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Hygeia Healthcare Holdings Co., Limited

海吉亚医疗控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6078)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL HIGHLIGHTS

For the year ended December 31, 2025, the Group's revenue was RMB4,008.8 million, representing a decrease of 9.8% over the year ended December 31, 2024.

For the year ended December 31, 2025, the Group's net profit was RMB161.5 million, representing a decrease of 73.0% over the year ended December 31, 2024, primarily due to the impairment and provision of RMB283.3 million recognized on the goodwill of Etern Group Ltd. For the year ended December 31, 2025, the Group's non-IFRS adjusted net profit⁽¹⁾ was RMB455.5 million, representing a decrease of 24.4% over the year ended December 31, 2024.

For the year ended December 31, 2025, the Group's net cash generated from operating activities was RMB950.0 million, representing an increase of 34.4% over the year ended December 31, 2024.

For the year ended December 31, 2025, the Group's free cash flow was RMB466.4 million, representing an increase of 407.0% over the year ended December 31, 2024.

As of December 31, 2025, the Group's interest-bearing liabilities was RMB2,436.2 million, representing a decrease of RMB343.0 million or 12.3% from December 31, 2024.

For the year ended December 31, 2025, the Group repurchased 3,373,000 Shares at an aggregate purchase price of RMB39.9 million. On December 15, 2025, the Group announced its proposed Share repurchase plan of not less than RMB300.0 million, and as of the date of this announcement, such plan is being implemented in an orderly manner.

The Board has resolved not to declare any final dividend for the year ended December 31, 2025.

Note:

- (1) During the Reporting Period, non-IFRS adjusted net profit was calculated as net profit, excluding:
(i) impairment and provision recognized on the goodwill of Etern Group Ltd.; (ii) share-based compensation expenses; (iii) depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals; and (iv) net foreign exchange losses.

NON-IFRS MEASURES

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

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

	Year ended December 31,	
	2025	2024
	(RMB'000)	(RMB'000)
Revenue	4,008,832	4,446,120
Cost of sales	<u>(2,985,356)</u>	<u>(3,116,647)</u>
Gross profit	1,023,476	1,329,473
Selling expenses	(46,999)	(53,413)
Administrative expenses	(422,563)	(437,314)
Other income	69,965	48,862
Other gains (losses), net	52,867	(8,850)
Impairment losses on financial assets	—	(57,614)
Impairment losses on goodwill	<u>(283,321)</u>	<u>—</u>
Operating profit	393,425	821,144
Finance costs, net	<u>(65,892)</u>	<u>(70,328)</u>
Profit before income tax	327,533	750,816
Income tax expense	<u>(166,007)</u>	<u>(152,484)</u>
Net profit	<u>161,526</u>	<u>598,332</u>
Non-IFRS adjusted net profit⁽¹⁾	455,480	602,264

Note:

- (1) Adjustments to the net profit for the year ended December 31, 2025 include: (i) impairment and provision of RMB283,321 thousand recognized on the goodwill of Etern Group Ltd.; (ii) share-based compensation expenses of RMB(9,043) thousand; (iii) depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals of RMB13,579 thousand; and (iv) net foreign exchange losses of RMB6,097 thousand. Adjustments to the net profit for the year ended December 31, 2024 include: (i) share-based compensation expenses of RMB(10,736) thousand; (ii) depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals of RMB13,267 thousand; and (iii) net foreign exchange losses of RMB1,401 thousand.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading comprehensive healthcare services group in China with a core focus on oncology. After nearly two decades of growth and development, the Group has established a solid competitive advantage and built a strong reputation in medical quality, diagnosis and treatment of complex, critical, and emergency cases, patient services, and operational efficiency. In 2025, the Group served approximately 4.6 million patient visits, with its brand influence continuing to grow.

Adhering to the corporate vision of “making healthcare services more accessible and affordable and making life healthier (讓醫療更溫暖，讓生命更健康)”, the Group has always put the interests of patients first, persisting in the pursuit of higher goals beyond profit, and continuously improving its clinical diagnostic and treatment capabilities and the quality of its healthcare services. The Group practices medicine with compassion and builds its enterprise on responsibility. In 2025, the patient satisfaction rate of the Group increased to 98.54%, representing an increase of 1.51 percentage points over the previous year. The Group will pursue the goal of 100% satisfaction by continuously optimizing its service system and enhancing the patient experience.

The Group consistently adheres to the strategy of discipline leadership and talent empowerment, continuously enhancing the level of diagnosis and treatment technology for complex, critical, and emergency cases, and striving to build the core competitiveness of its hospitals. Over the past three years, the Group has continuously promoted discipline construction and capability enhancement in its hospitals, achieving remarkable overall development results. The number of key clinical specialties (projects) has increased from 8 to 38, including three national-level chest pain centers, two provincial-level stroke centers, seven national-level and provincial-level key clinical specialties (projects)/centers, and 26 municipal and county-level key clinical specialties (projects). Leveraging its flexible mechanisms and continuously growing brand influence, the Group’s attractiveness to medical talents has further strengthened, and its talent pool continues to expand. The Group currently has 108 high-level talents, including experts receiving special government subsidies awarded by the State Council, as well as chairmen and deputy chairmen of specialty societies at all levels, and 907 full-time medical professionals with advanced qualifications.

As of the date of this announcement, the Group manages or operates 17 comprehensive hospitals with a core focus on oncology, and has one additional Class III hospital under construction, distributed in 13 cities across 8 provinces in China. All properties of the Group’s hospitals are self-owned, with a total of approximately 1,200 mu of land for medical and healthcare use and approximately 940,000 square meters of medical facilities. These stable properties provide a solid guarantee for the Group’s compliant operations and sustainable development.

Guided by the culture of “making healthcare services more accessible and affordable and making life healthier (讓醫療更溫暖，讓生命更健康)”, and relying on its self-owned outpatient traffic, expert team, property space, and efficient mechanisms, the Group focuses on developing businesses in oncology and other complex, critical, and emergency cases. It has gradually built a business moat, continuously building brand reputation and leveraging compounding effect of time, thereby providing a solid guarantee for long-term, stable business development. After years of effort, the comprehensive strength of the Group’s hospitals has significantly increased, ranking among the top in the region and establishing a leading position in the local private healthcare industry.

The Group consistently upholds the values of “telling the truth, being pragmatic and acting with integrity (說實話、辦實事、講誠信)”, staying true to its duties and operating prudently, contributing to local economic development, and gaining widespread recognition from the government and all sectors of society. In September 2025, Professor Zhu Yiwen, the founder of the Group, was successfully elected as the Vice Chairman of the Medical Clinical Specialty Development Expert Committee of the China Medical Foundation, and continues to serve as the Vice Chairman of the Sixth Committee of the Private Hospital Branch of the Chinese Hospital Association. Hezhou Guangji Hospital was honored by the Central Committee of the Communist Party of China as a “National Advanced Grass-roots Party Organization (全國先進基層黨組織)” and recognized by the All-China Federation of Trade Unions with the honorary title of the “Pioneer of Workers (工人先鋒號)”. Chongqing Hygeia Hospital was awarded the title of an “Outstanding Private Enterprise in Chongqing (重慶市優秀民營企業)” by the Chongqing Municipal Committee of the Communist Party of China and the Chongqing Municipal People’s Government. Chang’an Hospital was awarded the title of “Five-Star Party Organization (五星級黨組織)” by the Organization Department of the Shaanxi Provincial Committee of the Communist Party of China.

In 2025, aligning with industry development trends, the Group deepened discipline development and technological improvement, promoted business innovation, and achieved positive improvements and steady enhancements in multiple aspects.

1. Operating cash flow reached a record high, providing strong support for enhancing Shareholder returns and merger and acquisition expansion

For the year ended December 31, 2025, the Group’s net cash generated from operating activities was RMB950.0 million, representing a year-on-year increase of 34.4%, reaching a record high. As of December 31, 2025, the Group’s interest-bearing liabilities decreased by RMB343.0 million, or 12.3%, compared to the same period last year. The gearing ratio was 28.9%, representing a decrease of 7.4 percentage points from the same period last year, indicating a continuous optimization of the asset-liability structure. For the year ended December 31, 2025, the Group’s capital expenditures decreased by 21.4% year-on-year, marking the second consecutive year of decline. Currently, the Group has formed a relatively sufficient reserve of hospital

beds, with the maximum number of operational beds approaching 14,000. The Group's last self-built hospital, Changshu Hygeia Hospital, is about to be completed and delivered. It is expected that the Group's capital expenditures will further decline in the future, entering a new stage of capacity release and cash flow recovery.

The steady increase in free cash flow and the continuous optimization of the asset-liability structure also provide strong support for enhancing Shareholder returns and merger and acquisition expansion. In August 2024, the Company announced a RMB200 million share repurchase scheme under the repurchase mandate granted in the annual general meeting of the Company on June 28, 2024. The Company has repurchased 13,025.2 thousand Shares, representing 2.06% of the total number of issued Shares (as at the date of passing the relevant resolution granting the aforementioned repurchase mandate) before cancellation. All the Shares repurchased have been cancelled. In December 2025, considering that the current trading price of the Shares does not reflect their intrinsic value or the actual business prospects of the Company, the Board resolved to utilize the repurchase mandate to repurchase Shares on the open market from time to time at a total price of not less than RMB300 million to demonstrate the Company's confidence in its own business development prospects. As of the date of this announcement, 2,382.4 thousand Shares have been repurchased. Furthermore, the investment value of high-quality healthcare service assets in the current primary market is gradually becoming apparent. The Group continues to reserve high-quality healthcare service projects domestically and internationally, seizing opportunities to advance mergers, acquisitions, and integrations. The Company will make more efficient capital allocation arrangements favoring long-term Shareholder returns between Share repurchases and merger and acquisition expansion depending on market conditions.

2. Core business stabilized and improved, with breakthroughs in international medical services

Focusing on discipline construction, service experience, and brand reputation, the Group continuously strengthened its characteristic specialties and technological advantages, and continuously optimized diagnosis and treatment processes. Coupled with a relatively stable industry policy and market environment, both the Group's revenue and patient visits in the second half of 2025 rebounded compared to the first half of 2025.

