

RICI HEALTHCARE
HOLDINGS LIMITED
瑞慈醫療服務控股
有限公司



2025

ANNUAL REPORT
年報



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Definitions

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings.

“2026 AGM”	the AGM to be held on June 17, 2026
“AGM”	annual general meeting of the Company
“Articles of Association” or “Articles”	the memorandum and articles of association of our Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Beijing Rich”	Beijing Rich Ruitai Clinic Co., Ltd. (北京瑞慈瑞泰綜合門診部有限公司), a company incorporated in the PRC with limited liability on May 20, 2015 and an indirectly wholly-owned subsidiary of the Company
“Board of Directors” or “Board”	our board of Directors
“BVI”	British Virgin Islands
“CG Code”	the “Corporate Governance Code” as contained in Appendix C1 to the Listing Rules
“Chelsea Grace”	Chelsea Grace Holdings Limited (翠慈控股有限公司), a company incorporated in the BVI with limited liability on July 11, 2014, which is entirely owned by Dr. Mei
“Chengdu Rich”	Chengdu Jinjiang Rich Clinic Co., Ltd. (成都錦江瑞慈門診部有限公司), a company incorporated in the PRC with limited liability on November 6, 2013, which is an indirectly wholly-owned subsidiary of our Company
“China” or “PRC”	the People’s Republic of China, which for the purpose of this annual report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“Company”, “our Company”, “Rici”, “Group”, “our Group”, “we” or “us”	Rici Healthcare Holdings Limited (瑞慈醫療服務控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability on July 11, 2014 and except where the context indicated otherwise, (i) our subsidiaries and (ii) with respect to the period before our Company became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
“Company Secretary”	the secretary of the Company
“Controlling Shareholder(s)”	Dr. Mei and Chelsea Grace or any one of them



Definitions

“Director(s)”	the director(s) of our Company or any one of them
“Dr. Fang”	Dr. Fang Yixin, our chairman, chief executive officer, executive Director and the spouse of Dr. Mei and the father of Mr. Fang Haoze
“Dr. Mei”	Dr. Mei Hong, our executive Director, a Controlling Shareholder and the spouse of Dr. Fang and the mother of Mr. Fang Haoze
“Grade A, Grade B and Grade C”	hospitals in China can be categorized into Class I, II and III in terms of service quality, management level, medical equipment, hospital size and medical technology. Each class can be further divided into Grade A, Grade B and Grade C. Class III Grade A hospitals are the top level hospitals in China
“Hangzhou Rich”	Hangzhou Rich Medical Clinic Co., Ltd. (杭州瑞慈醫療門診部有限公司), a company incorporated in the PRC with limited liability on December 1, 2016 and an indirectly wholly-owned subsidiary of the Company
“Hefei Rich”	Hefei Shushan Rich Medical Examination Clinic Co., Ltd. (合肥蜀山瑞慈健康體檢門診部有限公司), a company incorporated in the PRC with limited liability on June 29, 2015, which is an indirectly wholly-owned subsidiary of the Company
“HK\$” or “Hong Kong dollars”	Hong Kong dollars and cents, each being the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IPO”	the initial public offering of the Company, having become unconditional in all aspects on October 6, 2016
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	October 6, 2016, on which the Shares were listed and from which dealings therein were permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix C3 to the Listing Rules
“Nanjing Rich”	Nanjing Rich Clinic Co., Ltd. (南京瑞慈門診部有限責任公司), a company incorporated in the PRC with limited liability on December 1, 2008, which is an indirectly wholly-owned subsidiary of our Company

Definitions

“Nantong Rich Meidi Elderly Care Centre”	Nantong Rich Meidi Elderly Care Centre Co., Ltd. (南通瑞慈美邸護理院有限公司), a company incorporated in the PRC with limited liability on August 19, 2014, which is a non-wholly-owned subsidiary of our Group
“Nantong Rich Hospital”	Nantong Rich Hospital Co., Ltd. (南通瑞慈醫院有限公司), a company incorporated in the PRC with limited liability on August 14, 2000, which is an indirectly wholly-owned subsidiary of our Company
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus of the Company dated September 26, 2016
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on September 19, 2016
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Rich”	Shanghai Rich Clinic Co., Ltd. (上海瑞慈門診部有限公司), a company incorporated in the PRC with limited liability on February 14, 2007, which is an indirectly wholly-owned subsidiary of our Company
“Share(s)”	ordinary share(s) of US\$0.0001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on September 19, 2016



Definitions

“Shenzhen Rich Medical Exam”	Shenzhen Rich Medical Examination Management Co., Ltd. (深圳瑞慈健康體檢管理有限公司), a company incorporated in the PRC with limited liability on September 17, 2010, which is an indirectly wholly-owned subsidiary of our Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuhan Rich”	Wuhan Rich Clinic Co., Ltd. (武漢瑞慈門診部有限公司), a company incorporated in the PRC with limited liability on January 29, 2015, which is an indirectly wholly-owned subsidiary of our Company
“%”	per cent

Corporate Profile

BOARD OF DIRECTORS

Executive Directors

Dr. Fang Yixin (*Chairman and Chief Executive Officer*)

Dr. Mei Hong

Mr. Fang Haoze

Ms. Lin Xiaoying

Independent Non-executive Directors

Ms. Wong Sze Wing

Mr. Jiang Peixing

Mr. Tian Wenguo (*appointed on December 29, 2025*)

Dr. Wang Yong (*resigned on December 29, 2025*)

COMPANY SECRETARY

Mr. Chen Kun (*Solicitor of HKSAR*)

(*resigned on March 26, 2026*)

Ms. Lee Hang Siu (*appointed on March 26, 2026*)

AUTHORISED REPRESENTATIVES

Dr. Fang Yixin

Mr. Chen Kun (*resigned on March 26, 2026*)

Ms. Lee Hang Siu (*appointed on March 26, 2026*)

AUDIT COMMITTEE

Ms. Wong Sze Wing (*Chairlady*)

Mr. Jiang Peixing

Mr. Tian Wenguo (*since December 29, 2025*)

Dr. Wang Yong

(*ceased to be a member on December 29, 2025*)

REMUNERATION COMMITTEE

Mr. Jiang Peixing (*Chairman*)

Ms. Wong Sze Wing

Dr. Mei Hong

NOMINATION COMMITTEE

Dr. Fang Yixin (*Chairman*)

Ms. Wong Sze Wing

Mr. Jiang Peixing

AUDITOR

BDO Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

25th Floor, Wing On Centre

111 Connaught Road Central, Hong Kong

REGISTERED OFFICE

4th Floor, Harbour Place

103 South Church Street

P.O. Box 10240

Grand Cayman KY1-1002

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

17/F

Qiantan International Plaza

No. 90 Qirong Road

Pudong New District

Shanghai

PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 504, 5/F,

Cheong Tai Commercial Building,

60–66 Wing Lok Street,

Sheung Wan,

Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
4–4A Des Voeux Road Central
Hong Kong

Shanghai Pudong Development Bank
Zhangjiang Innovation Sub-branch,
Building D, No. 56, Boyun Road
Pudong New District
Shanghai
PRC

China Merchants Bank
Jinshajiang Road Branch
1759 Jinshajiang Road
Putuo District
Shanghai
PRC

Bank of Communications
Shanghai Zhang Jiang Sub-branch
560 Songtao Road
Pudong New District
Shanghai
PRC

Bank of Shanghai
Zhangjiang Sub-branch
No.665 Zhang Jiang Road
Pudong New District
Shanghai
PRC

HONG KONG LEGAL ADVISER

Jun He Law Offices
7/F, AIA Central,
1 Connaught Road Central,
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Center
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE AND BOARD LOT

Stock Code: 1526
Board Lot: 1,000

WEBSITE

www.rich-healthcare.com

Milestones

Year	Events
2000	<ul style="list-style-type: none"> We established our first operating entity, Nantong Rich Hospital
2002	<ul style="list-style-type: none"> Nantong Rich Hospital came into operation
2007	<ul style="list-style-type: none"> Our first medical examination center, Shanghai Rich, was established
2008	<ul style="list-style-type: none"> We expanded our medical examination business into Jiangsu Province by establishing Nanjing Rich
2010	<ul style="list-style-type: none"> We expanded into Guangdong Province by establishing Shenzhen Rich Medical Exam
2013	<ul style="list-style-type: none"> We expanded our medical examination business into Sichuan Province by establishing Chengdu Rich
2015	<ul style="list-style-type: none"> We expanded our medical examination business into Hubei Province, Anhui Province and Beijing by establishing Wuhan Rich, Hefei Rich and Beijing Rich, respectively
2016	<ul style="list-style-type: none"> Our Shares are listed on the Main Board of the Stock Exchange on October 6, 2016 with stock code: 1526
2017	<ul style="list-style-type: none"> We expanded our medical examination business into Zhejiang Province by establishing Hangzhou Rich
2018	<ul style="list-style-type: none"> We expanded our medical examination business into Fujian Province and Shandong Province by establishing Jinjiang Rich Ruiquan Clinic Service Co., Ltd. and Jinan Rich Ruiji Health Management Co., Ltd., respectively We expanded our general hospital business through the expansion project of Nantong Rich Hospital Phase II, which is still in progress Nantong Rich Hemodialysis Centre commenced operation
2019	<ul style="list-style-type: none"> With cooperation with a team of experts, Nantong Rich Hospital established “Rich Shanghai Cancer Center (瑞慈上海腫瘤中心)”, introducing advanced medical technologies “XMEDIC Medical Examination”, a high-end health examination brand officially landed, and the first XMEDIC Medical Examination Center commenced operation in Nanjing
2020	<ul style="list-style-type: none"> Nantong Rich Hospital was officially branded as Nantong Rich Oncology Hospital (南通瑞慈腫瘤醫院) The second XMEDIC Medical Examination Center commenced operation in Shanghai
2021	<ul style="list-style-type: none"> We recorded profit of RMB126.1 million for the year ended December 31, 2021
2022	<ul style="list-style-type: none"> XMEDIC Medical Examination Center of Nantong Rich Hospital Phase II was officially put into trial operation
2023	<ul style="list-style-type: none"> Nantong Rich Hospital’s new integrated ward building was officially opened, launching comprehensive collaboration with the hospitals affiliated with Fudan University Shanghai Qiantan XMEDIC Medical Examination Center was officially opened along with an unveiling ceremony jointly held with the Shanghai Sixth People’s Hospital affiliated with Shanghai Jiaotong University
2024	<ul style="list-style-type: none"> Rici Medark Intelligent Medical Examination Platform was officially launched
2025	<ul style="list-style-type: none"> Nantong Rich Hospital was officially inaugurated as “Shanghai East Hospital Nantong Rich Hospital” (上海市東方醫院南通瑞慈醫院)



Financial Highlights

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

Financial Summary

	For the Year Ended December 31,				
	2021 RMB'000 (Note 2)	2022 RMB'000 (Note 2)	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	2,377,207	2,375,027	2,992,689	2,924,457	2,795,553
Gross profit	975,217	927,202	1,249,509	1,167,759	1,207,360
Profit before income tax	392,075	327,190	545,632	483,921	567,339
Income tax expense	(98,373)	(84,041)	(143,657)	(129,266)	(184,311)
Profit for the year from continuing operations	293,702	243,149	401,975	354,655	383,028
Profit for the year from discontinued operations	(167,597)	24,038	—	—	—
Profit for the year	126,105	267,187	401,975	354,655	383,028
Profit attributable to:					
Owners of the Company	181,553	290,793	363,803	297,321	307,128
Non-controlling interests	(55,448)	(23,606)	38,172	57,334	75,900
	126,105	267,187	401,975	354,655	383,028
Adjusted EBITDA (Note 1)	843,223	819,132	1,072,428	1,054,070	1,094,494

	As at December 31,				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Total assets	4,536,199	4,566,858	4,637,755	4,858,501	4,878,380
Total liabilities	3,948,773	3,662,032	3,523,710	3,483,358	3,158,571
Equity attributable to the owners of the Company	677,500	953,918	1,126,945	1,345,843	1,646,071

Note:

- (1) To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also use adjusted EBITDA as an additional financial measure to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business.
- (2) The Group disposed the specialty hospital business during the year ended December 31, 2022. The specialty hospital business has been presented as discontinued operations in the consolidated statement of profit or loss for the years ended December 31, 2021 and 2022.



Chairman's Statement

To the Shareholders,

On behalf of the Board, I would like to present this annual report of the Group for the year ended December 31, 2025.

