of important abnormalities has increased annually, while the false negative rate for these abnormalities has decreased. Additionally, the rates for re-reporting initially missed cases and conducting secondary follow-ups have steadily risen. The medical examination business established three specialist committees in ultrasound, radiology, and testing to advance the development of professional capabilities. This ensures the standardization and regulation of medical personnel operations, the standardization and homogenization of medical quality and processes, and the accessibility and advancement of medical technologies. To further improve medical quality, the medical examination segment delivered medical and product expertise training to address weaknesses and business needs during the Reporting Period. This helped improve overall professionalism, enhance customer trust, boost market competitiveness, and drive business growth.

Service quality is the second important driver behind the Group's medical examination business. During the Reporting Period, the Group's medical examination business achieved significant results in service quality and customer satisfaction by improving related systems and processes, conducting special actions, organizing internal training, and applying artificial intelligence ("AI"). By enhancing the professional competence of our health consultant teams, offering onsite and post-examination report interpretation by chief experts, developing annual health management plans, managing customers through dedicated channels, and piloting membership services at our Shanghai centers, the "XMEDIC" brand saw 81.0% of its customers give a repurchase intention score of 9 or higher (out of 10). Additionally, the production cycle for team reports was reduced to one working day. In April 2025, the "Service Improvement" module was officially launched in our customer service system. It collected and monitored 807 items for improvement throughout the year, with a year-on-year decrease in the rate of messages reporting service dissatisfaction. The medical examination business actively applied AI technologies in customer services, building an intelligent system where AI and human agents work in perfect sync. This "cloud companion" service ensures customers receive immediate assistance without any wait.

During the Reporting Period, the medical examination business tracked 6,209 confirmed cases of tumors, an increase of 17.4% from 2024. We conducted 99,509 report interpretations via phone and onsite, achieving a customer satisfaction rate of 94.4%. Additionally, we completed 96,956 online report interpretations, with a satisfaction rate of 95.1%. Over 1.2 million customers participated in satisfaction surveys during the Reporting Period. The “RICI” and “XMEDIC” brands achieved five-star satisfaction rates of 97.9% and 99.6%, respectively, for their onsite services, maintaining the same levels as the previous year. Their e-commerce customer five-star satisfaction rates were 92.8% and 93.8%, respectively, representing a 5.2% year-on-year increase. The customer commendation rates for these brands were 2.1% and 2.0%, respectively, these brands collectively making a 24.1% year-on-year increase. Throughout the year, the medical examination business received 61 thanking banners from customers and 234 letters of appreciation, representing a 59.5% year-on-year increase.

4 Prospects

In 2026, the start of China’s 15th Five-Year Plan, promoting consumption will be a key focus of economic policy, with an emphasis on the healthcare consumption sector. According to the Healthy China 2030 Planning Outline, the goal for the healthcare service industry is to reach a total value of RMB16 trillion by 2030. For the private healthcare service sector, 2026 represents a critical period of adjustment and opportunity.

On one hand, national policies encourage healthcare consumption; on the other hand, with the overarching goal of controlling medical insurance costs, related policies are expected to be further adjusted and optimized. This presents both opportunities and challenges for the private hospital industry. In response to the evolving industry landscape, the Group’s general hospital business plans to establish Nantong Rich Hospital as a leading Class III Grade A comprehensive hospital in Nantong City in terms of medical service capabilities over the next three to five years. Concurrently, we will seize the historical opportunity presented by the “silver economy” to significantly expand our rehabilitation and elderly care services. This includes completing the second phase of renovations at Rich Meidi Elderly Care Centre and opening it and further enhancing the reputation of Nantong Rich Hospital as a benchmark for integrated medical, rehabilitation, and elderly care services and special consumer healthcare.

The Central Committee of the Communist Party of China issued on October 23, 2025, the Recommendations of the Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》). These recommendations point out that, as part of the goal of “ensuring and improving public wellbeing and promoting common prosperity for all”, there is a directive to accelerate the construction of a “Healthy China”. This calls for the necessity to “strengthen comprehensive prevention and control of chronic diseases and develop end-to-end services covering prevention, treatment, rehabilitation, and health management”. For the medical examination industry, this signals a window of opportunity to transition from traditional health check-up services to broader health management services. Over the next five years, the Group’s medical examination business will align with policy directions and the actual healthcare needs of residents. We plan to consolidate our existing market advantages while expanding into high-potential new markets in due course. Our priorities will include ensuring healthcare quality, solidifying service standards, and improving operational efficiency. We will integrate advanced technologies like AI throughout the entire medical examination process. Beyond traditional health check-ups, we will further explore other areas within the comprehensive health management service chain.