(1) Steady improvement in the diagnosis and treatment capabilities for complex, critical, and emergency cases, expanding hospital brand influence

The Group is actively adapting to industry development trends and the diagnosis and treatment needs brought by an aging population. The Group continuously optimizes its revenue structure, increasing the proportion of innovative,

high-technical services. It strategically focuses on specialized areas with high incidence, rigid treatment needs, high diagnostic difficulty, and requiring multidisciplinary collaboration, such as oncology, acute cardiovascular and cerebrovascular diseases, and severe trauma rescue. Through continuous refinement of technology and enhancement of diagnostic and treatment capabilities, the regional rankings of its hospitals' capabilities in diagnosing and treating complex, critical, and emergency cases, as well as their technical strength, have steadily risen, effectively enhancing the business' s resilience and sustainable development capacity. In 2025, the proportion of revenue from the Group's oncology-related business was 44.3%, representing a steady increase over the previous year. The Group completed over 102,000 surgeries, with the proportion of level 3 or 4 surgeries increasing by 6.4 percentage points year-on-year. The proportion of high-value, high-technical diagnostic and treatment services continued to rise. In 2025, Chang'an Hospital's Stroke Center was rated as a Class III Stroke Center in Shaanxi Province. Its General Surgery and Nephrology departments were both rated as clinical key specialty development projects in Xi'an City. Hezhou Guangji Hospital received the Guangxi Zhuang Autonomous Region "Secondary Stroke Center" certification. The CMI values of Chang'an Hospital and Chongqing Hygeia Hospital rose to the upper-middle level among Class III Grade A hospitals in the province/municipality. The Group continuously strengthens the competitive advantages of its hospitals, building patient trust with professional strength and high-quality services, and accumulating hospital brand reputation.

(2) *Breakthroughs in international medical services*

With the continuous optimization of China's visa-free policies, China's high-quality and efficient medical services are attracting an increasing number of foreign patients to seek medical treatment in China. As a Hong Kong-listed comprehensive healthcare services group with oncology as its core focus, the Group has already established a degree of international influence. With its excellent diagnostic and treatment technologies and services, it possesses inherent advantages in expanding international healthcare services. Since mid-2025, Chongqing Hygeia Hospital has been addressing the diagnostic and treatment needs of overseas patients, providing services to patients from multiple countries and regions, including Southeast Asia. The international medical business has begun to take shape, currently operating two floors of wards. In the future, based on the geographical advantages, disciplinary strengths, and diagnostic and treatment characteristics of its hospitals, the Group will promote and replicate the international medical business model to more suitable hospitals. Focusing on areas such as early cancer screening, comprehensive cancer treatment, medical tourism, innovative drug application, and high-end health management, the Group will continuously expand its sources of international patients and strategically strengthen and grow its international medical business.

(3) *Further expansion of non-medical insurance business and commercial insurance coverage*

Currently, the aging of China's population continues to accelerate, residents' disposable income is steadily increasing, and the national health demand continues to be unleashed. As core healthcare services providers, hospitals still have vast growth potential. The Group continuously enriches its diagnosis, treatment, and health service offerings, such as cancer screening, integration of medical and elderly care, medical weight management, medical aesthetics, health management, optometry, and dental care, to meet the diverse health needs of patients.

Meanwhile, the Group continues to deepen its strategic cooperation with commercial insurance companies and further optimize the healthcare payment system. At present, its in-network hospitals have entered into cooperation agreements with more than 70 insurance companies, to provide commercial insurance patients with a more efficient and convenient healthcare service experience.

(4) *Artificial intelligence (AI) enhances operational efficiency and service experience*

With the continuous advancement of AI applications, the Group is actively exploring and developing innovative AI applications in healthcare scenarios, continuously enhancing the level of smart healthcare in its in-network hospitals. In the field of clinical application, the Group focuses on building an AI-assisted "1+N" oncology disciplinary models including AI-assisted personalized precision radiotherapy and AI-assisted imaging diagnostics, empowering the public education, diagnostics and treatments, training, and health management of oncology MDT and related disciplines. The Group also closely follows the development trend of brain-computer interface integration with AI, actively deploying cutting-edge medical technology innovation and exploring the application of brain-computer interface in healthcare scenarios such as neurology and neurosurgery, rehabilitation, and precision diagnostic and treatment. In the fields of supply chain and financial management, the Group relies on AI and big data to optimize the inventory management of pharmaceuticals and medical consumables, effectively reducing the risk of material shortages and excess inventory. At the same time, through AI-assisted financial operational analysis, the Group comprehensively promotes refined management, cost reductions and efficiency enhancements, continuously improving overall operational efficiency. The Group has also launched an AI-based customer service system that serves various scenarios including virtual guidance, medical consultation, health education and brand promotion. For example, Chang'an Hospital has launched "Xiao'an", an intelligent customer service assistant, which has further diversified the service formats and content, and enhanced customer satisfaction.

BUSINESS DEVELOPMENT

Since commencing operations in 2009, the Group has consistently focused on its core business of oncology services and other critical illnesses, with an emphasis on enhancing the long-term competitiveness of its hospitals and improving patient satisfaction.

1. Strengthening the construction of oncology and related disciplines

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

No.	Hospital	Discipline	Construction of key specialties and centers
1		Demonstration center for national standardized chest pain center	
2		Abdominal Pain Center	Certified by the Emergency and Critical Care Surgery Expert Working Group of the Chinese Medical Doctor Association's Surgeons Branch
3		Class III stroke center in Shaanxi Province	
4		Department of psychosomatics	Clinical key specialty development project in Shaanxi Province
5	Chang'an Hospital (Class III Grade A hospital)	Department of oncology	Clinical key specialty development project in Xi'an City
6		Department of intensive care unit	Clinical key specialty development project in Xi'an City
7		Department of general surgery	Clinical key specialty development project in Xi'an City
8		Department of nephrology	Clinical key specialty development project in Xi'an City
9		Clinical Nursing Specialties	Clinical key specialties in Xi'an City
10		Department of oncology	National key discipline with respect to clinical capability construction of medical institutions
11	Chongqing Hygeia Hospital (Class III hospital)	Department of general surgery	Clinical key specialties in High-tech District, Chongqing
12		Department of intensive care unit	Clinical key specialties in High-tech District, Chongqing

No.	Hospital	Discipline	Construction of key specialties and centers
13		National Standardized Metabolic Disease Management Center (MMC)	
14		National chest pain center (basic)	
15		Provincial Level Secondary Stroke Center	
16		Department of general surgery	Clinical key specialties in Hezhou City
17		Department of intensive care unit	Clinical key specialties in Hezhou City
18		Department of orthopedics	Clinical key specialty development project in Hezhou City
19	Hezhou Guangji Hospital (Class III hospital)	Department of nephrology	Clinical key specialty development project in Hezhou City
20		Department of neurology	Clinical key specialty development project in Hezhou City
21		Department of pediatrics	Clinical key specialty development project in Hezhou City
22		Department of urinary surgery	Clinical key specialty development project in Hezhou City
23			Clinical key specialty founding unit in Suzhou City
24		Department of hematology	Clinical key specialties in Wujiang District, Suzhou City
25		Department of ultrasound	Clinical key specialties in Wujiang District, Suzhou City
26	Suzhou Yongding Hospital	Department of orthopedics	Clinical key specialties in Wujiang District, Suzhou City
27		Department of medical imaging	Clinical key specialties in Wujiang District, Suzhou City
28		Department of gastroenterology	“Develop the healthcare through science and education” project in Wujiang District, Suzhou City
29		National chest pain center (standard)	
30		National Standardized Extracorporeal Counterpulsation Center	
31	Shanxian Hygeia Hospital	Department of orthopedics	Clinical key specialties in Heze City
32		Department of ophthalmology	Clinical key specialty founding unit in Heze City
33		Department of oncology	County-level clinical key specialties in Longyan City
34	Longyan Boai Hospital	Department of endocrine	County-level clinical key specialties in Longyan City
35		Department of proctology	Wuxi City’s specialties
36		Department of gynecology	Wuxi City’s specialties
37	Yixing Hygeia Hospital	Department of gastroenterology	Wuxi City’s specialties
38		Department of anesthesiology	Wuxi City’s specialties

2. Strengthening the development of hospital talent system

Over the years, the Group has continuously strengthened its recruitment of professional talents, enhanced the talent training system, and cultivated a high-quality talent team comprising experienced and highly-skilled medical talents.

The Group currently has 108 high-level talents. Among them, there are 4 experts who receive special governmental subsidies from the State Council; 16 experts who serve as the chairman and deputy chairman of respective national or military specialty societies; 88 experts who are the chairman and deputy chairman of respective provincial and municipal specialty societies. As of December 31, 2025, the Group had a total of 907 full-time professionals with advanced qualifications. A total of 751 medical professionals of the Group were promoted to a higher professional grade in 2025, laying a solid foundation for the long-term development of the Group's hospitals.

In recent years, through relentless efforts and perseverance, employees of the Group have achieved numerous significant honors and gained widespread social recognition. Professor Zhu Yiwen, the founder of the Group, was successively elected as the Vice Chairman of the Sixth Committee of the Private Hospital Branch of the Chinese Hospital Association and the Vice Chairman of Medical Clinical Specialty Development Expert Committee of the China Medical Foundation. Li Daliang (李大亮), director of Hezhou Guangji Hospital, was named a “National Model Worker (全國勞動模範)”, while Jiang Jinbai (蔣勁柏), the head of the emergency and intensive care unit department of the hospital, was named a “Model Worker of Guangxi Zhuang Autonomous Region (廣西壯族自治區勞動模範)”. Yu Fengzhen (于鳳珍), deputy director of Shanxian Hygeia Hospital, was named a “Model Worker in Shandong Province (山東省勞動模範)”. Liu Hongbin (劉宏斌), deputy director and Professor Wang Yangmin (王養民) of Chang'an Hospital were awarded the 2024 Gansu Provincial Science and Technology Progress Award (二零二四年度甘肅省科技進步獎), and Zhang Xiaofeng (張曉峰), the head of Anesthesiology Department of Chang'an Hospital, was awarded the title of “Outstanding Medical Practitioner in Shaanxi Province (陝西省優秀醫務工作者)” by the People's Government of Shaanxi Province. Zhang Hongfei (張鴻飛), director of Chongqing Hygeia Hospital, was awarded the Chongqing May Day Labour Award (重慶五一勞動獎章). Li Xiaohong (李小紅), director of Suzhou Canglang Hospital, was awarded the title of “May Day Women's Pacesetter (五一巾幗標兵)” in Suzhou City.