The year 2025 marks the conclusion of China's 14th Five-Year Plan and represents the midpoint of the implementation of the "Healthy China" strategy. In the face of a complex economic environment and industry landscape, the Group remains committed to high-quality development, deeply cultivating the medical and health sector and growing alongside the Chinese healthcare services industry. The healthcare service sector in China, particularly private healthcare, has achieved leapfrog development compared to the 13th Five-Year Plan period, making breakthrough progress in dimensions such as service supply, business model innovation, and quality control. However, fluctuations in the macroeconomic cycle and adjustments in industry regulatory policies have also brought new opportunities and challenges to the healthcare service industry, especially in the field of medical institution operations.

Confronted with new conditions in the hospital industry, Nantong Rich Hospital achieved remarkable results in 2025 in various areas such as scientific research, discipline development, external cooperation, and operational efficiency. The hospital applied for and initiated 113 provincial-level and municipal-level research projects. It entered into comprehensive cooperation with Shanghai East Hospital (上海市東方醫院) and was inaugurated as "Shanghai East Hospital Nantong Rich Hospital" (上海市東方醫院南通瑞慈醫院). Shanghai East Hospital took over comprehensive management of Nantong Rich Hospital with its experts now regularly working at Nantong Rich Hospital, while Nantong Rich Hospital's medical staff receive training at Shanghai East Hospital. This partnership has paved the way for Nantong Rich Hospital's transformation and upgrading in this new landscape. Nantong Rich Hospital was recognized as an "Advanced Research Base for High-Quality Development of Social Medical Institutions in East China" for its outstanding practice of the "Full-Lifecycle Health Management System", setting a model for high-quality development in private healthcare.

In 2025, the state introduced encouraging policies for the medical examination industry. The Recommendations of the Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》) once again emphasised accelerating the building of a Healthy China and called for the necessity to "strengthen comprehensive prevention and control of chronic diseases and develop end-to-end services covering prevention, treatment, rehabilitation, and health management". These national policies have pointed the way forward for the development of the health examination industry, offering significant opportunities. The Group's medical examination business continues to align closely with national policy, with an emphasis on standardization and chain operations. It remains committed to the strategy of dual-brand operations with its mid-to-high-end brand "RICI HEALTH CHECKUP" and its high-end brand "XMEDIC" complementing each other. It focuses on developing key markets such as the Yangtze River Delta, the Greater Bay Area, and Beijing. By the end of 2025, the Group's medical examination business covered 28 cities, with a total of 86 medical examination centers (79 of which were in operation). During the Reporting Period, the Group's medical examination business saw continuous improvements in medical quality, service quality, and operational management, earning widespread recognition from customers. In the future, our Group's medical examination business will further consolidate its existing core competitive advantages, adhering to a development path of "prioritizing organic growth supplemented by external expansion", empowering high-quality development with its brand value, and fully utilizing artificial intelligence technology to enhance the quality and efficiency of standardized services. Concurrently, it will actively explore the transformation and upgrading of its service model from health check-ups to full-cycle health management, building an integrated closed-loop health service of "prevention-screening-intervention-management".

Chairman's Statement

Finally, on behalf of the Board, I would like to express my heartfelt thanks to all shareholders, investors and partners of the Group for their sincere company in the past year, and at the same time, I would like to express my sincere respect for the hard work of the Group's management team and all employees. In response to changes and challenges in the external environment, the Group will steadfastly pursue its strategic objectives while upholding the essence of healthcare and the original aspiration of the industry. We will actively explore the deep integration of cutting-edge artificial intelligence technology with medical services to deliver standardized, high-quality healthcare services that meet the public's growing and continuously upgrading health needs, thereby contributing to the grand blueprint for building a Healthy China.

Chairman

Fang Yixin

March 26, 2026



Profiles of Directors and Senior Management

Below are the brief profiles of the current Directors and senior management of the Group.

DIRECTORS

The Board currently consists of seven Directors, comprised of four executive Directors and three independent non-executive Directors. The following table sets forth information regarding the Directors.

Name	Age	Position	Date of Appointment as Director
Executive Directors			
Dr. Fang Yixin (方宜新)	61	Chairman, Executive Director and Chief Executive Officer	February 3, 2016
Dr. Mei Hong (梅紅)	61	Executive Director	July 11, 2014
Mr. Fang Haoze (方浩澤)	37	Executive Director	June 24, 2019
Ms. Lin Xiaoying (林曉穎)	48	Executive Director	June 24, 2019
Independent non-executive Directors			
Ms. Wong Sze Wing (黃斯穎)	47	Independent non-Executive Director	June 23, 2016
Mr. Jiang Peixing (姜培興)	58	Independent non-Executive Director	June 6, 2017
Mr. Tian Wenguo (田文果)	57	Independent non-Executive Director	December 29, 2025

Executive Directors

Dr. Fang Yixin (方宜新), aged 61, is the chairman of the Board, an executive Director and the chief executive officer of our Group. Dr. Fang is responsible for managing the overall business operations, strategic planning, brand management, investment and financing, and the business operation of Nantong Rich Hospital of our Group. Dr. Fang has over 30 years of experience in the healthcare industry and is a founder of our Group. Prior to establishing our Group, Dr. Fang served as a medical doctor in the Affiliated Hospital of Nantong University (南通大學附屬醫院) from September 1986 to July 1992. In 1992, Dr. Fang first ventured into the healthcare industry and set up Jiangsu Tayoi Cosmetics Co., Ltd. (江蘇東洋之花化妝品股份有限公司) and has been its director since then. Dr. Fang established the first company of our Group, Nantong Rich Hospital, in August 2000. Dr. Fang is not and has not been a director of any other listed company in Hong Kong or overseas in the past three years. Dr. Fang graduated from Yangzhou College of Medicine (揚州醫學院) (currently known as Yangzhou University School of Medicine) majoring in medicine in August 1986 and an EMBA from Tsinghua University in July 2006, and obtained a doctor degree of business administration from University of Minnesota in 2018. Dr. Fang is spouse of Dr. Mei Hong (an executive Director of Company) and father of Mr. Fang Haoze (an executive Director of Company). For Dr. Fang's interest in the shares of the Company under SFO, please refer to the section headed "Directors' Report — Interests of Directors and Chief Executive in Securities".

Profiles of Directors and Senior Management

Dr. Mei Hong (梅紅), aged 61, is an executive Director and executive vice president of the Group. Dr. Mei is responsible for logistics management, administrative affairs, information management, and construction management of our Group. Prior to establishing our Group, Dr. Mei served as a medical doctor in Nantong Women and Children Health Clinic (南通市婦幼保健院) from September 1986 to December 1999. Dr. Mei, as a co-founder of our Group, has been a director of Nantong Rich Hospital since its inception. Dr. Mei is not and has not been a director of any other listed company in Hong Kong or overseas in the past three years. Dr. Mei graduated from Yangzhou College of Medicine (揚州醫學院) (currently known as Yangzhou University School of Medicine) majoring in clinical medicine in August 1986. Dr. Mei is the spouse of Mr. Fang Yixin (an executive Director) and mother of Mr. Fang Haoze (an executive Director). For Dr. Mei's interest in the shares of the Company under SFO, please refer to the section headed "Directors' Report — Interests of Directors and Chief Executive in Securities".

Mr. Fang Haoze (方浩澤), aged 37, is an executive Director, executive president of the Group, the general manager of the medical examination business department, the general manager of strategic customer department, and the general manager of the internal control and audit department of the Group. Mr. Fang is responsible for the overall operation and management of the medical examination business department and the internal audit and human resources of the Group. Mr. Fang received a bachelor's degree in economics from Penn State University in 2014 and joined the Group in August 2014. Mr. Fang is the son of Dr. Fang, the chairman, an executive Director and chief executive officer of the Company, and Dr. Mei, an executive Director.

Ms. Lin Xiaoying (林曉穎), aged 48, is an executive Director, executive vice president and the chief operating officer of the Group as well as the general manager of the human resources center, and is responsible for the financial, legal work of the Group. Ms. Lin joined the Group in July 2017 as the assistant to president, general manager of human resources center and director of the president office, and was appointed as a vice president of the Group in January 2018. Prior to joining the Group, Ms. Lin served in several positions in ZTE Corporation (中興通訊股份有限公司, a company listed on the Main Board of the Stock Exchange (stock code: 0763) and the Shenzhen Stock Exchange (stock code: 000063)), including the chief of operation management department of the handset division, the chief of commercial department and the chief commercial officer of the international sales division from July 1999 to July 2017. Ms. Lin received a bachelor's degree in international economics from Renmin University of China (中國人民大學) in 1999 and a master's degree in business administration from University of Management and Technology in the United States of America in June 2006.



Profiles of Directors and Senior Management

Independent Non-executive Directors

Ms. Wong Sze Wing (黃斯穎), aged 47, is an independent non-executive Director. Ms. Wong is responsible for supervising and providing independent judgment to our Board. Prior to joining our Group, Ms. Wong was an associate and later an audit manager of PricewaterhouseCoopers from September 2001 to December 2006. From January 2007 to April 2008, Ms. Wong was the chief finance director of Orange Sky Golden Harvest Entertainment (Holdings) Limited (橙天嘉禾娛樂(集團)有限公司) (a company listed on the Main Board of the Stock Exchange (stock code: 1132)), and has been its independent non-executive director since April 2010, responsible for advising on strategic and financial planning in the China market. Ms. Wong was also previously the chief finance director of Avex Music and Imaging Production (China) Co., Ltd. (艾迴音樂影像製作(中國)有限公司), a joint venture company under Orange Sky Entertainment (International) Holdings Limited, from January 2007 to April 2008. Ms. Wong was deputy chief financial officer of Yingde Gases Group Company Limited (盈德氣體集團有限公司) since joining in July 2008, and has been chief financial officer since February 2009, responsible for its investor relations, financial, investment and internal control. Ms. Wong Sze Wing was an independent director of Wangsu Science & Technology Co., Ltd. (網宿科技股份有限公司) (a company listed on Shenzhen Stock Exchange (stock code: 300017)) from April 2017 to June 2024, an independent non-executive director of Jiangxi Ganfeng Lithium Co., Ltd. (江西贛鋒鋰業股份有限公司) (a company listed on Shenzhen Stock Exchange (stock code: 002460) and the Main Board of the Stock Exchange (stock code: 1772)) from June 2018 to August 2024, an independent non-executive director of Giant Biogene Holding Co., Ltd. (巨子生物控股有限公司) (a company listed on the Main Board of the Stock Exchange (stock code: 2367)) in May 2022 and an independent non-executive director of REPT BATTERO Energy Co., Ltd. (瑞浦蘭鈞能源股份有限公司) (a company listed on the Main Board of the Stock Exchange (stock code: 0666)) in November 2022. Ms. Wong also served as an independent non-executive director of Xinjiang La Chapelle Fashion Co., Ltd. (新疆拉夏貝爾服飾股份有限公司) (a company listed on the Main Board of the Stock Exchange (stock code: 6116)) from January 2021 to June 2021. Save as disclosed above, Ms. Wong is not and has not been a director of any other listed company in Hong Kong or overseas in the past three years. Ms. Wong received a bachelor's degree in business administration from the University of Hong Kong in November 2001 and an EMBA from the China Europe International Business School (中歐國際商學院) in July 2012. Ms. Wong has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since February 2005.