FINANCIAL REVIEW

Revenue

The Group's revenue was mainly generated from general hospital business and medical examination business. The following table sets forth the components of our revenue by operating segments for the years indicated:

	Year ended December 31,		Percentage change
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	
General hospital business	441,326	604,418	(27.0%)
Medical examination business	2,386,267	2,358,755	1.2%
Inter-segment	(32,040)	(38,716)	(17.2%)
Total	<u>2,795,553</u>	<u>2,924,457</u>	<u>(4.4%)</u>

The Group realised revenue of RMB2,795.6 million in 2025, representing a year-on-year decrease of 4.4% as compared to RMB2,924.5 million in 2024. The decrease in revenue was mainly due to the external competitive pressure on the general hospital business.

Revenue from the general hospital business in 2025 amounted to RMB409.3 million, representing a decrease of 27.6% from revenue of RMB565.7 million in 2024, excluding the inter-segment revenue of RMB32.0 million and RMB38.7 million in 2025 and 2024, respectively. The decrease was mainly due to the fact that major public hospitals in the same region continued to expand amid the external competition, which attracted a portion of patients.

Revenue from medical examination business in 2025 amounted to RMB2,386.3 million, representing an increase of 1.2% from RMB2,358.8 million in 2024. The growth was mainly attributable to the increase in revenue from the "XMEDIC" brand, a high-end medical examination business line, as compared to the corresponding period of last year.

Cost of Sales

The Group's cost of sales primarily consists of pharmaceuticals and medical consumables costs, staff costs and depreciation and amortisation expenses. The following table sets forth a breakdown of cost of sales by operating segments for the years indicated:

	Year ended December 31,		Percentage change
	2025	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	
General hospital business	368,898	490,332	(24.8%)
Medical examination business	1,251,335	1,305,082	(4.1%)
Inter-segment	(32,040)	(38,716)	(17.2%)
Total	<u>1,588,193</u>	<u>1,756,698</u>	<u>(9.6%)</u>

The Group's cost of sales for 2025 amounted to RMB1,588.2 million, representing a year-on-year decrease of 9.6% from RMB1,756.7 million in 2024.

The cost of sales of the general hospital business in 2025 amounted to RMB368.9 million, representing a decrease of 24.8% from RMB490.3 million in 2024. The decrease in cost of sales was primarily due to the decline in revenue from the general hospital business.

The cost of sales of the medical examination business in 2025 amounted to RMB1,251.3 million, representing a decrease of 4.1% as compared to RMB1,305.1 million in 2024, which was mainly due to the Group's implementation of its strategy to improve efficiency and reduce costs, as well as measures to conduct multifaceted fine management and efficiency enhancement.

Gross Profit

The Group's gross profit grew from RMB1,167.8 million in 2024 to RMB1,207.4 million in 2025. Gross profit margin increased by 3.3 percentage points from 39.9% in 2024 to 43.2% in 2025. This was due to the positive results achieved from the Group's persistent measures to improve efficiency and reduce costs.

Distribution Costs and Selling Expenses

The Group's distribution costs and selling expenses for 2025 amounted to RMB323.8 million, as compared to RMB301.8 million for 2024. The increase was mainly because the Company built up its sales talent pool for the medical examination business, leading to a corresponding increase in staff costs and an increase in promotional expenses.

Administrative Expenses

Administrative expenses amounted to RMB221.4 million in 2025, representing a decrease as compared to RMB265.1 million in 2024. This was mainly due to the Group's ongoing measures to cut costs and increase efficiency, including optimising management processes, strictly controlling administrative expenses, and improving resource utilisation efficiency.

Other Income

The Group's other income in 2025, which is mainly comprised of government subsidies, amounted to RMB25.3 million (2024: RMB47.7 million).

Other Losses

The Group's other losses in 2025 amounted to RMB10.1 million (2024: RMB3.4 million). Other losses mainly represented the penalty loss resulted from early termination of a lease by a medical examination center under the Group, which planned to change its business address, and other miscellaneous losses.