3. **Comprehensively enhancing the medical academic and research capabilities**

The Group attaches great importance to scientific research innovation and academic development, and continues to increase investment in scientific research to build a high-level academic platform for medical personnel. The influence of the experts of its in-network hospitals in the industry has been continuously increasing, evidenced by the publication of a cumulative total of 986 academic papers published in renowned domestic and international journals since the Listing of the Group. The Group continues to promote the synergistic development of the “medicine, education and research” system, deepens cooperation with universities and research institutions, steadily improves its medical research capabilities through clinical diagnosis and treatment, actively undertakes and implements national, provincial and municipal key scientific research projects, and has been granted a number of national utility model patents and invention patents.

Chongqing Hygeia Hospital has become the teaching hospital of the School of Life Sciences (生命科學學院) and the teaching base of the Bioengineering College (生物工程學院) of Chongqing University, respectively, and is the first medical institution in the Chongqing Hi-Tech District to be certified as a Good Clinical Practice (GCP) medical institution. Suzhou Yongding Hospital has established the institute of clinical medicine of Soochow University-Suzhou Yongding Hospital and cooperated with the School of Rehabilitation of the Shanghai University of Traditional Chinese Medicine in the field of cancer rehabilitation medicine. Hezhou Guangji Hospital completed the initiation of 6 scientific research projects in 2025, including 2 provincial projects and 4 municipal projects, and undertook 18 provincial and municipal projects regarding continuing education. Chang’an Hospital attended the 8th China Healthcare Industry Development & Investment Conference (第八屆中國醫療健康產業發展與投資年會) and hosted a special academic session on “Oncology Discipline High-Quality Development and Service Model Innovation Forum (MDT) (腫瘤學科高質量發展與服務模式創新論壇(MDT))”. Papers from the hospital’s imaging department have been published at the Radiological Society of North America (RSNA), the top academic conference in the field of radiology, for multiple times, thereby expanding the hospital’s influence in the field of radiology at home and abroad. Additionally, it also undertook training activities for the Xi’an Clinical Quality Control Center, expanding its regional academic influence. Shanxian Hygeia Hospital organized a county-wide training program to enhance the diagnostic and treatment capabilities of grassroots medical institutions, establishing high-quality academic exchange platforms, and driving the high-quality development of discipline construction. In the future, the Group will further strengthen and enhance its scientific research and academic capabilities, drive improvements in the quality of healthcare services through scientific research and innovation and provide patients with more advanced diagnostic and treatment technologies and services.

4. Placing a high priority on medical quality management

Medical quality and safety are directly linked to patient health and represent the lifeline of hospital development. Upholding the service philosophy of “patient-first”, the Group places high importance on medical quality management, and is committed to optimizing and upgrading its medical quality control system through refining the medical quality management system, improving the management policies as well as diagnostic and treatment protocols, enhancing the prevention and control of medical risks, improving clinical pathway management, and implementing 18 core systems and diagnostic and treatment protocols. The Group has established a medical quality control committee inspection system, regularly carrying out comprehensive inspections on its in-network hospitals, during which the inspectors will supervise, inspect and provide guidance and support for the quality control system of the hospitals covering medical care, nursing and healthcare experience, thereby constantly improving the management capabilities and quality standards of its in-network hospitals, and achieving full-process standardization of healthcare services.

5. Continuously improving patient satisfaction

The Group adheres to a patient-first approach and the benevolence of medical professionals, continuously optimizing service processes to enhance patient experience.

The Group has implemented innovative service models such as the “Credit + Medicine (信用+醫療)” digital application service of “diagnosis and treatment first, payment later (先診療、後付費)” and launched various convenience initiatives benefiting the patients such as year-round outpatient services as well as morning, midday and night-time outpatient service on weekdays, providing more scheduling options for patients to seek medical treatment. The Group implemented initiatives including “one registration valid for three days (一次掛號三天有效)”, “one registration applicable for multiple departments (一號通用多科就診)”, and “90-minute outpatient experience (90分鐘門診就診體驗)” to allow more convenient and unimpeded visits for patients. It also innovatively initiated a “migratory bird-style hemodialysis service (候鳥式血液透析服務)” that liberates dialysis patients from travel restrictions, allowing them to enjoy a wonderful life and freedom while receiving regular treatment. In addition, the Group has launched an AI-based customer service system, continuously diversifying the service formats and content for its hospitals.

The Group also promoted the construction of an internet healthcare service network that combines “online + offline (線上+線下)” to provide patients with convenient services such as online consultations, online follow-up consultations for chronic diseases and delivery of medicines to their homes. In 2025, the Group’s internet hospitals registered nearly 200 thousand attendances. The Group has also launched the “Internet + Nursing (互聯網+護理)” services to deliver professional nursing services to the patients’ homes, so that patients can enjoy scientific and professional on-site nursing care services without leaving their homes.

6. Construction progress of hospitals

As of the date of this announcement, Wuxi Hygeia Hospital, the Group's 17th hospital, Kaiyuan Jiehua Hospital Phase II, and the new hospital area of Qufu Chengdong Hospital have all been successfully put into operation. The Group only has one hospital under construction, Changshu Hygeia Hospital, which is planned to be put into use in 2026.

7. Continuously improving environmental, social and governance (ESG) practices

The Group has always adhered to long-termism and the benevolence of medical professionals, actively organized public welfare activities and contributed to the development of local economy and society, thereby continuously enhancing the hospitals' brand and social influence. Hezhou Guangji Hospital was honored by the Central Committee of the Communist Party of China as a "National Advanced Grass-roots Party Organization (全國先進基層黨組織)", recognized by the All-China Federation of Trade Unions with the honorary title of the "Pioneer of Workers (工人先鋒號)" and was also awarded the title of "First Batch of Western Social Medical Benchmark Hospitals (首批西部社會辦醫標桿醫院)". Chongqing Hygeia Hospital was awarded the title of "Outstanding Private Enterprise in Chongqing (重慶市優秀民營企業)" by the Chongqing Municipal Committee of the Communist Party of China and the Chongqing Municipal People's Government. Chang'an Hospital was awarded the title of "Five-Star Party Organization (五星級黨組織)" and recognized as an "Enterprise Fulfilling Social Responsibility in Xi'an for 2023 (2023年西安市履行社會責任企業)" and an "Outstanding Contribution Enterprises of Foreign Investment in Xi'an for 2024 (2024年西安市外商投資突出貢獻企業)" by the organization department of Shaanxi Provincial Party Committee of the Communist Party of China. Suzhou Canglang Hospital was awarded the title of "Outstanding Unit of Elderly-Friendly Healthcare Institution (老年友善醫療機構優秀單位)" in Jiangsu Province and the "Suzhou May Day Labour Award (蘇州市五一勞動獎)". Shanxian Hygeia Hospital was awarded the "Shanxian Economic Development Contribution Award for 2024 (2024年度單縣經濟發展貢獻獎)".

The Group attaches great importance to medical insurance management, strengthens education on relevant medical insurance policies and engages in monthly analysis of medical insurance management, adhering to set standards, pursuing a meticulous management approach and ensuring the proper utilization of medical insurance funds. The medical insurance work of the Group has been commended by the competent authorities on multiple occasions. Shanxian Hygeia Hospital was awarded the honorary title of "Shandong Province Advanced Medical Insurance Department for Healthcare Security (山東省醫療保險先進醫保科室)". Suzhou Canglang Hospital was rated as a Suzhou Advanced Medical Insurance Designated Unit (蘇州市先進醫保定點單位) by the Suzhou Healthcare Security Administration multiple times. Hezhou

Guangji Hospital has been selected as a pilot unit for the national healthcare insurance intelligent supervision reform. Additionally, several heads of medical insurance departments from the Group's hospitals were honored as provincial-level outstanding individuals in medical insurance management. Several medical insurance heads of the Group's hospitals have been selected as members of the national and provincial medical insurance flying inspection expert pool.

The Group attaches great importance to investor relations management, continuously improves its corporate governance and protects the legitimate rights and interests of the Shareholders, especially the minority Shareholders. Mr. Zhu Yiwen, the founder, Chairman of the Board and chief executive officer of the Group, and parties acting in concert with him have never reduced their shareholdings in the Company, and have increased their shareholdings in the Group for 22 times since the Listing of the Company, holding a total of over 6 million Shares, demonstrating their firm commitment to standing together with the broad base of public Shareholders. Since its Listing, the Group has consistently valued Shareholder returns and has distributed accumulative dividends of approximately RMB170 million. The Company repurchased and cancelled a total of 1,275,800 Shares in 2022, and cumulatively repurchased and cancelled 13,025,200 Shares from September 2024 to January 2025. In December 2025, the Group further announced a share repurchase plan of no less than RMB300 million. With continuous improvement in free cash flow and ongoing optimization of its asset-liability structure, the Group will make more efficient capital allocation arrangements among share repurchases, dividend distributions, and merger and acquisition expansion, all aimed at enhancing Shareholder value. The Group's investor relations efforts and strong performance have earned it a place in the "Top 50 Hong Kong Stock Connection (港股通50強)" in the 10th Hong Kong Stock Top 100 Selection (第十屆港股100強), and it has been awarded a place on the "6th New Fortune Best IR of Hong Kong Listed Companies List (第六屆新財富最佳IR港股公司)" and the "Most Promising Healthcare Sector Hong Kong Listed Companies (醫療產業最具成長性港股公司)" by New Fortune. Mr. Zhu Yiwen, the founder, Chairman of the Board and chief executive officer of the Group, was awarded the title of "Wei Lan Award — Entrepreneur of the Year (蔚藍獎 • 年度風雲企業家)".