Profiles of Directors and Senior Management

Mr. Jiang Peixing (姜培興), aged 58, is an independent non-executive Director. Mr. Jiang is responsible for supervising and providing independent judgment to our Board. Prior to joining our Group, Mr. Jiang has been the chairman of the board of directors of Huade Capital Management Group Co., Ltd. (華德資本管理集團有限公司) since May 2017, an independent non-executive director of Hebei Tangshan Rural Commercial Bank Co., Ltd. (河北唐山農村商業銀行股份有限公司) from 2015 to 2023, and the chairman of the board of directors of Beijing Huaxiang Lianxin Technology Co., Ltd. (北京華翔聯信科技股份有限公司) (a company listed on the National Equities Exchange and Quotations (stock code: 874037)) since March 2019. Mr. Jiang has extensive experience in corporate finance. Mr. Jiang served as chief executive officer of Zhong De Securities Company Limited (中德證券有限責任公司) from August 2011 to April 2017, and managing director thereof from June 2011 to April 2017. Mr. Jiang served as deputy chief executive officer of CCB International (Holdings) Limited (建銀國際(控股)有限公司) from July 2009 to June 2011. Mr. Jiang served as general manager of Investment Management Department of the head office of China Merchant Bank Co., Ltd. (招商銀行股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600035) and the Main Board of the Stock Exchange (stock code: 3968)), from September 2008 to July 2009, and general manager of the investment bank department thereof from 2006 to 2007. Mr. Jiang served as president of CMB International Capital Corporation Limited (招銀國際金融有限公司) from January 2005 to September 2008. Mr. Jiang served as assistant to president of China Galaxy Securities Co., Ltd. (中國銀河證券有限責任公司), a company listed on the Shanghai Stock Exchange (stock code: 601881) and the Main Board of the Stock Exchange (stock code: 6881), from July 2000 to January 2005, and general manager of its Shanghai headquarters from October 2002 to April 2004. Mr. Jiang served as general manager of Shenzhen Yangguang Fund Management Co., Ltd. (深圳陽光基金管理有限公司) from March 1996 to February 2000. Mr. Jiang served as deputy general manager of Futures Business Department of PICC Trust Investment Corporation (中國人保信託投資公司) from January 1994 to March 1996. Save as disclosed above, Mr. Jiang is not and has not been a director of any other listed company in Hong Kong or overseas in the past three years. Mr. Jiang received a bachelor's degree in information system management from Tsinghua University (清華大學) in July 1991, a master's degree in business administration from Tsinghua University in July 1999, a master's degree in public administration from Columbia University in June 2002, and obtained a doctor degree of business administration from University of Minnesota in 2018.

Mr. Tian Wenguo (田文果), aged 57, is an independent non-executive Director. Mr. Tian is responsible for supervising and providing independent judgment to our Board. Mr. Tian possesses extensive experience in the telecommunications industry, with over 30 years of management expertise in the field. Since September 2018, Mr. Tian has served as the chairman of Medical Health Intelligent (Shenzhen) Co., Ltd. (衛健智能(深圳)科技有限公司). Previously, Mr. Tian worked at ZTE Corporation, where he successively served the roles of manager of the Chongqing office and general manager of the Southwest region at ZTE Corporation from 1996 to 2002, senior vice president and general manager of the Sales Division II from 2002 to 2005, executive vice president in charge of the marketing and operations system from 2005 to 2007, executive vice president in charge of the marketing system from 2007 to 2008, executive vice president in charge of the product marketing system from 2008 to 2010, executive vice president in charge of the logistics system from 2010 to 2012, executive vice president in charge of global sales and engineering services from 2012 to 2015, and person-in-charge of the new energy sector from 2016 to 2017. Subsequently, from 2017 to 2018, Mr. Tian served as the chairman of Shenzhen ZTE International Investment Limited (深圳市中興國際投資有限公司), Sanya ZTE International Investment Co., Ltd. (三亞中興國際投資有限公司), and Tianjin ZTE International Investment Company Limited (天津中興國際投資有限公司). Mr. Tian graduated from Harbin Institute of Technology in 1991, where he obtained his bachelor's degree majoring in Electromagnetic Measurement and Instrumentation. From 2005 to 2006, he completed his EMBA program at Tsinghua University and obtained a master's degree in Business Administration.



Profiles of Directors and Senior Management

Senior Management

Dr. Fang Yixin (方宜新), please refer to the section headed “— Executive Directors” for biographical details.

Dr. Mei Hong (梅紅), please refer to the section headed “— Executive Directors” for biographical details.

Mr. Fang Haoze (方浩澤), please refer to the section headed “— Executive Directors” for biographical details.

Ms. Lin Xiaoying (林曉穎), please refer to the section headed “— Executive Directors” for biographical details.

Management Discussion and Analysis

BUSINESS OVERVIEW AND STRATEGIC OUTLOOK

1 Industry Overview

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

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

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



Management Discussion and Analysis

2 General Hospital Business

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

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

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

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

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

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

Management Discussion and Analysis

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

3 Medical Examination Business

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

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

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



Management Discussion and Analysis

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

4 Prospects

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

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

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

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

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

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

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

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

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



Management Discussion and Analysis

Cost of Sales

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

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

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

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

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

Gross Profit

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

Management Discussion and Analysis

Distribution Costs and Selling Expenses

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

Administrative Expenses

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

Other Income

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

Other Losses

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

Finance Costs – Net

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

Share of Results of Investments Accounted for Using Equity Method

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

Income Tax Expense

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

Profit for the Year

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

Management Discussion and Analysis

Adjusted EBITDA

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

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

Notes:

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

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

Management Discussion and Analysis

FINANCIAL POSITION

Property and Equipment

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

Trade Receivables

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

Net Current Liabilities

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

Liquidity and Capital Resources

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

Significant Investments, Material Acquisitions and Disposals

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

Capital Expenditure and Commitments

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

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

Borrowings

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

Contingent Liabilities

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

Financial Instruments

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

Gearing Ratio

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

Cash Flow and Fair Value Interest Rate Risk

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

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

Foreign Exchange Risk

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

Management Discussion and Analysis

Credit Risk

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

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

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

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

Liquidity Risk

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

Pledge of Assets

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



Corporate Governance Report

The Board is pleased to present this corporate governance report in the annual report of the Company for the year ended December 31, 2025.

1. CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code. The Company has applied the principles and complied with the code provisions as set out in the CG Code for the year ended December 31, 2025, save for deviation from code provisions C.1.8 and C.2.1 of the CG Code as detailed below. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

2. THE BOARD

(1) Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board Committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference. All Board Committees are provided with sufficient resources to perform their duties.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

(2) Directors' and Senior Management's Liability Insurance and Indemnity

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

Corporate Governance Report

(3) Board Composition

During the year ended December 31, 2025 and as at the date of this annual report, the composition of the Board is as follows:

Executive Directors

Dr. Fang Yixin (*Chairman and Chief Executive Officer*)

Dr. Mei Hong

Mr. Fang Haoze

Ms. Lin Xiaoying

Independent Non-Executive Directors

Mr. Tian Wenguo (*appointed on December 29, 2025*)

Ms. Wong Sze Wing

Mr. Jiang Peixing

Dr. Wang Yong (*resigned on December 29, 2025*)

Except that Dr. Fang is the spouse of Dr. Mei and Mr. Fang Haoze is the son of Dr. Fang and Dr. Mei, there is no other relationship (including financial, business, family or other material/relevant relationship(s)) among the Board members.

For the year ended December 31, 2025 and up to the date of this annual report, the Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and the appointment of independent non-executive Directors representing at least one-third of the Board. Among the three independent non-executive Directors, Ms. Wong Sze Wing has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

(4) Board Diversity Policy

Pursuant to Rule 13.92 of the Listing Rules, the Nomination Committee (or the Board) shall have a policy concerning diversity of board members, and shall disclose the policy on diversity or a summary of the policy in the corporate governance report. The policy specifies that in designing the composition of the Board, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The appointment of Directors will be based on meritocracy, and candidates will be evaluated against objective criteria, having due regard for the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills.

The composition of the Board will be disclosed in the Corporate Governance Report every year and the Nomination Committee will supervise the implementation of this policy. The Nomination Committee will review the effectiveness of this policy, as appropriate, discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.



Corporate Governance Report

As at the date of this annual report, the diversity of the Board is illustrated as below. Further details on the biographies and experience of the Directors are set out in the section headed “Profiles of Directors and Senior Management” of this annual report.

Position	Number (%)
Executive Directors	4 (57.1%)
Independent Non-Executive Directors	3 (42.9%)

Gender	Number (%)
Male	4 (57.1%)
Female	3 (42.9%)

Age	Number (%)
30–40	1 (14.3%)
41–50	2 (28.6%)
51–60	2 (28.6%)
61–70	2 (28.6%)

The Nomination Committee has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain high standard of operation.

It is currently the Board’s policy that either gender shall comprise at least 10% of the composition of each of the Board, the senior management, and the workforce. Since the Company is engaged in service industry, it is general market norm that female employees will be of far higher portion than male employees.

At present, two out of the four members of senior management are female, representing 50% of the senior management team. The Company strives to promote diversity and inclusion in the teams, in strict compliance with relevant laws and regulations as well as the Group’s policy on eliminating discrimination. The Company offers diversity and inclusion training and applies the principle of equal opportunity to all policies related to human resources, remuneration and benefits, to ensure employment opportunities for people of all kinds. Any discrimination or harassment against employees owing to their marital status, pregnancy, disability, family status, race or gender are prohibited. As at December 31, 2025, our female employees accounted for around 80% of the total workforce.

Corporate Governance Report

(5) Confirmation of Independence by the Independent Non-executive Directors

The Company has received written annual confirmation from each independent non-executive Director of his/her independence. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their respective identity of the public companies or organisations and the time involved to the issuer, Directors have agreed to disclose, and already disclosed their commitments to the Company in a timely manner.

(6) Induction and Continuous Professional Development

Pursuant to the code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Pursuant to the code provision C.1.1 of the CG Code, each newly appointed Director should be provided with comprehensive, formal and tailored induction on appointment, and should receive briefing and professional development necessary to ensure that he/she has a proper understanding of the Company's operations and businesses as well as fully aware of his/her responsibilities under relevant statutes, laws, rules and regulations. For the year ended December 31, 2025, the Directors were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During the year of 2025, all Directors participated in continuous professional development to develop and refresh their knowledge and skills. The Company's external lawyers have facilitated directors' training by the provision or recommendation of presentations, briefings and materials for the Directors primarily relating to the roles, functions and duties of a listed company director. All Directors received training as at the date of this annual report. The Directors are asked to submit a signed training record to the Company on an annual basis.

According to the records kept by the Company, the attendance of the Directors for continuous professional development activities during the year ended December 31, 2025 was as follows:

Name of Director	Type(s) of continuous professional development activities
Dr. Fang Yixin	A, B
Dr. Mei Hong	A, B
Mr. Fang Haoze	A, B
Ms. Lin Xiaoying	A, B
Dr. Wang Yong (<i>resigned on December 29, 2025</i>)	A, B
Ms. Wong Sze Wing	A, B
Mr. Jiang Peixing	A, B
Mr. Tian Wenguo (<i>appointed on December 29, 2025</i>)	A, B

A: Attending briefing(s) and/or training session(s)

B: Reading articles, journals, newspapers and/or other materials

(7) Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, the responsibility between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, Dr. Fang was appointed as the chief executive officer of the Company on March 20, 2019, and upon his new appointment, the Company does not have a separate chairman and the chief executive officer and Dr. Fang performs these two roles. The Board considers that vesting the roles of the chairman and the chief executive officer in Dr. Fang is beneficial to the Group for implementing its new business strategies given his abundant experience in the healthcare industry and longtime and substantive involvement in the day-to-day management and operation of the Group. In addition, the balance of power and authority is ensured by the operation of the Board and the senior management, which comprises experienced and capable individuals independent from Dr. Fang (except his spouse, Dr. Mei, and Mr. Fang Haoze, his son). The Board comprised four executive Directors (including Dr. Fang, Dr. Mei, Ms. Lin and Mr. Fang Haoze) and three independent non-executive Directors as at the date of this annual report and therefore has a fairly strong independence element in its composition.

The Board and the senior management, which comprises experienced and high calibre individuals can ensure the balance of power and authority. As at the date of this report, the Board comprises four executive Directors and three independent non-executive Directors.

(8) Change of Directors

Save and except the resignation of Mr. Wang Yong as an independent non-executive Director on December 29, 2025 and the appointment of Mr. Tian Wenguo as an independent non-executive Director on the same day, there had not been any changes of the composition of the Board during the year ended December 31, 2025. The Company entered into a letter of appointment with each of the independent non-executive Directors, namely Dr. Wang Yong, Ms. Wong Sze Wing, Mr. Jiang Peixing and Mr. Tian Wenguo, setting out the terms and conditions governing the appointment and ancillary matters, as amended and supplemented from time to time.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles of Association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall submit himself/herself for election by shareholders at the first general meeting of the Company after appointment and any new Director appointed as an addition to the Board shall submit himself/herself for re-election by the Shareholders at the next following annual general meeting of the Company after appointment.

The procedures and process of appointment, re-election and removal of directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring and making recommendations to the Board on the appointment, re-election and succession planning of Directors, in particular the Chairman and the Chief Executive Officer.

Corporate Governance Report

(9) Board Meetings and Committee Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Both the Nomination Committee and the Remuneration Committee shall meet at least once every year and the Audit Committee shall meet at least twice a year. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the intended date of the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the committee members prior to the meeting. Minutes of meetings are with copies circulated to relevant Board or Board Committee for comments and records.