Finance Costs — Net

The Group's net finance costs amounted to RMB97.6 million in 2025, as compared to the net finance costs of RMB124.0 million in 2024. Exchange losses amounted to RMB3.4 million in 2025, while the exchange losses for 2024 was RMB0.7 million.

Share of Results of Investments Accounted for Using Equity Method

In 2025, the Group recognised a share of loss of RMB0.1 million from investments accounted for using equity method in its consolidated results (2024: profit of RMB0.4 million).

Income Tax Expense

In 2025, income tax expense amounted to RMB184.3 million (2024: income tax expense of RMB129.3 million). The increase in income tax was mainly due to the increase in profit for the year.

Profit for the Year

As a result of the above, the Group's profit increased by 8.0% from RMB354.7 million for the year ended December 31, 2024 to RMB383.0 million for the year ended December 31, 2025.

Adjusted EBITDA

To supplement our consolidated financial statements which are presented in accordance with HKFRS Accounting Standards, we adopted adjusted EBITDA as an additional financial measure. We defined adjusted EBITDA as profit for the year before certain expenses and depreciation and amortisation as set out in the table below. Adjusted EBITDA is not an alternative to (i) profit before income tax or profit for the year (as determined in accordance with HKFRS Accounting Standards) as a measure of our operating performance; (ii) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs; or (iii) any other measures of performance or liquidity. The following table reconciles our loss for the years under HKFRS Accounting Standards to our definition of adjusted EBITDA for the years indicated.

	Year ended December 31	
	2025 <i>(RMB'000)</i>	2024 <i>(RMB'000)</i>
Calculation of adjusted EBITDA		
Profit for the Year	383,028	354,655
Adjustments to the following items:		
Income tax expense	184,311	129,266
Finance costs — net	97,646	123,979
Depreciation and amortisation	418,974	429,303
Fair value change on financial assets	1,337	—
Pre-opening expenses and EBITDA loss of soft-opening ⁽¹⁾	9,198	16,867
Adjusted EBITDA	<u>1,094,494</u>	<u>1,054,070</u>
Adjusted EBITDA margin⁽²⁾	<u>39.2%</u>	<u>36.0%</u>

Notes:

- (1) Primarily represents (a) the pre-opening expenses, such as staff costs and rental expenses, incurred in the applicable period in connection with the construction of medical examination centers; and (b) the EBITDA loss incurred during the period when the newly opened medical examination centers commenced their operations.
- (2) The calculation of adjusted EBITDA margin is based on adjusted EBITDA divided by revenue and multiplied by 100%.

Adjusted EBITDA in 2025 amounted to RMB1,094.5 million, representing an increase of 3.8% from RMB1,054.1 million in 2024.

FINANCIAL POSITION

Property and Equipment

Property and equipment primarily consist of buildings, medical equipment, general equipment, leasehold improvements and construction in progress. As at December 31, 2025, the property and equipment of the Group totally amounted to RMB1,422.8 million, representing a decrease of RMB69.1 million as compared to RMB1,491.9 million as at December 31, 2024.

Trade Receivables

As at December 31, 2025, the trade receivables of the Group amounted to RMB286.1 million, representing a decrease of RMB38.0 million as compared to RMB324.1 million as at December 31, 2024.

Net Current Liabilities

As at December 31, 2025, the Group's current liabilities exceeded its current assets by RMB44.4 million (as at December 31, 2024: RMB323.3 million). The decrease in the Group's net current liabilities was primarily due to an increase in the year-end balance of its cash and cash equivalents because of the good payment collection in 2025.

Liquidity and Capital Resources

As at December 31, 2025, the Group had cash and cash equivalents of RMB1,135.4 million (as at December 31, 2024: RMB1,109.8 million), with available unused bank facilities of RMB321.0 million (as at December 31, 2024: RMB163.0 million). As at December 31, 2025, the Group had outstanding borrowings of RMB635.6 million (as at December 31, 2024: RMB797.0 million), with a non-current portion of long-term borrowings of RMB242.5 million (as at December 31, 2024: RMB254.6 million). Based on the Group's past experience and good credit standing, the Directors are confident that such bank facilities could be renewed or extended for at least 12 months upon maturity. We adopt prudent treasury policies in cash and financial management to achieve better risk control, manage financial resources efficiently and minimise the cost of funds. For the currency in which cash and cash equivalents are denominated, please refer to Note 8 to the consolidated financial information.