The Group's ESG performance has been recognized by authoritative institutions such as MSCI, FTSE Russell, WIND and S&P. In particular, the Group received an "A" ESG rating from WIND, ranking highly among Hong Kong-listed healthcare service providers. The Group's stock is also a constituent of the FTSE4Good Index Series and other social responsibility indices, reflecting the recognition the Group has received for its ESG initiatives.

Business Outlook

The “2025 Statistical Bulletin on the National Economic and Social Development of the People’s Republic of China (《中華人民共和國2025年國民經濟和社會發展統計公報》)” shows that: by the end of 2025, the elderly population in China aged 60 and above reached 323 million, representing an increase to 23.0% of the total population. According to the estimation of the National Health Commission, in the coming period, the degree of aging will continue to intensify, and it is expected that the elderly population aged 60 and above will exceed 400 million by 2035, accounting for more than 30% of the total population, and marking a transition into a stage of severe aging. Population aging will drive a continuous rise in the incidence of tumors and other age-related diseases. According to reports released by the National Cancer Center and the National Center for Cardiovascular Diseases, the number of existing patients with cancer and cardiovascular and cerebrovascular diseases in China exceeds 350 million, indicating clear long-term growth potential in demand for related diagnosis and treatments.

Looking forward, the Group will:

Uphold the mission of “making healthcare services more accessible and affordable and making life healthier (讓醫療更溫暖，讓生命更健康)”, and adhere to the code of conduct of “telling the truth, being pragmatic and acting with integrity (說實話、辦實事、講誠信)”, to persist in pursuing goals beyond profit and continuously enhance patient satisfaction.

Focus on oncology and critical care and comprehensively enhance its integrated diagnostic and treatment capabilities to build competitiveness across our hospital network.

Continue to develop self-paid services such as international medical services across our hospital network to meet the diverse and multi-level healthcare needs of both domestic and international patients, thereby constantly improving the diversified healthcare payment system that combines “medical insurance and commercial insurance”.

Actively deploy cutting-edge medical technology innovations to build an AI-powered smart healthcare system, which covers the entire value chain from precision diagnosis and treatment, intelligent operations, and digital supply chains to patient services, aiming to enhance the patient experience and improve overall operational efficiency. The Group will explore the practical application of brain-computer interface technology in clinical scenarios such as neurology and neurosurgery, rehabilitation, and precision medicine.

Seize opportunities for industry consolidation by continuing to identify and reserve high-quality potential merger and acquisition targets both domestically and internationally, executing strategic acquisitions and integrations at the optimal time.

Enhance ESG initiatives by optimizing the operation and management for green hospitals, fulfilling social responsibilities and continuously refining corporate governance and standardized governance of listed companies, so as to safeguard the legitimate rights and interests of all stakeholders.

Financial Review

Revenue

During the Reporting Period, the Group's revenue was primarily from healthcare services. For the year ended December 31, 2025, the Group's revenue was RMB4,008.8 million, representing a decrease of 9.8% as compared with the corresponding period in 2024.

Cost of Sales

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

For the year ended December 31, 2025, the Group's cost of sales was RMB2,985.4 million, representing a decrease of 4.2% as compared with the corresponding period in 2024.

Gross Profit and Gross Profit Margin

For the year ended December 31, 2025, the Group's gross profit was RMB1,023.5 million, and the gross profit margin was 25.5%.

Selling Expenses

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

For the year ended December 31, 2025, the Group's selling expenses were RMB47.0 million, representing a decrease of 12.0% as compared with the corresponding period in 2024 and accounting for 1.2% of the total revenue.

Administrative Expenses

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

For the year ended December 31, 2025, the Group's administrative expenses was RMB422.6 million, representing a decrease of 3.4% as compared with the corresponding period in 2024.

Other Income

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

For the year ended December 31, 2025, the Group's other income was RMB70.0 million, representing an increase of 43.1% as compared with the corresponding period in 2024.

Other Gains (Losses), Net

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

For the year ended December 31, 2025, the Group's other gains (losses), net was RMB52.9 million, representing an increase of 694.4% as compared with the corresponding period in 2024, primarily due to the increase of RMB65.0 million in the net fair value gains on financial assets/liabilities at fair value through profit or loss.

Impairment Losses on Goodwill

During the Reporting Period, the Group's impairment losses on goodwill represented the impairment losses recognized on the goodwill of Etern Group Ltd..

For the year ended December 31, 2025, the Company's impairment losses recognized on the goodwill of Etern Group Ltd. was RMB283.3 million (2024: nil).

Suzhou Yongding Hospital, a PRC domestic subsidiary of Etern Group Ltd. located in Wujiang District, Suzhou City, commenced operations in 2007. Following the acquisition of Suzhou Yongding Hospital, the Group has provided the hospital with comprehensive support in clinical discipline development, talent cultivation, and the enhancement of its diagnosis and treatment environments. These efforts have driven significant improvements in the hospital's software and hardware capabilities, building a strong local reputation and achieving growth in both patient satisfaction and number of patient visits. Its hematology, ultrasound, orthopedics, medical imaging, and gastroenterology departments have been recognized as key clinical specialties. Despite the hospital's progress in its technical capabilities and business volume, its 2025 operating results fell short of management's forecasts, primarily due to broader industry and macroeconomic headwinds, alongside pricing adjustments under local medical insurance policies. Anticipating that these factors would adversely impact the Group's financial performance, the Company's

management conducted its annual goodwill review to assess the expected recoverable amount. Consequently, for the year ended December 31, 2025, the Company recognized an impairment and provision for goodwill relating to Etern Group Ltd. of RMB283.3 million (2024: Nil). The impairment is supported by an independent valuation.

The Company has engaged an independent and professional third-party valuer to conduct the valuation of the cash-generating-unit (CGU) attributable to Etern Group Ltd., in accordance with the requirements of International Accounting Standard 36 Impairment of Assets (IAS 36) and the International Valuation Standards issued by the International Valuation Standards Council. The discounted cash flow (DCF) approach under the income method has been adopted to determine the value-in-use of the CGUs.

The management of the Company has approved the financial forecasts covering a five-year period as of December 31, 2025. The key assumptions adopted for the forecast period include revenue growth rate, cost and operating expenses as percentage of revenue, long-term growth rate and pre-tax discount rate. The forecasted revenue growth rate for the five-year period ranges from 2.5% to 6%, which is determined based on past performance and the management's expectations of market development. The average cost and operating expenses as percentage of revenue for the five-year period is 77%. The long-term growth rate beyond the five-year period is 2.0%. The pre-tax discount rate is 17.8%, which reflects the specific risks relating to the relevant CGUs. These assumptions and estimates are considered reliable and supported by research and analysis, which are based on industry-specific information and data applicable to the industries in which the CGUs operate. Based on the above valuation methodology and assumptions, as of December 31, 2025, the recoverable amount of Etern Group Ltd. amounted to RMB1,668.5 million. For the year ended December 31, 2025, an impairment and provision of RMB283.3 million was recognized on the goodwill of Etern Group Ltd.

Finance Income and Costs

During the Reporting Period, the Group's finance income was composed of interest income on bank savings. For the year ended December 31, 2025, the Group's finance income was RMB3.3 million, representing an increase of 120.0% as compared with the corresponding period in 2024.

During the Reporting Period, the Group's finance costs were mainly composed of interest expenses on bank borrowings. For the year ended December 31, 2025, the Group's finance costs recorded in profit or loss was RMB69.1 million, representing a decrease of 3.8% as compared with the corresponding period in 2024.

During the Reporting Period, the Group's finance costs, net decreased by RMB4.4 million as compared with the corresponding period in 2024.

Income Tax Expense

For the year ended December 31, 2025, the Group's income tax expense was RMB166.0 million, representing an increase of RMB13.5 million as compared with the corresponding period in 2024, primarily due to the fact that the impairment and provision of RMB283.3 million recognized on the goodwill of Etern Group Ltd. was not tax deductible.

Net Profit and Non-IFRS Adjusted Net Profit

As a result of the foregoing, for the year ended December 31, 2025, the Group's net profit was RMB161.5 million, representing a decrease of 73.0% as compared with the corresponding period in 2024, primarily due to the impairment and provision of RMB283.3 million recognized on the goodwill of Etern Group Ltd. The Group defined non-IFRS adjusted net profit as profit and total comprehensive income for the period adjusted for items which are non-recurring or extraordinary, including impairment and provision recognized on the goodwill of Etern Group Ltd., share-based compensation expenses, depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals and net foreign exchange losses. For the year ended December 31, 2025, the Group's non-IFRS adjusted net profit was RMB455.5 million, representing a decrease of 24.4% as compared with the corresponding period in 2024, narrowed significantly compared to the decrease of 34.5% recorded in the first half of 2025.

Non-IFRS Measures

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

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

	Year ended December 31,	
	2025	2024
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Net profit	<u>161,526</u>	<u>598,332</u>
Adjustments:		
Impairment and provision recognized on the goodwill of Etern Group Ltd.	283,321	—
Depreciation and amortization of the appreciation in valuation of assets arising from acquisitions of hospitals	13,579	13,267
Net foreign exchange losses	6,097	1,401
Share-based compensation expenses	<u>(9,043)</u>	<u>(10,736)</u>
Non-IFRS adjusted net profit	<u>455,480</u>	<u>602,264</u>

Liquidity and Capital Resources

As of December 31, 2025, the Group had cash and cash equivalents of RMB429.2 million, financial assets at fair value through profit or loss of RMB259.0 million, restricted deposits of RMB45.9 million, and term deposits of RMB6.6 million, for a total of RMB740.7 million, representing an increase of RMB87.8 million or 13.4% from December 31, 2024.

Cash Flow

Operating Activities

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

For the year ended December 31, 2025, the Group's net cash generated from operating activities was RMB950.0 million, representing an increase of 34.4% as compared with the corresponding period in 2024.

For the year ended December 31, 2025, the Group's free cash flow was RMB466.4 million, representing an increase of 407.0% as compared with the corresponding period in 2024.