Minutes of the Board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Board or committee members and dissenting views expressed. Draft minutes of each Board meeting and committee meeting are sent to the relevant Board or committee members for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by Directors.

Apart from the regular Board meetings, the Chairman also held a meeting on August 28, 2025 with all independent non-executive Directors without the presence of executive Directors.

For the year ended December 31, 2025, 5 Board meetings were held and the attendance of the individual Directors at these meetings is set out in the table below:

Directors	Attended/ Eligible to attend
Dr. Fang Yixin (<i>Chairman, Executive Director and Chief Executive Officer</i>)	5/5
Dr. Mei Hong (<i>Executive Director</i>)	5/5
Mr. Fang Haoze (<i>Executive Director</i>)	5/5
Ms. Lin Xiaoying (<i>Executive Director</i>)	5/5
Dr. Wang Yong (<i>Independent Non-executive Director</i>) (<i>resigned on December 29, 2025</i>)	4/4
Ms. Wong Sze Wing (<i>Independent Non-executive Director</i>)	5/5
Mr. Jiang Peixing (<i>Independent Non-executive Director</i>)	5/5
Mr. Tian Wenguo (<i>Independent Non-executive Director</i>) (<i>appointed on December 29, 2025</i>)	0/0

(10) Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made of all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code for the year ended December 31, 2025.

(11) Delegation by the Board

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board to ensure that they remain appropriate to the Company's needs. Approval has to be obtained from the Board prior to any significant transactions entered into by the management on the Company's behalf.

(12) Corporate Governance Function

The Board recognises that corporate governance should be the collective responsibility of Directors and has delegated the corporate governance duties to the Audit Committee which include:

- a) to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;
- b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- c) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and employees of the Group; and
- e) to review the Group's compliance with the CG Code from time to time adopted by the Group and the disclosure in the Corporate Governance Report to be contained in the Company's annual reports.

Corporate Governance Report

(13) Dividend Policy

The Company strives for generating steady returns to the Shareholders. It is the policy of the Company that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Company does not have any pre-determined dividend payout ratio. The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the Articles of the Association of the Company and all applicable laws and regulations and the factors of financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of shareholders, any restrictions on payment of dividends, and any other factors that the Board may consider relevant. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, the Board may propose and/or declare interim dividend, final dividend, special dividend and distribution of net profits that the Board may deem appropriate. Any final dividend for a financial year will be subject to shareholders' approval. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Company's Articles of Association.

There is no assurance that dividends will be paid in any particular amount for any given period.

3. BOARD COMMITTEES

(1) Nomination Committee

As at December 31, 2025, the Nomination Committee currently comprises three members, namely Dr. Fang Yixin (chairman and an executive Director), Ms. Wong Sze Wing (an independent non-executive Director) and Mr. Jiang Peixing (an independent non-executive Director). The majority of the committee members are independent non-executive Directors. Dr. Fang is the chairman of this committee.

The principal duties of the Nomination Committee include the following:

- To review the structure, size and composition of the Board and make recommendations regarding any proposed changes;
- To identify suitable candidates for appointment or re-appointment as Directors for the Board;
- To make recommendations to the Board on appointment or re-appointment of and succession planning for Directors;
- To assess the independence of independent non-executive Directors; and
- To regularly review and report to the Board on the performance and suitability of the senior management and make recommendations to the Board on the re-appointment or replacement of any senior management.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. Their written terms of reference are available on the respective website of the Stock Exchange and the Company.

Two meeting of the Nomination Committee was held for the year ended December 31, 2025 and the attendance record of the Nomination Committee members is set out in the table below:

Directors	Attended/ Eligible to attend
Dr. Fang Yixin (<i>Chairman</i>)	2/2
Ms. Wong Sze Wing	2/2
Mr. Jiang Peixing	2/2

For the year ended December 31, 2025, the Nomination Committee reviewed and discussed the policy, procedure and criteria for nomination of the Directors, reviewed and discussed the Board diversity policy, assessed the independence of independent non-executive Directors, considered the re-appointment of the retiring Directors, reviewed the time commitment required from the independent non-executive Director and fulfilled duties as required aforesaid.

Corporate Governance Report

(2) Nomination Policy

The Board has adopted the following policy with regard to nomination of Directors.

1 Objective

- 1.1 The Nomination Committee is committed to ensuring the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and shall identify, consider and nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election or re-election as the Directors at general meetings or appoint as Directors to fill casual vacancies or as an addition to the Board.
- 1.2 The Nomination Committee may, as it considers appropriate, nominate a number of candidates more than the number of Directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.
- 1.3 The Nomination Committee shall make recommendations to the Board on the succession planning for Directors, in particular, the chairman of the Board and the chief executive officer of the Company.

2 Selection Criteria

- 2.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.
 - Reputation for integrity;
 - Accomplishment and experience;
 - Commitment in respect of available time and relevant interest;
 - Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; and
 - In the case of independent non-executive Directors, the independence of the candidate.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

- 2.2 Subject to the provisions of the Articles of Association, retiring Directors are eligible for nomination by the Board to stand for re-election at a general meeting.

- 2.3 Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a Director.
- 2.4 The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

3 Nomination Procedures

- 3.1 The Secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.
- 3.2 For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.
- 3.3 Until the issue of the shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.
- 3.4 In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from shareholders, a circular will be sent to shareholders. The circular will set out the lodgment period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to shareholders.
- 3.5 A shareholder can serve a notice to the Company Secretary within the lodgment period of its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.
- 3.6 A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.
- 3.7 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

Corporate Governance Report

4 Confidentiality

4.1 Unless required by law or any regulatory authority, under no circumstances shall a member of the Nomination Committee or a staff member of the Company disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the circular to shareholders, as the case may be, is issued. Following the issue of the circular, the Nomination Committee or Company Secretary or other staff member of the Company approved by the Nomination Committee may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and candidates should not be disclosed.

5 Monitoring and Reporting

The Nomination Committee will report annually a summary of the nomination policy including the nomination procedures, criteria for selection, the diversity policy and the progress made towards achieving these objectives in the Company's corporate governance report.

6 Review of the Policy

The Nomination Committee will review the nomination policy as appropriate and recommend revisions, if any, to the Board for consideration and approval.

(3) Remuneration Committee

As at the date of this report, the Remuneration Committee comprises three members, namely Mr. Jiang Peixing (an independent non-executive Director), Dr. Mei (an executive Director) and Ms. Wong Sze Wing (an independent non-executive Director), the majority of whom are independent non-executive Directors. Mr. Jiang Peixing is the chairman of this committee.

The Remuneration Committee has adopted the second model described in paragraph E.1.2(c) under Appendix C1 to the Listing Rules (i.e. make recommendation to the Board on the remuneration packages of individual executive Director and senior management member).

The principal duties of the Remuneration Committee include making recommendations to the Board on and approving the Company's remuneration policy and structure and the remuneration packages of the executive Directors and the senior management of the Company. The Remuneration Committee is also responsible for establishing transparent procedures for formulating such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. It also makes recommendation to the Board on the remuneration of non-executive Directors including independent non-executive Directors.

During the year ended December 31, 2025, the remuneration committee did not make any recommendation for granting any share option under the Share Option Scheme as set out in the Directors' Report.

Their written terms of reference are available on the respective website of the Stock Exchange and the Company.

Corporate Governance Report

Two meeting of the Remuneration Committee was held for the year ended December 31, 2025 and the attendance record of the Remuneration Committee members is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Jiang Peixing (<i>Chairman</i>)	2/2
Ms. Wong Sze Wing	2/2
Dr. Mei Hong	2/2

For the year ended December 31, 2025, the Remuneration Committee discussed and reviewed the remuneration policy for Directors and senior management of the Company, assessed performance of executive Directors, made recommendations to the Board on the remuneration packages of individual executive Directors and senior management and fulfilled duties as required aforesaid.

Details of the remuneration (excluding accounted remuneration under share option scheme) by band of the members of the senior management of the Company for the year ended December 31, 2025 are set out below:

Remuneration band (HK\$)	Number of individual
1,000,000 and below	3
1,000,000 – 1,500,000	1

(4) Audit Committee

As at the date of this report, the Audit Committee comprises three members, namely Ms. Wong Sze Wing (an independent non-executive Director), Mr. Jiang Peixing (an independent non-executive Director) and Mr. Tian Wenguo (an independent non-executive Director), all of whom are independent non-executive Directors. Ms. Wong Sze Wing is the chairlady of this committee. The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the internal audit division or external auditor before submission to the Board;
- To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor;
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, risk management and internal control and financial reporting functions, on an annual basis;

Corporate Governance Report

- To review the adequacy and effectiveness of the Company's and its subsidiaries' internal control systems, covering all material controls, including financial, operational and compliance controls and risk management functions including financial, business, operational and other risks of the Company and its subsidiaries, and to undertake any related investigations; and
- To perform the Company's corporate governance functions with details set out in the paragraph headed "2. THE BOARD — (12) Corporate Governance Function" above.

Two meetings of the Audit Committee were held for the year ended December 31, 2025 and the attendance record of the Audit Committee members is set out in the table below:

Directors	Attended/ Eligible to attend
Ms. Wong Sze Wing (<i>Chairlady</i>)	2/2
Dr. Wang Yong (<i>ceased to be a member on December 29, 2025</i>)	2/2
Mr. Jiang Peixing	2/2
Mr. Tian Wenguo (<i>since December 29, 2025</i>)	0/0

For the year ended December 31, 2025, the Audit Committee reviewed the Group's policies on corporate governance and discussed the same with the Board, reviewed the financial reporting system, compliance procedures, internal control and risk management systems (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions) and associated processes and the re-appointment of the external auditor and fulfilled duties as required aforesaid. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

The Audit Committee also reviewed the interim results for the six months ended June 30, 2025, the annual results of the Company and its subsidiaries for the year ended December 31, 2025 as well as the report prepared by the external auditor relating to accounting issues and major findings in course of audit.

There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters. Their written terms of reference are available on the respective website of the Company and the Stock Exchange.

4. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended December 31, 2025 which give a true and fair view of the affairs of the Company and the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

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

The statement by the external auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report in this annual report.

5. RISK MANAGEMENT AND INTERNAL CONTROL

Rici defines a risk as effects of uncertainties on the achievement of strategic, operating and governance objectives in the course of operation and development. Rici adopts comprehensive risk management and internal control structure to manage risks proactively. The structure is developed by the Board and the Audit Committee in order to assist the Board in monitoring risk management, designing and enhancing the effectiveness of relevant risk management and internal control systems.

Description of Major Risks, Risk Changes and Risk Control Measures of the Company:

Corporate Governance Report

No.	Major Risks	Main Risk Description	Changes Since 2025	Major Monitoring Measures and Risk Control Strategies
1	Business Expansion and Standardization Risk	<ol style="list-style-type: none"> 1. There was insufficient support from head office for new expansions due to rapid expansion of the Company's business. 2. The lack of an adequate expansion system that promotes corporate control system and standardized operational procedures would result in the risks of deterioration of quality of the newly expanded business and incapability to meet corporate standard. 	Decreased	<ul style="list-style-type: none"> • Control over business expansion mechanism: The Company improved the risk management mechanism and standard operating procedures for business expansion, and continuously optimized the standardized processes within the Group, to reduce potential risks during the expansion process; The Company regularly evaluated the internal business development plan and made dynamic adjustments in accordance with the macro environment and its own actual situation; In response to business developments, the Company engages high-calibre external experts as appropriate to conduct comprehensive and long-term planning from strategic, legal and commercial perspectives, thereby enhancing the actual benefits and sustainability of its business expansion. • Supporting measures for business expansion: Broadening sales channels, strengthening online promotion efforts, and continuously developing emerging retail models such as livestreaming sales and influencer marketing, to enhance brand awareness and exposure and enhance the brand's market influence.