Significant Investments, Material Acquisitions and Disposals

During the Reporting Period, for investment purpose, the Group paid a deposit of RMB198.95 million as consideration for the purchase of an investment property located in Shanghai. Save as disclosed above, the Group did not have any material investments, material acquisitions or disposals during the Reporting Period.

Capital Expenditure and Commitments

In 2025, the Group incurred capital expenditure of RMB291.1 million (2024: RMB568.9 million), primarily due to (i) purchases of medical equipment and renovation for medical examination centers and general hospitals, and (ii) the lease of business premises for new medical examination centers.

As at December 31, 2025, the Group had a total capital commitment of RMB30.4 million (as at December 31, 2024: RMB16.9 million), mainly comprising the leasehold improvement.

Borrowings

As at December 31, 2025, the Group had total bank and other borrowings of RMB635.6 million (as at December 31, 2024: RMB797.0 million). Please refer to Note 11 to the consolidated financial information for more details.

Contingent Liabilities

The Group had no material contingent liability as at December 31, 2025 (as at December 31, 2024: Nil).

Financial Instruments

The Group began to engage in liquidity management tools in 2025. The investing activities were strictly monitored in accordance with the parameters set by the Board, which is regarded as auxiliary management of the Group's liquidity under short-term market conditions where it is not appropriate to hold a large amount of cash. In terms of the overall business of the Group, the significance of such nature of business activities is limited.

Gearing Ratio

As at December 31, 2025, on the basis of net debt divided by total capital, the Group's gearing ratio was 33.8% (as at December 31, 2024: 46.4%). The decrease in gearing ratio was mainly due to the decline in the Group's net financing and the increase in total equity.

Cash Flow and Fair Value Interest Rate Risk

Our exposure to changes in interest rates is mainly attributable to our borrowings and lease liabilities.

Borrowings obtained at variable rates expose us to cash flow interest rate risk. Borrowings obtained at fixed rates expose us to fair value interest rate risk. As at December 31, 2025, borrowings of RMB635,600,000 were floating-rate borrowings (as at December 31, 2024: RMB239,000,000). We did not hedge against cash flow and fair value interest rate risks during the Reporting Period.

Foreign Exchange Risk

For the year ended December 31, 2025, the Group was not exposed to significant foreign currency risk, except for the remaining bank deposits denominated in Hong Kong dollar and United States dollar. The Group currently does not have a foreign currency hedging policy. However, the management closely monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Credit Risk

We have no significant concentration of credit risk. The carrying amount of cash and cash equivalents, trade and other receivables, amount due from related parties and deposits from long-term leases represent our maximum exposure to credit risk in relation to our financial assets. The objective of our measures to manage credit risk is to control potential exposure to recoverability problem.

Cash and cash equivalents were deposited in the major financial institutions, which the directors believe are of high credit quality.

The Group has policies in place to ensure that receivables with credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of the counterparties. The credit period granted to the customers and the credit quality of these customers are assessed, which takes into account their financial position, past experience and available forward-looking information. The Group considers the probability of default upon initial recognition of a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group also considers available reasonable and supportive forward-looking information.

The credit risk of hospital segment is from the recoverability of trade receivables and other receivables. The credit risk of medical examination business is related to the length of the overdue period of trade receivables from corporate customers and other receivables.

Liquidity Risk

The finance department of the Group monitors rolling forecasts of our liquidity requirements to ensure we have sufficient cash to meet operational needs while maintaining sufficient headroom on our undrawn borrowing facilities at all times so that we do not breach borrowing limits or covenants (where applicable) on any of our borrowing facilities. We expect to fund the future cash flow needs through cash flows generated from operations, borrowings from financial institutions and issuing debt instruments or capital contribution from the shareholders of the Company (the “**Shareholders**”), as necessary. Based on contractual undiscounted payments, our financial liabilities were RMB2,772.4 million as at December 31, 2025 (as at December 31, 2024: RMB3,201.8 million).

Pledge of Assets

As at December 31, 2025, the Group had assets with a total carrying amount of RMB693,350,000 (as at December 31, 2024: assets of RMB60,788,000) pledged for the Group’s borrowings.