Investing Activities

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

For the year ended December 31, 2025, the Group's net cash used in investing activities was RMB412.6 million, representing a decrease of 38.5% as compared with the corresponding period in 2024. The decrease in net cash used in investing activities of RMB258.5 million was primarily attributable to (i) the net increase in the proceeds from the Group's purchase and disposal of financial instruments at fair value through profit or loss of RMB171.8 million; and (ii) the decrease in capital expenditures of RMB131.5 million.

Financing Activities

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

For the year ended December 31, 2025, the Group's net cash used in financing activities was RMB476.8 million, representing an increase of 120.1% as compared with the corresponding period in 2024. The increase in net cash used in financing activities of RMB260.2 million was mainly due to the decrease in the Group's bank borrowings of RMB343.0 million as of December 31, 2025 as compared with December 31, 2024, and the increase in net cash outflow from repayment of bank borrowings of RMB396.5 million.

Capital Expenditures

During the Reporting Period, the Group's capital expenditures were primarily composed of expenditures on (i) property, plant and equipment, mainly comprising construction in progress and medical equipment; and (ii) intangible assets. For the year ended December 31, 2025, the Group's capital expenditures was RMB483.6 million, representing a decrease of RMB131.5 million or 21.4% as compared with the corresponding period in 2024.

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2025, there was no significant investment held by the Company, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Financial Position

Total Assets and Total Liabilities

The Group's total assets were mainly composed of cash and cash equivalents, trade, other receivables and prepayments, property, plant and equipment and intangible assets. As of December 31, 2025, the Group's total assets were RMB10,664.9 million, representing a decrease of RMB264.3 million or 2.4% from December 31, 2024.

The Group's total liabilities were mainly composed of borrowings, trade and other payables, current income tax liabilities, deferred income tax liabilities, deferred income and contract liabilities. As of December 31, 2025, the Group's total liabilities were RMB3,880.4 million, representing a decrease of RMB374.5 million or 8.8% from December 31, 2024.

Inventories

The Group's inventories were mainly composed of pharmaceuticals, medical consumables and spare parts. As of December 31, 2025, the Group's inventories were RMB151.0 million, representing a decrease of 30.0% from December 31, 2024.

Trade, Other Receivables and Prepayments

The Group's trade receivables mainly represented the balances of the receivables arising from the provision of healthcare services. As of December 31, 2025, the Group's trade receivables were RMB686.6 million, representing a decrease of 16.6% from December 31, 2024.

The Group's other receivables mainly represented deposits receivables. As of December 31, 2025, the Group's other receivables were RMB49.7 million, representing an increase of 0.8% from December 31, 2024.

The Group's prepayments for current assets mainly represented prepayments to suppliers. As of December 31, 2025, the Group's prepayments to suppliers were RMB60.2 million, representing a decrease of 1.5% from December 31, 2024.

The Group's prepayments for non-current assets included prepayments for property, plant and equipment. As of December 31, 2025, the Group's prepayments for property, plant and equipment were RMB30.7 million, representing a decrease of 4.4% from December 31, 2024.

Intangible Assets

The Group's intangible assets were primarily comprised of goodwill, medical licenses, software, and contractual rights to provide management services. As of December 31, 2025, the Group's intangible assets were RMB3,650.8 million, representing a decrease of 7.4% from December 31, 2024, which was mainly due to that the directors of the Company have determined the impairment of goodwill directly related to Etern Group Ltd. amounting to RMB283.3 million. The impairment loss has been included in the line item of impairment losses on goodwill under profit or loss. The recoverable amount of the Etern Group Ltd. amounted to RMB1,668.5 million as at December 31, 2025.

Trade and Other Payables

The Group's trade payables primarily represented outstanding amounts due to the suppliers of pharmaceuticals and medical consumables. As of December 31, 2025, the Group's trade payables were RMB583.2 million, representing an increase of 6.2% from December 31, 2024.

The Group's other payables primarily represented salaries payable, other taxes payable and payables for construction projects. As of December 31, 2025, the Group's other payables were RMB538.5 million, representing a decrease of 8.3% from December 31, 2024.

Borrowings

As of December 31, 2025, the Group had outstanding short-term borrowings of RMB440.7 million and long-term borrowings of RMB1,995.5 million, representing a decrease of RMB343.0 million or 12.3% from December 31, 2024.

Pledge of Assets

The Group's borrowings as of December 31, 2025 of RMB975.5 million were secured by certain buildings, right-of-use for lands and construction in progress with total carrying values of RMB1,340.7 million, while the borrowings of RMB976.0 million were secured by 100% equity of Suzhou Yongding Medical Management Service Co., Ltd., 100% equity of Etern Healthcare (HK) Limited, 100% equity of Etern Group Ltd., 98% equity of Suzhou Yongding Hospital, 70% equity of Chang'an Hospital and 70% equity of Yixing Hygeia Hospital.

Contract Liabilities

The Group's contract liabilities represented advance payments from the Group's customers while the underlying services have not been provided. As of December 31, 2025, the Group's contract liabilities were RMB50.1 million, representing a decrease of 8.4% from December 31, 2024.

Capital Commitments

Capital commitments that were contracted but not provided for primarily represented commitments arising out of a contractual relationship where the relevant property, plant and equipment or intangible assets were not provided as of the relevant dates. The Group's capital commitments are primarily related to commitments for (i) the construction and renovation of its in-network hospitals; and (ii) the purchase of large equipment. As of December 31, 2025, the Group's capital commitments were RMB252.8 million, representing a decrease of 45.4% from December 31, 2024.

Contingent Liabilities

As of December 31, 2025, the Group did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, liabilities under acceptance or acceptance credits, or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities.

Financial Instruments

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

Debt to Asset Ratio

The debt to asset ratio is calculated as total borrowings divided by total assets and multiplied by 100%. As of December 31, 2025, the debt to asset ratio of the Group was 22.8%, representing a decrease of 2.6 percentage points from December 31, 2024.

Gearing Ratio

Gearing ratio is calculated as net debt divided by total equity and multiplied by 100%. Net debt is calculated as the sum of total borrowings and lease liabilities less cash and cash equivalents, restricted deposits and term deposits with an original maturity over three months. As of December 31, 2025, the gearing ratio of the Group was 28.9%, representing a decrease of 7.4 percentage points from December 31, 2024.

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group's businesses are principally conducted in RMB. The majority of assets is denominated in RMB. The majority of non-RMB assets are financial assets at fair value through profit or loss and cash and cash equivalents denominated in USD and Hong Kong dollars, and non-RMB liabilities are financial liabilities at fair value through profit or loss denominated in USD. The Group's assets denominated in foreign currency as of December 31, 2025 amounted to RMB168.3 million, and liability denominated in foreign currency amounted to RMB0.5 million. If the RMB had strengthened/weakened by 5% against foreign currency with all other variables held constant, the pre-tax profit for the year ended December 31, 2025 would have been RMB8.4 million lower/higher.

Interest Rate Risk

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

Credit Risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, term deposits with an original maturity over three months, restricted deposits, trade and other receivables and amounts due from related parties. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage this risk, cash and cash equivalents, term deposits with an original maturity over three months and restricted deposits are mainly placed with state-owned financial institutions in the PRC and reputable international financial institutions outside the PRC. There has been no recent history of default in relation to these financial institutions.

The Group's trade receivables are mainly from providing healthcare service to patients as well as providing services to the radiotherapy centers and trustee hospitals. The Group, being a provider of healthcare service to patients, has a highly diversified customer base, without any single customer contributing material revenue. However, the Group has concentrated debtor's portfolio, as a majority of the patients will claim their medical bills from public medical insurance organisations. The reimbursement from these organisations may take one to twelve months. The Group has policies in place to ensure the treatments and medicines prescribed and provided to such insured patients are in line with respective organisations'

policies, fulfilling all ethics and moral responsibilities as a healthcare provider. The Group also closely monitors the patients' billings and claim status to minimise the credit risk. For the receivables from the radiotherapy centers and trustee hospitals, the Group has granted credit term of 0–90 days and would follow up actively on the settlement with respective counterparties to avoid any overdue receivables.

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

Liquidity Risk

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

FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the year ended December 31, 2025.

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

During the Reporting Period, the Company repurchased a total of 3,373,000 Shares on the Stock Exchange at an aggregate amount of approximately HK\$43.53 million. As of the date of this announcement, 1,928,000 Shares repurchased during the Reporting Period have been cancelled by the Company.

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

<u>Month of repurchases</u>	<u>Number of Shares repurchased on the Stock Exchange</u>	<u>Price paid per Share</u>		<u>Aggregate purchase price</u> (HK\$ million)
		<u>Highest</u>	<u>Lowest</u>	
		(HK\$)	(HK\$)	
January 2025	1,928,000	14.14	12.44	25.58
December 2025	1,445,000	12.75	12.04	17.95

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury Shares) during the Reporting Period. As of December 31, 2025, the Company held 1,445,000 treasury Shares.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2025, the Group had 7,906 full-time employees, among whom 82 were employees at the headquarters level and 7,824 were employees of self-owned hospitals. The following table shows a breakdown of the employees by function:

Functions	Number of employees	
	December 31, 2025	December 31, 2024
Headquarters level		
Operations	49	49
Manufacturing	14	14
Management, administrative and others	19	19
Sub-total	82	82
Self-owned hospitals		
Physicians	2,338	2,400
Other medical professionals	4,455	4,567
Management, administrative and others	1,031	1,120
Sub-total	7,824	8,087
Total	7,906	8,169

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

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

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

For the year ended December 31, 2025, total staff remuneration expenses including Directors' remuneration amounted to RMB1,331.1 million (for the year ended December 31, 2024: RMB1,456.1 million). Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice. On top of salary payments, other employee benefits primarily include social insurance and housing provident funds contributions burdened by the Group, performance-based compensation and discretionary bonus.