Corporate Governance Report

No.	Major Risks	Main Risk Description	Changes Since 2025	Major Monitoring Measures and Risk Control Strategies
2	Competitor Risk	<ol style="list-style-type: none"> 1. Due to the low threshold for products/services of the Company, there was serious homogenization with products/services of competitors as well as the risk of how to develop irreproducible and competitive products/services (for example, medium and high-end customers). 2. How to integrate big data with health resources and establish a platform to respond to industry competition. 3. Competitors continuously expanded their business by relying on the advantages of large platforms to squeeze the Company's market share. 	Unchanged	<ul style="list-style-type: none"> • Creating high-quality services to achieve differentiated competition: <ul style="list-style-type: none"> Continuously strengthening the brand building of "XMEDIC" and "RICI"; Continuously increasing resource investment in customer service, comprehensively enhancing service experience, built a premium brand image, and proactively advancing the deployment of innovative businesses to lay a solid foundation for future development; Focusing on exceeding customer expectations to drive business operations beyond the pattern of homogenized competition. • Promoting product and service upgrades: introducing artificial intelligence technology <ul style="list-style-type: none"> Strengthened the ability to deeply mine and analyze health data to provide forward-looking services such as health risk warnings; Establishing a dedicated team to strengthen post-examination health management services and promote the extension and upgrading of the service chain; Continuously promoted business innovation in combination with biotechnology. • Increasing market share through product development and market penetration: <ul style="list-style-type: none"> Leveraging the existing brand reputation and trademark influence to guide users to try new product portfolios and optimize the overall consumer experience; Deepening resource utilization in cities where the Group has already established a presence, fully tapping market potential, and further expanding business coverage and market share.
3	Investment Risk	Unscientific investment decision-making procedures and insufficient investment assessment resulted in the outweighing of investment scale over its affordability or inadequate returns on investment.	Unchanged	<ul style="list-style-type: none"> • Based on the revision and improvement of internal documents such as investment management measures, the Company optimized the investment model, enhanced investment forecast, and continued to strictly control investment approval, project budget, project management, post-investment evaluation, etc.; • The investment decision-making evaluation indicators were further improved to conduct performance appraisals on the management.

Corporate Governance Report

No.	Major Risks	Main Risk Description	Changes Since 2025	Major Monitoring Measures and Risk Control Strategies
4	Informatization Construction Risk	The IT construction and planning failed to meet future operation and development needs of the Company, which restricted the Company's development and affected the realization of its strategic objectives.	Unchanged	<ul style="list-style-type: none"> Investment in informatization construction were continuously strengthened: <ul style="list-style-type: none"> First, it increased investment in big data in healthcare and applied data mining technology to develop forward-looking products and services to better serve customers; Second, the Company increased investment in IT resources and systematically streamlined business scenarios and integrated business data to effectively support financial and operational analysis; Third, it deepened the research on and investment in the impact of artificial intelligence and medical services on medical equipment to develop new systems and functions to meet the data needs of network equipment; It integrated and upgraded the existing medical information system and promoted information exchange to improve work efficiency, providing customers with more convenient services; The Company embeds the relevant indicators of medical quality management into the system to further enhance the efficiency of post-examination quality control; It coordinated, planned and applied new information system development technologies, to optimize and enhance the collaborative construction among existing systems step by step. Besides, it continually pushed forward with paperless reform to optimize customer experience, improve the efficiency of medical examinations, and enhance the quality of medical services, in a bid to meet the needs of field services, and support the building of mid-to-high-end medical brands. Focusing on tapping internal potential, the Company established an efficient communication mechanism to strengthen the organic linkage between the information department and various functional departments, ensuring timely communication, circulation and problem resolution. The timeliness and effectiveness of information feedback and resolution were also incorporated into the assessment system of each department.



Corporate Governance Report

No.	Major Risks	Main Risk Description	Changes Since 2025	Major Monitoring Measures and Risk Control Strategies
5	Human Resources Risk	<p>1. The structure/quality of staff cannot meet the needs of the Company's current development, as evidenced by the failure to adjust staff structure, alter the appraisal system and update the training content to satisfy the needs of the Company's current development, or the failure to acquire talents (through internal training or external recruitment) that satisfy the needs of the Company's current development, which led to the slowdown of the overall development of the Company, the failure to complete the expected strategic plan and the gradual loss of industry position.</p> <p>2. The high employee turnover rate may lead to a rise in its operating costs, leakage of commercial confidentiality and vacancies in key positions, and may harm the overall corporate image.</p>	Unchanged	<ul style="list-style-type: none"> • Talent introduction and employee recruitment: Efforts were stepped up on the establishment of a diversified recruitment channel system and the management of recruitment channels, especially the recruitment channel for medical talents closely linked to the Group's business; a scientific channel supplier evaluation and management system has been set up to ensure that business development meets the demand for talents; High-level management talents and technical talents were introduced when appropriate to inject fresh blood into the Company and enhance its vitality; Cooperation with external resources enables the Company to build and cultivate its own expert team, core team and reserve force, and to further enhance medical education, discipline construction, business technology, talent quality, management level and service quality. • Employee training: The Company enhanced the training and education for administrators and other medical professionals (including physicians, nurses and pharmacists) to improve their occupational skills and administration quality so as to provide customers and patients with better services; It strove to establish a learning organization and improve its internal communication platform, in order to facilitate information transmission, experience sharing, daily training, etc., accelerate the growth of employees, enhance its vitality, and boost the core competitiveness. • Incentive mechanism: The Company provided competitive remuneration and benefits, and strengthened the sense of belonging of employees, encouraged employees to increase efficiency, and provided different promotion opportunities based on their performance. • Internal communication mechanism: Attention was paid to the communication between the HR department and the management and among various business departments to strengthen the forward looking, foresight and whole-region vision of the HR department. • Establishment of corporate culture system: Starting from corporate values, cultural outlook, vision and mission, the Company gradually perfected its culture system, strengthened corporate culture, enhanced humanistic care and enhanced the cohesiveness of corporate culture.

Corporate Governance Report

No.	Major Risks	Main Risk Description	Changes Since 2025	Major Monitoring Measures and Risk Control Strategies
6	Capital Management Risk	<p>1. The existence of unauthorized transactions of capital operation would affect the safety and integrity of the Company's capital.</p> <p>2. Unreasonable fund positions, inappropriate capital commitment or capital backlogs disenabled the Company to leverage the advantages of centralized capital management, which resulted in a decrease in profitability of the Company or insufficient capital and payment difficulties, thereby affecting the reputation of the Company or damaging its interests.</p>	Unchanged	<ul style="list-style-type: none"> Continuous improvement of the fund management mechanism: <p>In practice, it further optimized the fund management system and sorted out standard procedures within the Group to improve accounting information service capabilities, capital resource utilisation efficiency, and financial risk management and control capabilities. The separation mechanism of review permissions and responsibilities for capital business was further optimized to ensure the safety and integrity of funds. It developed plans for funds and performed unified management of the funds of each subsidiary, and the management regularly monitored, analyzed, forecast and tracked the funds via the weekly reporting mechanism; The authorization and review of intra-group fund allocation were standardized.</p> Strengthening centralized management of funds: <p>Through the financial sharing center, the Company adopted the management model of the centralized payment of funds, implemented dual management for revenue and expenses, and established the Group's fund pool, based on which payment was collectively made via the sharing center according to fund plans to improve the scientificity of financial fund management. The financial status of the Group was objectively analyzed in a scientific manner to improve the safety of the Group's funds and enhance the allocation and control of capital resources. It optimized the use efficiency of accumulated funds and strategically adjusted the pace of operations to reasonably control cash flows.</p>



Corporate Governance Report

No.	Major Risks	Main Risk Description	Changes Since 2025	Major Monitoring Measures and Risk Control Strategies
7	Medical Dispute Risk	The Company was exposed to inherent risks of medical disputes and legal proceedings against it arising from its operations, which may incur huge costs and have material adverse impact on its business operations and reputation.	Unchanged	<ul style="list-style-type: none"> • Risk aversion: <p>According to laws, regulations and industry rules, the Company formulated standard operating procedures for business workflow and enhanced the training, education and supervision of current medical staff (including physicians, nurses and pharmacists), in order to reduce the possible risks of medical disputes between the Company and customers due to the failure to strictly comply with internal control procedures. The internal information transmission channels were optimized to ensure smooth information transmission. It improved internal information transmission channels to ensure the smooth transmission of information.</p> • Risk response: <p>The Company perfected the customer complaint management system to give effective, rapid and continuous feedback to customers in the early stage, in a bid to improve customer satisfaction and reduce the possibility of disputes; It strengthened the ability of internal departments to deal with medical disputes, enabling them to effectively take follow-up actions for any disputes and protect the Company's interests to the greatest extent. It analyzed the causes and held those responsible accountable after the occurrence of disputes, hoping to seek improvements in future operations.</p> • Establishment of crisis public relations mechanism and maintenance of reputation: <p>First, the Company established a crisis public relations management mechanism to prevent the further escalation of risks; If necessary, it would team up with external public relations companies to communicate its products, services, values and other information to the public in a positive image, with a view to raising its awareness and public trust, and also to protecting its reputation, brand image and word of mouth to the greatest extent during special times;</p> <p>Second, the Company formulated emergency planning measures and established a crisis response team to ensure timely and effective crisis notification and crisis management to minimize the impact and loss.</p>

Corporate Governance Report

No.	Major Risks	Main Risk Description	Changes Since 2025	Major Monitoring Measures and Risk Control Strategies
8	Control and Compliance Risk	The defective standard operating procedures of the Company and the failure of operation staff to strictly meet the operation requirements led to the failure of businesses conducted in accordance with the workflow, which affected the operation effects of the Company and hindered the completion of transition from the “rule of man” to “rule of law”.	Unchanged	<ul style="list-style-type: none"> Control over legality, compliance and integrity: <p>The Company continuously optimized the standard operation manual for medical business, clarified the operating standards for each step, and strictly audited the qualifications of relevant personnel; It improved the compliance management system, systematically sorted out compliance risks, formulated contingency plans for non-compliance incidents to clarify disposal procedures, responsible parties and reward and punishment mechanisms, and regularly conducted special inspections in the fields of medical care and health and safety; A dedicated department was established to be responsible for tracking updates to laws, regulations and industry standards, formulating standard operating procedures for each business, and organizing regular training and supervision of implementation; It formulated norms for the wording of advertising content and guides to the interpretation of laws, and optimized the advertising publication process to effectively prevent the risk of advertising violations; Actions were taken to continually perfect procurement management and asset management systems and related operation norms, and to optimize management processes to enhance adaptability to corporate development and reduce operational risks.</p> Control over execution procedures: <p>With the strengthening of corporate execution, the Company promoted refined management and operation models to continuously improve its overall management level; The supervision department shall strictly perform its supervisory duties in accordance with the systems to ensure that all systems are fully implemented; The department for system formulation shall collect implementation feedback in a timely manner, and continuously revise and perfect the relevant systems according to the actual situation.</p>



Corporate Governance Report

No.	Major Risks	Main Risk Description	Changes Since 2025	Major Monitoring Measures and Risk Control Strategies
9	License Management Risk	The Company conducts business in a strictly regulated industry. If the Company fails to obtain or renew any licenses, permits, approvals and certificates required for its operations, or is found to be non-compliant with applicable laws or regulations for such licenses, permits, approvals and certificates, the Company may face penalties, suspension of operations or even revocation of such licenses, depending on the results of incidents. The operating results of the Company could be materially and adversely affected.	Unchanged	<ul style="list-style-type: none"> The Company enhanced the awareness of operating in accordance with the law and license management, conducted special training on license security for key departments and critical positions, strengthened the knowledge of laws and regulations and compliance awareness, resolutely avoided touching the legal bottom line, and incorporated relevant training into the its normalized management system. The license management system was perfected to clarify the norms and management responsibilities of borrowing, returning and logout. A license database was established to conduct unified electronic management of licenses in various institutions, and a special review and examination mechanism for licenses was also established to enhance the control over the integrity and effectiveness of licenses. In conjunction with license management, the Company optimized the seal management system, strengthened the standardized use and behavioral constraints of various types of seals, implemented control through systems, and enhanced the supervision and management of the seal-use process; It also enhanced risk prediction capabilities and formulated effective remedial plans to ensure rapid response in the event of a risk occurrence, so as to minimize risk impact, reduce losses, and ensure timely business recovery and continuous operation.