HUMAN RESOURCES

The Group had 8,523 employees as at December 31, 2025, as compared to 8,908 employees as at December 31, 2024. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination. Remuneration of the Group’s employees includes basic salaries, allowances, bonus, share options and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. We provide regular training to our employees in order to improve their skills and knowledge. The training courses range from further educational studies to skill training to professional development courses for management personnel, including a management trainee program.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company or the laws of Cayman Islands, which would oblige the Company to offer new shares of the Company (the “**Shares**”) on a pro-rata basis to the existing Shareholders.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2025.

FINAL DIVIDEND

The Board has proposed the payment of a final dividend of HK\$0.02 (2024: Nil) per share for the year ended 31 December 2025 payable to the Shareholders whose names appear on the register of members of the Company on Thursday, July 2, 2026, subject to the approval of the Shareholders at the annual general meeting of the Company to be held on Wednesday, June 17, 2026 (the "2026 AGM"). Subject to the proposed final dividends being approved by the Shareholders, the dividend warrants of the proposed final dividend are expected to be despatched to the Shareholders on or before Thursday, July 9, 2026.

CLOSURE OF THE REGISTER OF MEMBERS

(1) For determining the eligibility of the Shareholders to attend and vote at the 2026 AGM or any adjournment of such meeting:

The register of members of the Company will be closed from Friday, June 12, 2026 to Wednesday, June 17, 2026, both days inclusive and during which period no share transfer will be effected. Shareholders whose names appear on the register of members of the Company on Wednesday, June 17, 2026 are entitled to attend and vote at the 2026 AGM. In order to be eligible to attend and vote at the 2026 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, June 11, 2026.

(2) For determining the entitlement of the Shareholders to the proposed final dividends:

The register of members of the Company will be closed from Friday, June 26, 2026 to Thursday, July 2, 2026, both days inclusive and during which period no share transfer will be effected. Shareholders whose names appear on the register of members of the Company on Thursday, July 2, 2026 are entitled to the proposed final dividends. In order to be eligible to the proposed final dividends, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, June 25, 2026.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the year, save for deviation from code provisions C.1.8 and C.2.1 of the CG Code.

Code provision C.1.8 of the CG Code provides that appropriate insurance cover in respect of legal action against directors should be arranged. For the Reporting Period, the Company did not have insurance cover for legal action against the Directors. However, pursuant to the Company's articles of association, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. In view of the above, the Board considers that the Directors' exposure to litigation risk is manageable even if there is no insurance cover for legal action against the Directors.

Pursuant to code provision C.2.1 of the CG Code, the responsibility between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and the chief executive officer and Dr. Fang Yixin ("**Dr. Fang**") performs these two roles. The Board considers that vesting the roles of the chairman and the chief executive officer in Dr. Fang is beneficial to the Group for implementing its new business strategies given his abundant experience in the healthcare industry and longtime and substantive involvement in the day to day management and operation of the Group. In addition, the balance of power and authority is ensured by the operation of the Board and the senior management, which comprises experienced and capable individuals independent from Dr. Fang (except his spouse, Dr. Mei Hong, and his son, Mr. Fang Haoze). The Board comprised four executive Directors and three independent non-executive Directors as at the date of this announcement and has a fairly strong independence element in its composition.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuer" (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities. Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The audit committee of the Board (comprising Mr. Tian Wenguo, Mr. Jiang Peixing and Ms. Wong Sze Wing (each of them being an independent non-executive Director)) has reviewed with the management of the Company the consolidated financial statements of the Company for the year ended December 31, 2025, including accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters.

Scope of Work of BDO Limited on the annual result announcement

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended December 31, 2025 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (www.rich-healthcare.com). The annual report of the Company for the year ended December 31, 2025 will be published on the aforesaid websites and will only be dispatched to the Shareholders who have requested the receipt of corporate communications in printed copy in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our Shareholders, customers, bankers and other business associates for their trust and support.

By Order of the Board
Rici Healthcare Holdings Limited
Fang Yixin
Chairman and Chief Executive Officer

Hong Kong, the PRC, March 26, 2026

As of the date of this announcement, the Board comprises four executive Directors, namely, Dr. Fang Yixin, Dr. Mei Hong, Mr. Fang Haoze and Ms. Lin Xiaoying; and three independent non-executive Directors, namely, Mr. Tian Wenguo, Mr. Jiang Peixing and Ms. Wong Sze Wing.