SHARE OPTION SCHEME

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

Under the Share Option Scheme, the Company is authorized to issue up to 18,540,000 Shares (“**Share Options**” or “**Option(s)**”), which represents 3% of the total number of issued Shares of the Company as at October 15, 2021. No Options shall be granted to any eligible person (“**Relevant Eligible Person**”) if the number of Shares issued and to be issued upon the exercise of all Options granted and to be granted (including exercised, cancelled and outstanding options) to the Relevant Eligible Person in the 12-month period up to and including the offer date of the relevant Option would exceed 1% of the total number of Shares in issue at such time. The Share Option Scheme will be valid and effective for a period of 10 years commencing from October 15, 2021. The exercise period of the granted options will be ten (10) years from the date of grant. During the Reporting Period, no Share Options were exercised. As of the date of this announcement, 4,838,400 Share Options are available for issue under the Share Option Scheme upon exercise of all Share Options which had been granted and yet to be exercised under the Share Option Scheme, representing approximately 0.78% of the total number of issued Shares.

An offer shall be deemed to have been granted and the Option to which the offer relates shall be deemed to have been accepted when the Company receives the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number

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

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

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

Share Options granted under the Share Option Scheme shall be valid and effective for a period of 10 years from the date of grant and vest over a five-year period, with 20%, 20%, 20%, 20% and 20% of total Share Options vesting on March 31 of each year from 2023 to 2027. Details of the movements of the Options granted and outstanding during the Reporting Period, the exercise price, the vesting date and the impact of Options granted under the Share Option Scheme on the financial statements are set out in the announcement of the Company dated August 24, 2021 and the circular of the Company dated September 23, 2021 and under Note 15 to the consolidated financial statements.

The number of Share Options available for grant under the Share Option Scheme was 10,657,000 Shares and 10,657,000 Shares as of January 1, 2025 and December 31, 2025, respectively. During the Reporting Period, the number of Shares underlying the Share Options that granted under the Share Option Scheme divided by the weighted average number of total Shares in issue during the Reporting Period was nil.

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

Category and name of participants	Date of grant	Exercise price per Share	Closing price of Shares immediately before the date of grant	Closing price (weighted average) of Shares immediately before the date of exercise/vest	Fair value at the date of grant	Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested as at December 31, 2025	Exercised during the Reporting Period	Exercise Period	Cancelled during the Reporting Period (Note 4)	Lapsed/ forfeited during the Reporting Period (Note 4)	Outstanding
													as at December 31, 2025 (Note 6)
Directors or chief executive and their associate													
Mr. Zhu Yiyen	November 12, 2021	HK\$66.80	HK\$66.05	—	HK\$6,740,146	168,000	—	—	—	10 years	—	56,000	112,000 (Note 1)
Ms. Cheng Huanhuan	November 12, 2021	HK\$66.80	HK\$66.05	—	HK\$1,925,756	48,000	—	—	—	10 years	—	16,000	32,000 (Note 1)
Mr. Ren Ai	November 12, 2021	HK\$66.80	HK\$66.05	—	HK\$2,888,634	72,000	—	—	—	10 years	—	24,000	48,000 (Note 1)
Mr. Zhang Wenshan	November 12, 2021	HK\$66.80	HK\$66.05	—	HK\$1,444,317	36,000	—	—	—	10 years	—	12,000	24,000 (Note 1)
Ms. Jiang Hui	November 12, 2021	HK\$66.80	HK\$66.05	—	HK\$1,444,317	36,000	—	—	—	10 years	—	12,000	24,000 (Note 1)
Sub-total					360,000	—	—	—	—	—	—	120,000	240,000
Substantial Shareholders and their associates													
Participants with options in excess of 1% individual limit								N/A					
Related entity participants or service providers with options granted and to be granted during the year exceeding 0.1% individual limit								N/A					
Other employees participants (in aggregate)													
557 employees	November 12, 2021	HK\$66.80	HK\$66.05	—	HK\$153,656,830	3,652,200	—	—	—	10 years	—	1,662,200	2,212,400 (Note 2)
Sub-total					3,652,200	—	—	—	—	—	—	1,662,200	2,212,400
Other related entity participants													
Other service providers								N/A					
Total					4,012,200	—	—	—	—	—	—	1,782,200	2,452,400

Notes:

Note 1

As of December 31, 2025, the vesting dates of the Share Options granted to the Directors are as follows:

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

Note 2

As of December 31, 2025, the vesting dates of the Share Options granted to the employees are as follows:

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

Note 3

The vesting of the Share Options is conditional on the fulfillment of vesting conditions, including certain performance targets (including individual performance based on periodic performance assessment as well as annual performance of the Company), which are set out in the respective letter of offer of each grantee.

Note 4

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

Note 5

The fair value of Share Options at the date of grant has been prepared in accordance with all applicable IFRS and the disclosure requirements of Hong Kong Companies Ordinance Cap. 622. For details of the basis of calculation, please refer to Note 15 to the consolidated financial statements.

Note 6

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Company has complied with all the applicable code provisions of the CG Code throughout the year ended December 31, 2025 (except as disclosed below).

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Director's securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he or she has complied with the required standards as set out in the Model Code for the year ended December 31, 2025.

AUDIT COMMITTEE

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

The Audit Committee has, together with the management and auditor of the Company, reviewed the accounting standards and policies adopted by the Group and the consolidated financial statements for the year ended December 31, 2025, and has recommended for the Board's approval thereof.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income 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, Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by Deloitte Touche Tohmatsu on this announcement.

SUBSEQUENT EVENT

In February 2026, the Company repurchased a total of 937,400 Shares on the Stock Exchange with an aggregate purchase price of approximately HK\$12.8 million, and such Shares have been held as treasury Shares of the Company at the date of this announcement.

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

ANNUAL GENERAL MEETING

The AGM will be held on June 26, 2026. A notice convening the AGM will be published on the Company's website and the Stock Exchange's website in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from June 23, 2026 to June 26, 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM. During such period, no transfers of Shares of the Company will be registered. The record date for determining the eligibility to attend the forthcoming AGM to be held on June 26, 2026 will be June 26, 2026. In order to be eligible for attending the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on June 22, 2026.

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

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hygeia-group.com.cn), and the 2025 annual report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

The Board of Directors (the “**Board**”) of Hygeia Healthcare Holdings Co., Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2025 together with the comparative figures for the same period in 2024:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	Notes	Year ended December 31,	
		2025	2024
		RMB'000	RMB'000
Revenue	4	4,008,832	4,446,120
Cost of sales		(2,985,356)	(3,116,647)
Gross profit		1,023,476	1,329,473
Other income	5	69,965	48,862
Other gains (losses), net	6	52,867	(8,850)
Selling expenses		(46,999)	(53,413)
Administrative expenses		(422,563)	(437,314)
Impairment losses on financial assets		—	(57,614)
Impairment losses on goodwill		(283,321)	—
Operating profit		393,425	821,144
Finance income	7	3,255	1,514
Finance costs	7	(69,147)	(71,842)
Finance costs, net		(65,892)	(70,328)
Profit before income tax	9	327,533	750,816
Income tax expense	8	(166,007)	(152,484)
Profit and total comprehensive income for the year		161,526	598,332
Profit and total comprehensive income for the year attributable to			
Owners of the Company		164,526	598,261
Non-controlling interests		(3,000)	71
		161,526	598,332
Earnings per share			
Basic (RMB)	10	0.27	0.95
Diluted (RMB)	10	0.27	0.95

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	Notes	As at December 31,	
		2025	2024
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		5,213,130	5,079,050
Intangible assets		3,650,802	3,943,417
Prepayments for non-current assets	12	30,701	32,133
Deferred income tax assets		67,240	48,906
		<u>8,961,873</u>	<u>9,103,506</u>
Current assets			
Inventories		150,963	215,833
Trade, other receivables and prepayments	12	796,479	933,417
Amounts due from related parties		14,916	23,552
Financial assets at fair value through profit or loss (“FVPL”)		258,953	282,522
Restricted deposits	11	45,913	1,355
Term deposits with an original maturity over three months	11	6,600	—
Cash and cash equivalents	11	429,240	369,070
		<u>1,703,064</u>	<u>1,825,749</u>
Total assets		<u>10,664,937</u>	<u>10,929,255</u>
EQUITY AND LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		148,906	158,427
Borrowings	14	1,995,538	2,247,211
Lease liabilities		6,254	8,987
Deferred income		35,923	35,425
Other non-current liabilities		9,296	8,963
		<u>2,195,917</u>	<u>2,459,013</u>

		As at December 31,	
	<i>Notes</i>	<u>2025</u>	<u>2024</u>
		<i>RMB'000</i>	<i>RMB'000</i>
Current liabilities			
Trade and other payables	16	1,121,753	1,136,535
Financial liabilities at FVPL		6,775	—
Current income tax liabilities		61,924	69,376
Borrowings	14	440,676	531,999
Lease liabilities		3,215	3,246
Contract liabilities		50,121	54,682
		<u>1,684,464</u>	<u>1,795,838</u>
Total liabilities		<u>3,880,381</u>	<u>4,254,851</u>
Capital and reserves			
Share capital	13	42	42
Reserves		<u>6,768,147</u>	<u>6,652,602</u>
Equity attributable to owners of the Company		6,768,189	6,652,644
Non-controlling interests		<u>16,367</u>	<u>21,760</u>
Total equity		<u>6,784,556</u>	<u>6,674,404</u>
Total equity and liabilities		<u>10,664,937</u>	<u>10,929,255</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Hygeia Healthcare Holdings Co., Limited (the “**Company**”) was incorporated in the Cayman Islands on September 12, 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. Its ultimate controlling party is Mr. Zhu Yiwen, who is also the Chairman and Co-Chief Executive Officer of the Company. The address of the Company’s registered office, headquarters in People’s Republic of China (the “**PRC**”) and principal place of business in Hong Kong are Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands and Unit 1605/1606, Building 1, Fuyuan Zhidi Square, 38 Yuanshen Road, Pudong New Area, Shanghai, the PRC and 40/F, Dah Sing Financial Centre, No. 248 Queen’s Road East, Wanchai, Hong Kong, respectively.

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

The Company completed its Initial Public Offerings and listed its shares on Main Board of The Stock Exchange of Hong Kong Limited on June 29, 2020.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after January 1, 2026.