Corporate Governance Report

No.	Major Risks	Main Risk Description	Changes Since 2025	Major Monitoring Measures and Risk Control Strategies
10	Litigation Risk	<p>1. Due to possible fraud and other irregularities, the Company may be subject to legal sanctions, regulatory penalties or material financial loss or reputation loss.</p> <p>2. The ineffective execution of various contracts, commitments and other legal documents signed by the Company would result in litigation and actual operating losses.</p>	Unchanged	<ul style="list-style-type: none"> Construction of anti-fraud mechanism: <p>The anti-fraud mechanism was continuously optimized to strengthen the anti-fraud awareness of all staff; The Company promoted the in-depth participation of the legal department in major matters and key business segments to deploy fraud prevention measures in advance and establish a post-event evaluation and assessment mechanism; Multiple channels such as a reporting mailbox and a dedicated hotline are available to encourage employees to actively report any fraudulent acts.</p> Full-process contract management: <p>The Company systematically managed the contract signing process. Prior to contract signing, multiple departments were jointly organized to conduct demonstrations and risk assessments, moving risk control gateways forward to avoid potential legal disputes to the greatest extent; It strove to enhance the timeliness and integrity of contract execution, and responded to legal proceedings caused by human factors and took remedial measures in a timely manner; Afterwards, the causes must be thoroughly investigated and accountability must be enforced, so that the strict accountability mechanism can serve as a warning; For potential legal risks that may arise, a multi-departmental collaborative assessment mechanism shall be improved, under which the legal department shall take the lead and collaborate with the finance, human resources and other departments to conduct risk assessment and prevention. Pending litigation shall be accounted for on a regular basis based on the actual situation.</p>

The Company has set up an internal audit department that is responsible for conducting audit for the Company and its subsidiaries. Such duties of the department are with the aim of ensuring the normal operation of internal monitoring and its due effectiveness. The Company attached full importance to the suggestions made by external auditors that reported to the Company their findings regarding the deficiencies and inadequacies of the internal control and accounting procedures of the Group and made respective improvements. The internal audit department directly reports to the Audit Committee on all audit matters.

The internal control system of the Company was established in accordance with the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Meanwhile, the Company conducted an independent audit (including interviews, walk-through tests and risk-based sampling tests) during the year ended December 31, 2025 on the business segments that had material impacts on its strategies and internal control and monitoring, and prepared the internal control and monitoring report submitted for the approval of the Audit Committee and the Board. During the year ended December 31, 2025, under the assistance of the Audit Committee and taking into consideration of the confirmation of the review on the effectiveness of the risk management and internal control systems conducted by the management and the Audit Committee and the assessment results of controls, the Board confirmed that the risk management and internal control systems of the Company were adequate and effective.

Inside Information

The legal affairs center of the Company is responsible for establishing standards to assess and identify inside information pursuant to Rules 13.09 and 13.10 of the Listing Rules and the provisions in relation to inside information under Part XIVA of the Securities and Futures Ordinance, communicating to all relevant staff on the policies of inside information reporting and disclosure, providing related training and disclosing inside information in a timely manner in accordance with the requirements set out in the Securities and Futures Ordinance and the Listing Rules.

6. AUDITOR'S REMUNERATION

Audit fees of the Group for the year ended December 31, 2025 payable to the external auditors were approximately RMB1.13 million. The Group incurred approximately RMB0.57 million in 2025 for non-audit services related to the review of the Group's interim financial information for the six months ended 30 June 2025.

7. COMPANY SECRETARY AND PRIMARY CONTACT OF THE COMPANY

During the year ended December 31, 2025, Mr. Chen Kun, a practicing solicitor in Hong Kong, served as the company secretary of the Company. His primary contact at the Company is Mr. Jiang Guorong, general manager of the Department of Securities and Investment of the Company.

In compliance with Rule 3.29 of the Listing Rules, Mr. Chen Kun undertook not less than 15 hours of relevant professional training during the year ended December 31, 2025.

Mr. Chen Kwun resigned as company secretary of the Company on March 26, 2026 and Ms. Ms. Lee Hang Siu was appointed as company secretary of the Company on the same day.

Corporate Governance Report

8. GENERAL MEETING

For the year ended December 31, 2025, one general meeting of the Company, being the annual general meeting of the Company held on June 19, 2025, was held. The attendance record of the Directors is set out in the table below:

Directors	Attended/ Eligible to attend
Dr. Fang Yixin (<i>Chairman, Executive Director and Chief Executive Officer</i>)	1/1
Dr. Mei Hong (<i>Executive Director</i>)	1/1
Mr. Fang Haoze (<i>Executive Director</i>)	1/1
Ms. Lin Xiaoying (<i>Executive Director</i>)	1/1
Dr. Wang Yong (<i>Independent Non-executive Director, resigned on December 29, 2025</i>)	1/1
Ms. Wong Sze Wing (<i>Independent Non-executive Director</i>)	1/1
Mr. Jiang Peixing (<i>Independent Non-executive Director</i>)	1/1
Mr. Tian Wenguo (<i>Independent Non-executive Director, appointed on December 29, 2025</i>)	0/0

9. COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Shareholders and potential investors on the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The AGM provides opportunity for Shareholders to communicate directly with the Directors. The Chairman of the Board and the chairmen/chairlady of the Board Committees will attend the AGM to answer Shareholders' questions. The external auditors of the Company will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at <http://www.rich-healthcare.com>, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Board will review the Shareholders' communication policy regularly to ensure its effectiveness. During the year ended December 31, 2025, upon considering the abovementioned factors, the Board considered that the current Shareholders' communication policy is effective.

10. SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed by the chairman of that meeting for each substantially separate issue at Shareholder meetings, including nomination and election of individual directors.

All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each Shareholder meeting in accordance with the Listing Rules.

(1) Procedures for Shareholders to convene an extraordinary general meeting

In accordance with Article 17.3 of the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

(2) Procedures for putting forward proposals at general meeting

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Law of the Cayman Islands. However, Shareholders who wish to propose resolutions may follow Article 17.3 of the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures of Article 17.3 are set out above.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

(3) Enquiries to the Board

Shareholders and investors may send written enquiries or requests to the Company as follows:

Address: 17/F, Qiantan International Plaza, No. 90 Qirong Road, Pudong New District, Shanghai, PRC
Attention: Board of Directors Office
Tel: 021-68865787

Enquiries will be dealt with in a timely and informative manner.

11. CHANGE IN CONSTITUTIONAL DOCUMENTS

No changes were made to the Articles of Association during the year ended December 31, 2025.

Environmental, Social and Governance Report

About this Report

This Report is an annual report that elaborates on the Company's environmental, social, and governance (ESG) efforts and contributions. Rici Healthcare Holdings Limited hopes to increase communication and contact with various stakeholders through the release of this Report.

For ease of presentation and reading, "Rici Healthcare Holdings Limited" is referred to in this Report as "Rici", the "Group", the "Company", "we", or "us".

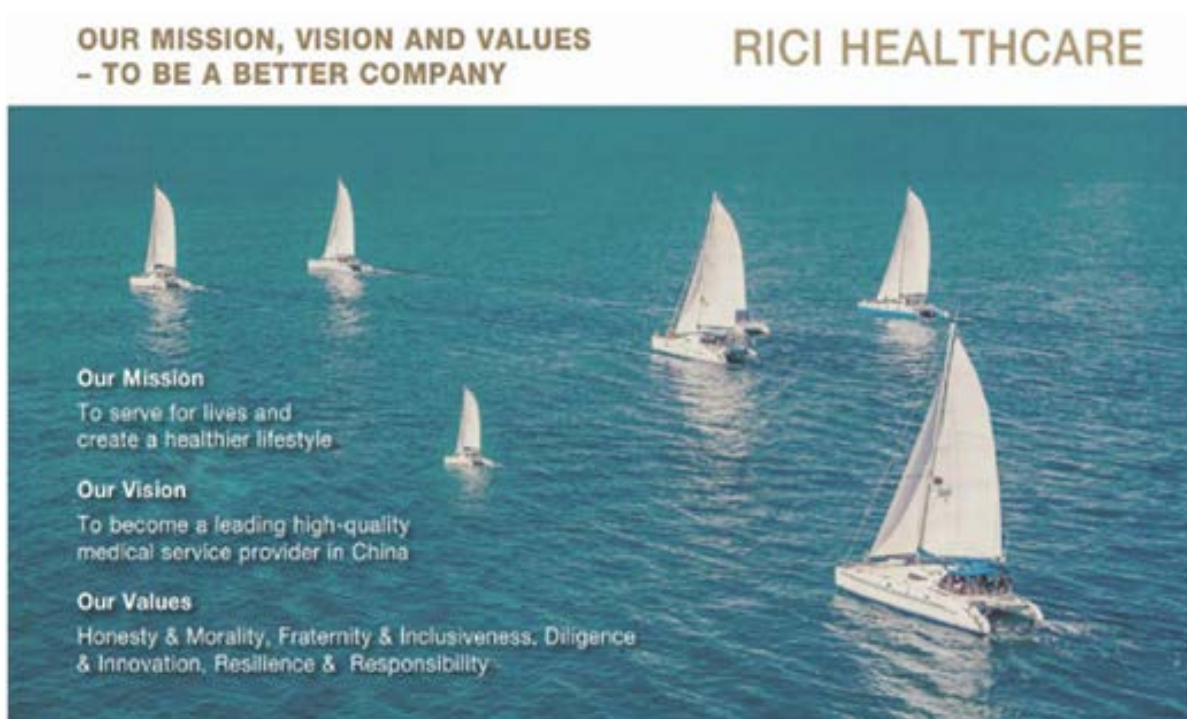
- **Reporting period:**
January 1, 2025 to December 31, 2025.
- **Reporting scope:**
This Environmental, Social and Governance Report covers the performance and measures of the Company's headquarters, the General Hospital segment (Nantong Rich Hospital), and the Medical Examination segment (including 79 medical examination centers in operation), covering Rici Healthcare Group and its 114 subsidiaries, which is consistent with the scope of all corporate entities included in the consolidated financial statements for the current period.
- **Reporting principles:**
This Report is prepared with reference to the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") set out in Appendix C2 to the Listing Rules published by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and in accordance with the four reporting principles of materiality, quantitative, balance and consistency, as well as the "comply or explain" provisions contained in the said Guide, where:
 1. **Materiality:** there are no "comply or explain" provisions in this report that have not been disclosed because the issuer considers them immaterial. For the specific materiality determination process, please refer to "Overview of significant environmental, social and governance areas";
 2. **Quantitative:** The standards, methods, assumptions and other sources used for the disclosed data in this report should be consistent with documents such as the "Environmental, Social and Governance Reporting Guidelines", "Environmental, Social and Governance Reporting Guide", "How to Prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs" and "How to Prepare an ESG Report — Appendix III: Reporting Guidance on Social KPIs" published by the Hong Kong Stock Exchange.
 3. **Consistency:** The statistical methods or key performance indicators disclosed in this report have not undergone significant changes compared to the previous year, and the overall preparation method remains consistent.



Environmental, Social and Governance Report

- **Access to this Report:**

This Report is published in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese one shall prevail. This Report can be downloaded from the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company's official website (<https://www.richi-healthcare.com/>).



Board Statement

After being dedicated to the healthcare industry for more than 20 years, the Group has formed a mega healthcare industry chain consisting of the general hospital, medical examination, and elderly care & rehabilitation, among other segments, aiming to provide health services to meet health needs throughout the whole life cycle of humans. This ESG Report focuses on the Company's specific policies and performance in environmental, social, and governance aspects during the reporting period.

The Board of Directors undertakes that the Company will strictly comply with the disclosure requirements of the Listing Rules and the Environmental, Social and Governance Reporting Guide. The Board of Directors and all Directors of the Company hereby warrant that this Report is free of any false statements, misleading statements, or material omissions, and bear individual and joint responsibility for the authenticity, accuracy, and integrity of this Report.

Environmental, Social and Governance Report

ESG Philosophy

Since 2016, the Group has published ESG reports for ten consecutive years. With the deepening of our understanding of the ESG concept, we have established an internal sustainability system, optimized our ESG management process, and strengthened our communication with various stakeholders, including employees, customers, shareholders and suppliers, to step up our presence in the healthcare industry. We uphold the philosophy that “one taking from society should give back to it”. Combining the concept of sustainable development with its business strategy, we constantly explore new initiatives in such key aspects as healthcare services, customer privacy, employee welfare, environmental protection and green supply chain, as efforts to become a responsible corporate citizen, which is not only a manifestation of fulfilling corporate social responsibility (CSR), but also a way to enhance the sustainability competitiveness, optimise internal management and reduce operational risks.

ESG Governance Framework

The Group’s ESG governance structure consists of three levels: the Board of Directors, the ESG working group, and various functional departments and subsidiaries of the Company. Among them, the Board of Directors, as the highest decision-making body, regularly listens to reports from the ESG working group, supervises all matters related to environmental, social, and governance, including strategies, management approaches, and the process of identifying material issues for the year, conducts discussions based on actual situations, and adjusts strategies and management methods in a timely manner; The ESG working group, based on the instructions of the Board of Directors, decomposes and assigns tasks to the functional departments and subsidiaries of the Company, continuously collects and evaluates various data and performance of the Company’s ESG governance, and reports to the Board of Directors regularly; The three-level structure works together to ensure that the issues ultimately identified are of practical relevance and importance to the Group’s business, and to ensure the efficient operation of ESG governance.



Environmental, Social and Governance Report

Stakeholder Engagement

Directly related to the Group’s sustainable development, stakeholders play a pivotal role in the Group’s decision-making process. Based on our actual business conditions and operational characteristics, we have identified a wide range of key stakeholders such as government and regulatory authorities, shareholders and investors, customers, suppliers, employees, and the public. By establishing a long-standing communication mechanism with stakeholder representatives, the Group could be promptly informed of the views and expectations of each stakeholder and makes adjustments to its ESG plans and their implementation to meet the expectations of stakeholders.

The following table lists the main issues of concern to different stakeholder groups during the reporting period:

Key stakeholders	Communication channels	Stakeholder expectations
Government agencies	PR department	Compliant operation
	Collection of policy documents	Job creation
	Offering advice and suggestions	Industry pioneer
Shareholders and investors	General meetings	Corporate profit, corporate governance
	Reports of the Company and channels for information disclosure	Compliant operation, risk controllability
Customers	Reports of the Company, Website of the Company	Quality services
	Customer hotline and email, questionnaires	Privacy security
	Offline activities	Business ethics
Suppliers and partners	Meetings, onsite inspections	Long-term cooperation, integrity operations
	Remote videos and teleconferences	Business ethics, information disclosure
Employees	Meetings, employee training	Employee rights and interests, compensation and welfare
	Staff appraisal, suggestion box	Training and promotion, working environment
	Social software	Occupational safety
Community and the public	Community services, Company announcements	Community charity

Environmental, Social and Governance Report

Overview of significant environmental, social and governance areas

- **Material Issue Identification Process**

The Group listens to the opinions and expectations of stakeholders and combines them with this year's ESG governance and development needs. Through rigorous and effective procedures, the Group has conducted an importance assessment and analysis of the material issues of concern to stakeholders. The specific implementation process mainly includes the following four stages:

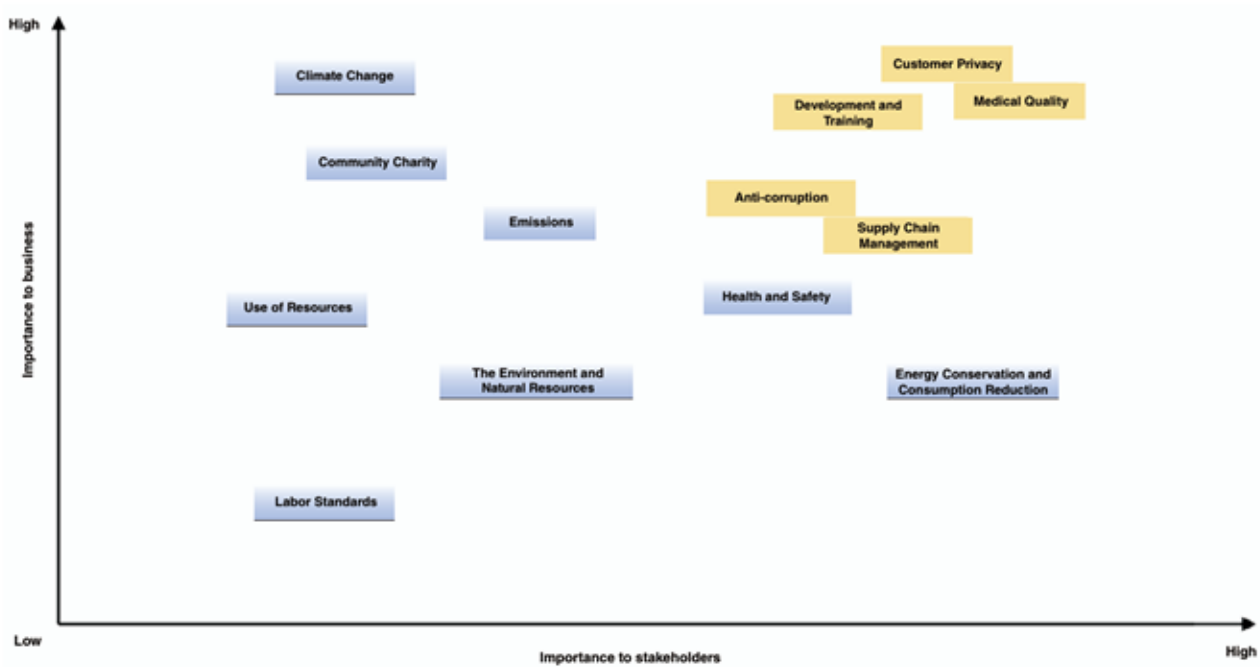
- (1) Identification of potential material issues: identify potential material issues that have a significant impact on the economy, environment, and society, as well as various stakeholders, through detailed review of media analysis, benchmarking analysis of peers in the healthcare industry, and review of other relevant documents.
- (2) Prioritization of potential material issues; prioritize potential material issues, develop a stakeholder communication plan, obtain specific opinions and expectations of stakeholders, understand the priority issues of concern to stakeholders, conduct materiality assessment, and prepare a materiality matrix.
- (3) Validation of potential material issues: the management reviews and confirms the materiality analysis of the identified issues. We will faithfully reflect the Group's performance on relevant issues in the report.
- (4) Review of potential material issues: check whether the report content provides a reasonable description of the Group's ESG and sustainable development performance in major ESG aspects, and invite stakeholders to provide comments.



Environmental, Social and Governance Report

- **Materiality Matrix**

Through the above identification process, we prioritized the content covered by ESG according to its importance to the business and stakeholders, and communicated with various stakeholders in a timely manner to obtain the opinions and expectations of major stakeholder representatives on the company's environmental, social, and governance issues. The materiality of each issue in the current period remains generally consistent with that of 2024, with medical quality, customer privacy, and development and training being the key areas of concern. This Report is a detailed disclosure made with reference to the materiality matrix.



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A Environment

The Group regards environmental protection as the foundation of sustainable development, continuously pays attention to the impact of its business activities on the environment, and deeply integrates the concept of environmental protection into corporate management and daily operations. We strictly comply with relevant regulations such as the “Law of the People’s Republic of China on Environmental Protection”, the “Law of the People’s Republic of China on the Prevention and Control of Water Pollution”, the “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, and the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”, ensuring that pollutants are effectively treated and discharged up to standards, and earnestly fulfilling corporate social responsibilities. During the reporting period, there were no fines or litigation cases due to environmental violations.

In terms of organizational structure, the Group continues to improve its environmental management system. Based on the existing vertical management mechanism from the Board of Directors to each business unit, it strengthens publicity and training, deepens the implementation of responsibilities at the grassroots level, and forms a management model of “accountability at each level and responsibility assigned to individuals”. Both the group headquarters and its subsidiaries have established full-time positions responsible for the management and execution of environmental protection work to ensure the effective implementation of environmental protection measures. In 2025, the Group continued its work on environmental protection and pollution prevention, focusing on reducing resource consumption, increasing resource recycling rates, continuously improving the office environment, reducing exhaust gas and solid waste emissions, and promoting the concepts of green office and low-carbon mobility.

In terms of the regulatory system, the Group has established special organizations and systems to ensure the implementation of environmental management and continuously enhance its internal environmental management capabilities. Each subsidiary strictly adheres to environmental regulations, regularly reports its pollution discharge registration to the local environmental regulatory authorities, and implements environmental monitoring to ensure compliance. During the reporting period, all subsidiaries passed the tests, and all indicators met the prescribed standards.

A1 Emissions

The Group strictly complies with all national and local standards on emission control, discharges into surface and groundwater, and noise control. In order to reduce pollution to the environment, the Group has actively implemented air pollutant control plans, plans to save electricity, water and fuel, and plans to save office consumables, synchronized planning for environmental protection and business development, and raised employees’ awareness of environmental protection, so as to reduce the generation of air pollutants, greenhouse gas emissions and wastes at source. In addition, we inject more resources into the utilization of waste materials to boost the development of a circular economy.

Given the characteristics of the industry where the Group operates business, its air and direct GHG emissions are mainly from vehicles used by the Group, while indirect GHG emissions mainly come from the consumption of electricity.

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A1.1 Exhaust Gas Emissions

Statistics of the Group's exhaust gas emissions are as follows:

No.	Types of emissions	Unit	2025	2024
1	Nitrogen oxide	Kg	390.46	459.18
2	Sulfur oxide	Kg	0.71	0.91
3	Particulate matter	Kg	34.60	39.11

A1.2 Greenhouse Gas Emissions

Statistics of the Group's greenhouse gas emissions are as follows:

No.	Type	Unit	2025	2024
1	Direct greenhouse gas emissions ¹	CO ₂ e (ton)	127.86	163.12
2	Indirect greenhouse gas emissions ²	CO ₂ e (ton)	9,183.49	24,334.01
3	Total	CO ₂ e (ton)	9,311.34	24,497.13

¹ Note 1: According to the ESG Reporting Guide set out in Appendix C2 to the Main Board Listing Rules, the formula of GHG emissions from mobile combustion sources (for road, air, and water transport) in carbon dioxide equivalents (CO₂e) is that GHG emissions in CO₂e (E)=A×EF, in which E=Emissions, A=Amount of fuel consumed, and EF=Emission Factor of CO₂. The emission factor of diesel is 2.614, that of unleaded petrol is 2.36. The unit of emission factor is kg/L.

² Note 2: Calculated based on the 2024 national average electricity carbon footprint factor of 0.5777 kg CO₂/kWh, which is derived from the "Announcement on the Release of 2024 Electricity Carbon Footprint Factor Data" (Announcement No. 19 of 2025) issued by the Ministry of Ecology and Environment and the National Bureau of Statistics.

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A1.3 Hazardous Waste

As the Group is engaged in the healthcare services industry, the main hazardous waste generated from its operating activities includes medical waste and medical wastewater. In accordance with the Catalogue of Medical Waste Classification, we implement classification management system for medical waste, place it in special containers that comply with the Provisions on the Standards and Warnings for Packages and Containers Exclusively for Medical Waste, and entrust professional recycling companies certified by the government for unified treatment.

Based on regulations such as the “Regulations on the Management of Medical Waste” issued by the State Council and the “Measures for the Management of Medical Waste in Medical and Health Institutions” issued by the Ministry of Health, we have formulated a long-term management system for medical waste, and regularly conduct training to ensure that employees fully understand the importance of proper disposal of hazardous waste for environmental protection, and guide them to minimize the generation of hazardous waste in their daily work.

Statistics of the Group’s hazardous waste are as follows:

No.	Segments	Unit	2025	2024
1	General Hospital segment	Ton	175.95	178.68
2	Medical Examination segment	Ton	275.35	239.04
3	Total	Ton	451.29	417.72



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A1.4 Non-hazardous Waste

The Group strictly complies with relevant laws and regulations like the “Environmental Protection Law of the People’s Republic of China” and the “Measures for Management of Urban Domestic Waste”, and has formulated the “General Waste Management System of Rici and the Domestic Waste Management System of Nantong Rich Hospital”.

The non-hazardous wastes generated during the Group’s operations mainly include general waste and domestic waste. For all types of recyclables (such as plastic infusion bottles/bags, cardboard, etc.), we implement recycling plans and hand them over to qualified suppliers for professional treatment.

Statistics of the Group’s non-hazardous waste are as follows:

No.	Segments	Unit	2025	2024
1	General Hospital segment	Ton	2,829.27	2,916.77
2	Medical Examination segment	Ton	15.23	36.94
3	Total	Ton	2,844.50	2,953.71

A2 Resource Use Management

The Group strictly complies with relevant laws and regulations, including the “Water Law of the People’s Republic of China”, the “Electric Power Law of the People’s Republic of China”, the “Energy Law of the People’s Republic of China”, and the “Energy Conservation Law of the People’s Republic of China”. During the reporting period, the Group was not involved in any irregularities relating to the utilization of resources, and no material issues relating to the utilization of resources that may have a significant impact on the Group’s operations were identified.

The Group has formulated the “Measures for Management of Energy Conservation, Consumption Reduction and Environmental Health at Office of Rici”. In the design and actual operation of the office environment, the Group consistently adheres to the principle of protecting the environment in accordance with the law, strictly implements energy-saving and emission-reduction measures, and improves the recycling rate of resources. We review the implementation of environmental protection measures regularly or irregularly and evaluate the effectiveness of existing measures to effectively improve resource use efficiency and strike a balance between business growth and environmental protection.