³ Effective for annual periods beginning on or after January 1, 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on these consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. 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 (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

4. SEGMENT INFORMATION AND REVENUE

(a) Description of segments and principal activities

The Group’s business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-makers (“**CODMs**”). The CODMs, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Co-chief Executive Officers and executive Directors of the Company that make strategic decisions. The CODMs have decided to change the reporting structure from current year to provide more focused and relevant information to reflect the Group’s growth drivers. After the change, the CODMs review the operating performance and allocate the resources of the Group as a whole, and therefore no longer assess the operating performance of business activities previously listed separately in the other business operating segment. Therefore, the CODMs consider the Group only has one operating segment this year. This change only affects the presentation of segment reporting and does not affect the financial statement data and presentation.

The CODMs review the overall results and financial position of the Group as a whole and no further analysis of the single segment is presented. Prior period’s segment disclosures have been restated to conform with the current period’s presentation.

(b) Revenue by nature

	Year ended December 31,	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Outpatient services	1,480,284	1,632,993
Inpatient services	2,415,545	2,689,576
Others	113,003	123,551
Total revenue	4,008,832	4,446,120
Revenue from contracts with customers	3,991,841	4,421,645

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

	Year ended December 31,	
	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Over time		
— Inpatient services	213,133	208,737
— Others	57,655	65,399
	<u>270,788</u>	<u>274,136</u>
At a point in time		
— Inpatient services	2,202,412	2,480,839
— Outpatient services	1,480,284	1,632,993
— Others	38,357	33,677
	<u>3,721,053</u>	<u>4,147,509</u>
Revenue from contracts with customers	<u>3,991,841</u>	<u>4,421,645</u>

(c) Transaction price allocated to the remaining performance obligation for contracts with customers

All services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(d) Geographical information

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

(e) Information about major customers

All the revenues derived from single external customers were less than 10% of the Group's total revenues for the years ended December 31, 2025 and 2024.

(f) Performance obligations for contracts with customers and revenue recognition policies

(i) Outpatient services

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

(ii) Inpatient services

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

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

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

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

(iii) *Others*

Others consists of a series of different services and products offering to customers, mainly including radiotherapy center service.

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

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

5. **OTHER INCOME**

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants related to income (<i>Note</i>)	53,215	34,611
Government grants related to assets	783	783
Others	15,967	13,468
	<u>69,965</u>	<u>48,862</u>

Note: The amount mainly represented various subsidies granted by the PRC local government authorities to group entities as incentives for the Group's operating activities. The government grants were unconditional and had been approved by the PRC local government authorities, which were recognised when payments were received.

6. OTHER GAINS (LOSSES), NET

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Fair value gains on financial assets/liabilities at FVPL, net	75,554	10,518
Losses on disposal of property, plant and equipment	(1,299)	(6,514)
Net foreign exchange losses	(6,097)	(1,401)
Others	(15,291)	(11,453)
	<u>52,867</u>	<u>(8,850)</u>

7. FINANCE COSTS, NET

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Interest income of bank savings	<u>3,255</u>	1,514
Finance costs		
Interest on borrowings	(87,348)	(97,797)
Interest expenses on lease liabilities	(637)	(653)
	(87,985)	(98,450)
Amount capitalised	<u>18,838</u>	26,608
Finance costs expensed	<u>(69,147)</u>	<u>(71,842)</u>
Finance costs, net	<u>(65,892)</u>	<u>(70,328)</u>

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 3.26% (2024: 3.52%) per annum to expenditure on qualifying assets.

8. INCOME TAX EXPENSE

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Current income tax		
— PRC corporate income tax	193,862	167,484
Deferred income tax	(27,855)	(15,000)
	<u>166,007</u>	<u>152,484</u>

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

Cayman Islands

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

British Virgin Islands

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

Hong Kong

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

PRC corporate income tax ("CIT")

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

The Company's subsidiaries, Chongqing Hygeia Hospital Co., Ltd. ("**Chongqing Hygeia Hospital**"), Hezhou Guangji Hospital, Kaiyuan Jiehua Hospital Co., Ltd, Qihai (Chongqing) Pharmaceutical Co., Ltd, Chang'an Hospital Co., Ltd. ("**Chang'an Hospital**") and Hygeia (Xi'an) Medical Management Co., Ltd. were established in the western region of the PRC. Pursuant to the relevant laws and regulations, entities located in the western region of the PRC and engaged in the business encouraged by the PRC government are entitled to the concession rate of 15% if the operating revenue of the encouraged business in a year accounted for more than 60% of the total income in that year. The construction and service of general medical facilities business of the above entities comply with the policies and such entities are subject to a tax concession rate of 15% for the years ended December 31, 2025 and 2024.

The Company’s subsidiary, Shanghai Gamma Star Technology Development Co., Ltd. (“**Gamma Star Tech**”), was approved as “High and New Technology Enterprise” on November 12, 2020 (valid for 3 years, renewed on November 15, 2023). Under the relevant tax rules and regulations of the PRC, and accordingly, Gamma Star Tech is subjected to a reduced preferential CIT rate of 15% for the years ended December 31, 2025 and 2024. Based on management’s self-assessment and their track record of success in obtaining such types of qualifications, Gamma Star Tech will qualify as a “High and New Technology Enterprise” after the expiration date and thus will continue subject to a 15% preferential tax rate.

Suzhou Hygeia Pharmacy Co., Limited, Subang Medical Technology, Haiyu (Chongqing) Supply Chain Management Co., Ltd, Chongqing Hygeia Health Management Co., Ltd, Chongqing Hygeia Senior Care Service Co., Ltd, Hygeia Chongqing Health Clinic Co., Ltd, Chongqing Hai Fu Pharmacy Co., Ltd, Hygeia Shanxian Yinling Elderly Care Service Co., Ltd. and Haijikang Shanxian Comprehensive Clinic Co., Ltd. have been recognised as small and micro enterprises. According to the relevant provisions of announcement by the State Administration of Taxation, a preferential enterprise income tax rate of 20% was applied to small and micro enterprise and a 75% discount on taxable income were further applicable for the portion of annual taxable income not exceeding RMB3,000,000 for the years ended December 31, 2025 and 2024. Other subsidiaries in the PRC are subject to tax rate of 25% for the years ended December 31, 2025 and 2024.

Withholding tax on undistributed profits

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of certain subsidiaries in the PRC for which deferred tax liabilities have not been recognised was approximately RMB2,235,586,000 (2024: RMB2,494,271,000). Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their overseas holding companies in the foreseeable future based on management’s best estimates of the Group’s overseas funding requirements.

9. PROFIT FOR THE YEAR

Profit for the year from continuing operations has been arrived at after charging:

	Year ended December 31,	
	2025	2024
	RMB’000	RMB’000
Depreciation of property, plant and equipment	288,650	279,390
Amortisation of intangible assets (included in cost of sales, selling expenses and administrative expenses)	20,790	19,941
Total depreciation and amortisation	309,440	299,331
Capitalised in construction in progress	(5,552)	(4,206)
	303,888	295,125

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories recognised as an expense (including write-down of inventories amounting to Nil (2024:Nil)) (<i>note</i>)	1,366,430	1,401,414
Employee benefits expenses (including directors' and chief executives' emoluments)	1,331,131	1,456,058
Research and development expenses (included in administrative expenses)	10,046	13,237
Auditor's remuneration	2,600	2,980

Note: No write-down of inventories was reversed during the year ended December 31, 2025 (2024: nil).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Year ended December 31,	
	2025	2024
Earnings for the purpose of basic and diluted earnings per share (<i>RMB'000</i>)	164,526	598,261
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (<i>'000</i>)	618,174	628,987

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. In November 2021, the Company granted share options to employees (Note 15). For the year ended December 31, 2025 and 2024, the outstanding share options issued under the Company's share option scheme are potential dilutive ordinary shares.

During the year ended December 31, 2025 and 2024, the potential dilutive ordinary shares were not included in the calculation of diluted earnings per share as the average market price of the ordinary shares for the year ended December 31, 2025 and 2024 were lower than the exercise price of the share option scheme (the "**Share Option Scheme**"). Accordingly, diluted earnings per share are the same as basic earnings per share for the year ended December 31, 2025 and 2024. The share option could potentially dilute basic earnings per share in the future.

11. CASH AND CASH EQUIVALENTS/RESTRICTED DEPOSITS/TERM DEPOSITS WITH AN ORIGINAL MATURITY OVER THREE MONTHS

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short-term cash commitments, which carry interest at market rates range from 0.05% to 0.55% (2024: 0.10% to 1.35%).

As at December 31, 2025, restricted deposits represent deposits which are mainly restricted for the purchase of derivative financial instruments and carry interests at market rates ranging from 0.05% to 1.14% (December 31, 2024: 0.10%) per annum. The deposits are expected to be released within twelve months from the end of the Reporting Period and are classified as current assets.

As at December 31, 2025, term deposits with an original maturity over three months carry interests at market rate of 1.30% (December 31, 2024: N/A) per annum.

12. TRADE, OTHER RECEIVABLES AND PREPAYMENTS

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Included in current assets		
Trade receivables	701,187	837,547
Less: allowance for credit losses	(14,558)	(14,558)
	686,629	822,989
Prepayments to suppliers	60,192	61,130
Other receivables	49,658	49,298
	796,479	933,417
Included in non-current assets		
Prepayments for property, plant and equipment	30,701	32,133
	827,180	965,550

As at January 1, 2024, trade receivables from contracts with customers amounted to RMB863,969,000.

The following is an aging analysis of trade receivables presented based on transaction date:

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	467,567	553,717
91 to 180 days	120,869	94,612
181 to 365 days	51,450	108,967
1 to 2 years	47,942	70,795
2 to 3 years	11,398	8,517
Over 3 years	1,961	939
	<u>701,187</u>	<u>837,547</u>

13. SHARE CAPITAL

	Number of shares	Total
		<i>US\$</i>
Ordinary shares of United States dollar (“US\$”) 0.00001 each		
Authorised		
As at January 1, 2024, December 31, 2024 and December 31, 2025	<u>5,000,000,000</u>	<u>50,000</u>
	Number of shares	Share capital
		<i>RMB'000</i>
Issued and fully paid		
As at January 1, 2024	631,524,200	43
Cancellation of shares	<u>(9,753,000)</u>	<u>(1)</u>
As at December 31, 2024 and January 1, 2025	621,771,200	42
Cancellation of shares	<u>(3,272,200)</u>	<u>—*</u>
As at December 31, 2025	<u>618,499,000</u>	<u>42</u>

* Less than RMB1,000.

During the year, the Company repurchased its own ordinary shares through the Stock Exchange as follows:

<u>Month of repurchase</u>	<u>No. of ordinary shares</u>	<u>Price per share</u>		<u>Aggregate consideration paid</u>
		<u>Highest</u>	<u>Lowest</u>	
		<i>HK\$</i>	<i>HK\$</i>	<i>HK\$'000</i>
January	1,928,000	14.14	12.44	25,578
December	1,445,000	12.75	12.04	17,946

During the year ended December 31, 2025, the Company repurchased 3,373,000 (2024: 11,097,200) of its own ordinary shares through the Stock Exchange with an aggregate consideration of HK\$43,595,000 (equivalent to RMB39,938,000) (2024: HK\$183,761,000 (equivalent to RMB168,077,000)) paid, including the transaction costs, and 3,272,200 repurchased ordinary shares were cancelled by the Company during the year ended December 31, 2025 (2024: 9,753,000).

Among these shares repurchased during the year ended December 31, 2025, 1,928,000 (year ended December 31, 2024: 9,753,000) shares were cancelled upon repurchase and 1,445,000 (year ended December 31, 2024: 1,344,200) shares were not cancelled and remained as treasury shares at the end of the Reporting Period.

14. BORROWINGS

	<u>As at December 31,</u>	
	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
At amortised cost:		
Secured	1,951,544	2,123,657
Unsecured	484,670	655,553
	<u>2,436,214</u>	<u>2,779,210</u>

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at December 31,	
	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
The carrying amounts of the borrowings are repayable:		
Within one year	440,676	531,999
Within a period of more than one year but not exceeding two years	738,592	466,878
Within a period of more than two years but not exceeding five years	1,084,203	1,542,106
Within a period of more than five years	172,743	238,227
	2,436,214	2,779,210
Less: amounts due within one year shown under current liabilities	440,676	531,999
Amounts shown under non-current liabilities	<u>1,995,538</u>	<u>2,247,211</u>

The exposure of the Group's borrowings are as follows:

	As at December 31,	
	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Fixed-rate borrowings	129,000	461,385
Variable-rate borrowings	2,307,214	2,317,825
	<u>2,436,214</u>	<u>2,779,210</u>

The Group's variable-rate borrowings carry interest at Loan Prime Rate plus spread ranged from -0.55% to 0.44%. According to the contracts, interest rates are reset every one, three, six or twelve months.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	As at December 31,	
	2025	2024
Effective interest rate:		
Fixed-rate borrowings	1.25% to 2.44%	2.25% to 3.25%
Variable-rate borrowings	2.45% to 3.80%	2.50% to 3.80%

All secured borrowings are guaranteed and pledged as shown below:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Pledged by property, plant and equipment	975,549	909,029
Secured by certain subsidiaries' equities of the Group	975,995	1,214,628
	<u>1,951,544</u>	<u>2,123,657</u>

The Group's bank borrowings as at December 31, 2025 of RMB975,549,000 (2024: RMB909,029,000) were secured by certain buildings, right-of-use for lands and construction in progress of the Group with total carrying values of RMB1,340,711,000 (2024: RMB988,282,000).

The Group's bank borrowings as at December 31, 2025 of RMB975,995,000 (2024: RMB1,214,628,000) were secured by 100% equity of Suzhou Yongding Medical Management Service Co., Ltd., 100% equity of Etern Healthcare (HK) Limited, 100% equity of Etern Group Ltd., 98% equity of Suzhou Yongding Hospital Co., Ltd., 70% equity of Chang'an Hospital and 70% equity of Yixing Hygeia Hospital.

In respect of bank borrowings with carrying amount of RMB367,415,000 as at December 31, 2025 (2024: RMB446,147,000), the Group is required to comply with the certain financial covenants at the end of each annual reporting year. The Group has complied with the financial covenants of its borrowings during the years ended December 31, 2025 and 2024.

15. SHARE-BASED COMPENSATION

In order to provide incentives and/or rewards to directors or employees of the Group who, in the sole discretion of the Board, have contributed or will contribute to the Group (the "Eligible Persons") for their contributions to, and continuing efforts to promote the interests of, the Group and to enable the Group to recruit and retain talents, the shareholders of the Company adopted the Share Option Scheme on October 15, 2021. Pursuant to the Share Option Scheme, on November 12, 2021 (the "Grant Date"), the Company granted 7,859,000 share options to 564 Eligible Persons, who are employees of the Company's subsidiaries, to subscribe for up to an aggregate of 7,859,000 ordinary shares of the Company with a nominal value of US\$0.00001 each in the share capital of the Company.

Share options granted under the Share Option Scheme shall be valid and effective for a period of 10 years from the Grant Date and vest over a five-year period, with 20% of total Share Options vesting on March 31 each year from 2023 to 2027. Performance targets are set out for each batch of granted share options. Details of the Share Option Scheme were disclosed in the Company announcement dated November 12, 2021.

Set out below are summaries of options movements under the plan:

	<u>Number of share options</u>	<u>Average exercise price per share option</u>
Outstanding as at January 1, 2024	7,151,200	HK\$66.80
Forfeited during the year	(400,200)	HK\$66.80
Outstanding as at December 31, 2024 and January 1, 2025	6,751,000	HK\$66.80
Forfeited during the year	(3,018,400)	HK\$66.80
Outstanding as at December 31, 2025	3,732,600	HK\$66.80

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

The above transaction was considered as equity-settled share-based payment to employees in exchange for their services. The fair value of the Share Options granted to the Eligible Persons on the Grant Date, as determined by a professional valuation firm, was HK\$168,100,000. The significant inputs into the binomial valuation model were listed as below:

	<u>As at Grant Date</u>
Closing price of ordinary share	HK\$66.80
Exercise price	HK\$66.80
Expected exercise multiple	1.70–2.50
Expected volatility	30.23%
Risk-free interest rate	1.53%
Expected dividend yield	0.80%
Contractual life	10 years

The Group net reversed a total of RMB9,043,000 share-based compensation expenses in the consolidated statement of profit or loss and other comprehensive income for the aforesaid share options (2024: RMB10,736,000).

16. TRADE AND OTHER PAYABLES

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	583,208	549,008
Salaries payable	307,722	285,063
Payables for construction projects	113,716	172,086
Payables of considerations for acquiring equity interest of subsidiaries	15,071	15,071
Other taxes payable	27,012	28,403
Deposits payable	5,073	5,129
Others	69,951	81,775
	<u>1,121,753</u>	<u>1,136,535</u>

The credit period granted by suppliers generally ranges from 30 to 90 days. The following is an aging analysis of trade payable, presented based on the transaction date:

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	367,428	403,856
91 to 180 days	119,685	79,824
181 to 365 days	49,274	21,544
Over 1 year	46,821	43,784
	<u>583,208</u>	<u>549,008</u>

17. CAPITAL COMMITMENTS

The Group's capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	250,475	460,936
Intangible assets	2,369	2,185
	<u>252,844</u>	<u>463,121</u>

18. DIVIDENDS

No dividends were paid or proposed for ordinary shareholders of the Company during the year ended December 31, 2025 (2024: nil).

19. SUBSEQUENT EVENTS

In February 2026, the Company repurchased a total of 937,400 ordinary shares on the Hong Kong Stock Exchange with an aggregate amount of HK\$12,791,000, including the transaction costs. As of March 30, 2026, the repurchased Shares have not been cancelled by the Company.

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

DEFINITIONS AND GLOSSARY

“AGM”	annual general meeting of the Company to be held on June 26, 2026
“associates”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board
“Chang’an Hospital”	Chang’an Hospital Co., Ltd.* (長安醫院有限公司), a limited liability company incorporated under the laws of the PRC on December 31, 2002
“Changshu Hygeia Hospital”	Changshu Hygeia Hospital Co., Ltd.* (常熟海吉亞醫院有限公司), a limited liability company established in the PRC on June 29, 2021 and a subsidiary of the Company
“China” or “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to “China” and the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
“Chongqing Hygeia Hospital”	Chongqing Hygeia Hospital Co., Ltd.* (重慶海吉亞醫院有限公司) (formerly known as Chongqing Hygeia Cancer Hospital Co., Ltd.* (重慶海吉亞腫瘤醫院有限公司) and Chongqing Hygeia Hospital Management Co., Ltd.* (重慶海吉亞醫院管理有限公司)), a limited liability company established in the PRC on November 9, 2015 and a subsidiary of the Company

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

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

“radiotherapy center services”	the services the Group provide to certain hospital partners in connection with their radiotherapy centers, which primarily comprise (i) provision of radiotherapy center consulting services; (ii) licensing of proprietary SRT equipment for use in the radiotherapy centers; and (iii) provision of maintenance and technical support services in relation to proprietary SRT equipment
“Reporting Period”	from January 1, 2025 to December 31, 2025
“RMB”	the lawful currency of the PRC
“Shanxian Hygeia Hospital”	Shanxian Hygeia Hospital Co., Ltd.* (單縣海吉亞醫院有限公司) (formerly known as Shanxian Hygeia Hospital Investment Co., Ltd. (單縣海吉亞醫院投資有限公司)), a limited liability company established in the PRC on November 20, 2012 and a subsidiary of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Shares
“SRT”	stereotactic radiotherapy, namely, a type of external beam radiotherapy that uses special equipment to stereoscopically position the lesion and precisely deliver high doses of radiation to the tumor through short course of treatment
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under section 15 of the Companies Ordinance
“Suzhou Canglang Hospital”	Suzhou Canglang Hospital Co., Ltd.* (蘇州滄浪醫院有限公司), a limited liability company established in the PRC on March 23, 2015 and a subsidiary of the Company
“Suzhou Yongding Hospital”	Suzhou Yongding Hospital Co., Ltd.* (蘇州永鼎醫院有限公司), a for-profit Class II general hospital in Suzhou and a subsidiary of the Company

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

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

Hong Kong, March 30, 2026

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

* *For identification purpose only*