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A2.1 Energy Use

The Group's energy use is mainly divided into two parts by type: non-renewable fuels (direct) and purchased energy (indirect). Among them, non-renewable fuels (direct) are mainly fuel consumed by the company's vehicles; Purchased energy (indirect) is mainly electricity use.

A2.1.1 Fuel Use

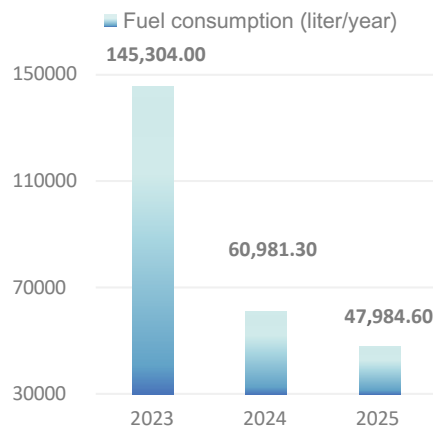
The Group practices green and low-carbon travel, and the fuel-saving measures are as follows:

- a. Performing regular maintenance of vehicles to ensure good performance of engines and efficient use of fuel;
- b. Making reasonable planning of driving routes to avoid duplication of routes;
- c. Encourage employees to take public transportation to and from work, and reduce the use of private cars as much as possible;
- d. Asking the relevant persons to share personal cars in order to reduce fuel consumption whenever the use of private cars for business trips is required;
- e. Encouraging the use of communications systems to avoid unnecessary business trips;
- f. Setting up shared bicycle parking spots near office buildings to advocate green mobility among employees.



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In 2025, the Group used a total of 47,984.62 liters of fuel, equivalent to approximately 467.51 MWh³. Among them, the Group headquarters used 9,328.21 liters of fuel, the General Hospital segment used 25,294.62 liters, and the Medical Examination segment used 13,361.79 liters. The density calculated based on the total construction area of operating and office spaces decreased from 0.179 (liters/square meter) in 2024 to 0.14 (liters/square meter) in 2025. The trend of change in the recent three years is as follows:



A2.1.2 Use of Electricity

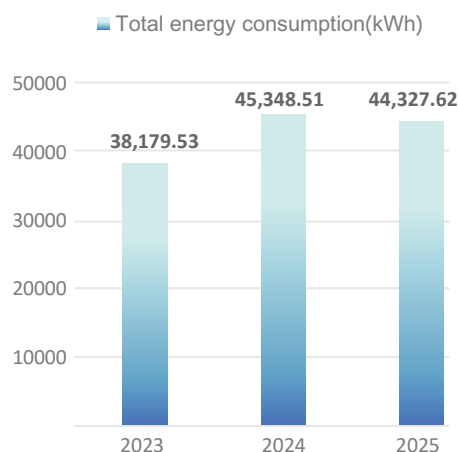
Electricity is a major resource in the daily operation of an enterprise. The Group has adopted a series of measures to conserve electricity and encouraged the active participation of its employees, in order to reduce the greenhouse gas emissions intensity. The major measures to save electricity are as follows:

- Turning off all unnecessary electricity-consuming equipment (such as air conditioners, computers, and lights) during non-working hours;
- Using LED lamps and other energy-efficient lighting systems;
- Regularly maintaining and servicing air conditioning units, cleaning filters to improve air conditioning efficiency and reduce energy consumption; Adjusting the temperature according to optimal performance, with indoor temperature controlled at 26°C in summer and 20°C in winter;
- Posting signs at appropriate locations to raise employees' awareness of electricity conservation.

³ Note 3: The relevant conversion factors are sourced from the "Energy Statistics Manual" (Appendix III: Units and Conversion Equivalents) published by the International Energy Agency.

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In 2025, the Group consumed a total of 44,327.62 MWh of electricity. Of this, the Group headquarters used 143.90 MWh, the General Hospital segment used 15,896.64 MWh, and the Medical Examination segment used 28,287.09 MWh. The density, calculated based on the total building area of operations and offices, decreased from 0.133 (MWh/square meter) in 2024 to 0.047 (MWh/square meter) in 2025. The trend over the past three years is as follows:



A2.2 Use of Water Resources

Due to the geographical location of the premises and the nature of the business, there was not any issue in sourcing water that is fit for purpose in the Group. The healthcare industry requires healthcare workers to wash their hands and clean their tools frequently to prevent the spread of diseases, and thus water consumption (especially the water consumption of the General Hospital segment) is required for medical needs, and infection prevention and control measures.

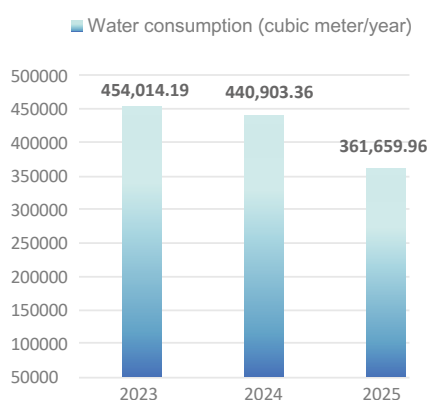
The Group implemented the following measures to conserve water and improve water use efficiency:

- a. Inspecting water supply facilities on a regular basis, checking whether the response to the shutting-down instruction is timely and whether there are faults, in order to prevent water leakage and eliminate water evaporation, emission, drip and leakage;
- b. Placing signs in pantries and washrooms to encourage staff to conserve water.



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In 2025, the Group used a total of 361,659.96 cubic meters of water. Among them, the Group headquarters used 207.90 cubic meters, the General Hospital segment used 198,550.00 cubic meters, and the Medical Examination segment used 162,902.06 cubic meters. The density calculated based on the total construction area of operating and office spaces decreased from 1.29 (cubic meters/square meter) in 2024 to 1.06 (cubic meters/square meter) in 2025. The trend of change in the recent three years is as follows:



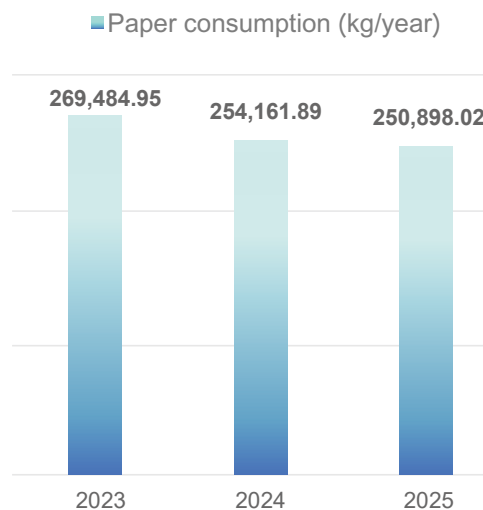
A2.3 Use of Paper

The Group advocates for paperless offices and has consistently regarded reducing paper consumption as a sustainable development issue. For the rational use of paper and waste reduction, the following measures have been taken:

- a. Designating a person to be responsible for recording the usage amount for each printer;
- b. Encouraging employees to print double-sided for informal documents and use electronic documents whenever possible instead of printing;
- c. Encouraging the use of electronic information systems to store files, share data, or handle internal administrative documents;
- d. Encouraging the use of emails and instant messaging tools instead of paper documents for internal communication;
- e. Using electronic devices for marketing to reduce the use of paper-based promotional materials.

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In 2025, the Group used a total of 160,707.88 kg of paper resources. Among them, the Group headquarters used 654.00 kg, the General Hospital segment used 25,195.73 kg, and the Medical Examination segment used 134,858.15 kg. The density calculated based on the total construction area of operating and office spaces decreased from 0.735 (kg/square meter) in 2024 to 0.470 (kg/square meter) in 2025. The trend of change in the recent three years is as follows:



A2.4 Use of Packaging Materials (Not Applicable)

Different from manufacturers, the Group (the headquarters, the General Hospital segment consisting of Nantong Rich Hospital, and the Medical Examination segment consisting of 79 medical examination centers in operation) does not engage in production. Given the nature of its business, the Group consumed no packaging materials.

A3 The Environment and Natural Resources

Based on the characteristics of the industry, the Group's operating activities did not have any significant adverse impact on the environment and natural resources during the reporting period. We are deeply aware of the importance of environmental protection for social harmony, stability, and human well-being. We have always integrated the concept of sustainable development into our corporate DNA, implementing green practices throughout the entire process of procurement and operations, and adhering to harmonious coexistence with the environment.



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Internally, the Company has established environmental protection policies and incentive mechanisms to guide employees in practicing green office: promoting paperless processes to reduce resource consumption, optimizing energy management systems to reduce carbon emissions, and organizing environmental public welfare activities to deepen employees' sense of responsibility, so that the concept of environmental protection is internalized as the core of corporate culture.

Externally, the Group actively engages with customers, suppliers, and the public: exploring environmental solutions together in business cooperation, sharing environmental protection practices and achievements through its official website and social media platforms, and promoting environmental knowledge. We will continue to work with our partners to enhance environmental awareness, promote sustainable development with concrete actions, and safeguard a better planet for future generations.

A4 Climate Change

In today's era, humanity is experiencing tremendous pressure from nature, the global ecosystem, and climate change, which is an unprecedented challenge. Although the Group is primarily engaged in providing healthcare services and its main business has not yet been directly affected by climate change, we have proactively recognized potential risks and taken a series of response measures. During the reporting period, we conducted extensive awareness campaigns on natural disasters not only within the Group but also for external stakeholders. The content covered various extreme climate phenomena such as high temperatures, droughts, rainstorms, floods, super typhoons, forest fires, and sea level rise, aiming to enhance the risk awareness of all employees and stakeholders; At the same time, we conducted in-depth and detailed assessments of the Group's various operating locations and office sites, comprehensively identifying operational risk points related to climate. Based on these assessment results, we have developed a comprehensive and targeted set of emergency measures. These measures cover all aspects from prevention and early warning to emergency response, striving to ensure that in the event of extreme weather events, we can take swift and effective actions to minimize the negative impact on the company's operations. Furthermore, through this series of actions, we are continuously enhancing our adaptability to climate change, strengthening the Group's stability and resilience in the face of future uncertain climate environments, to ensure the sustainable development of the Group.

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B Social

The Group deeply recognizes the multi-dimensional social responsibilities it bears as a listed company. In its operations, it strictly complies with laws and regulations such as the “Labor Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases”, the “Product Quality Law of the People’s Republic of China”, and the “Anti-Unfair Competition Law of the People’s Republic of China”. In terms of system construction, we continuously improve internal management systems covering recruitment processes, health and safety standards, employee development and training systems, supply chain audit mechanisms, product quality control, and anti-corruption measures to regulate corporate behavior through the power of systems. In terms of implementation, a special internal audit and supervision body is set up to monitor the fulfilment of social responsibilities, and to enhance employees’ sense of responsibility through extensive publicity, so as to ensure the comprehensive and effective implementation of corporate social responsibility.

The fulfillment of social responsibility promotes the harmonious coexistence of the enterprise and society. At the economic level, it enhances the attraction of high-quality talents and capital, and reduces operational risks; At the social level, it promotes social stability and progress through measures such as creating jobs, protecting employee rights and interests, and participating in community building. At the environmental level, it reduces its environmental footprint through supply chain management and product responsibility practices, leading to green production and consumption. The organic unity of economic, social, and environmental benefits will strongly guarantee the sustainable development of the enterprise.

B1 Employment

Talent is the most valuable asset of an enterprise and the cornerstone of its development. The Group has always adhered to the principles of fairness, justice, and openness in attracting and retaining outstanding talents. We regularly review existing employee hiring policies, pay attention to and update relevant laws and regulations in a timely manner, to ensure that all hiring measures are strictly implemented.

In terms of talent recruitment, the Group strictly abides by relevant national laws, regulations, and employment policies, and has formulated a series of policies such as the “Rici Healthcare Group Recruitment Management System”, “Nantong Rich Hospital Recruitment Management System”, “Internal Recommendation Incentive Management Measures”, and “Employee Handbook”. Employee conduct is the primary consideration in recruitment, and talents are selected based on their skills, experience, and expertise to meet job requirements, providing equal employment opportunities for people of different ethnicities, races, genders, ages, and religions.

In terms of compensation and benefits, the Group adheres to the principles of fairness, justice, equal pay for equal work, and anti-discrimination. It provides attractive compensation and benefits while strictly complying with labor laws and regulations in each location where they operate, adhering to standards such as minimum wage, working hours, and holidays.



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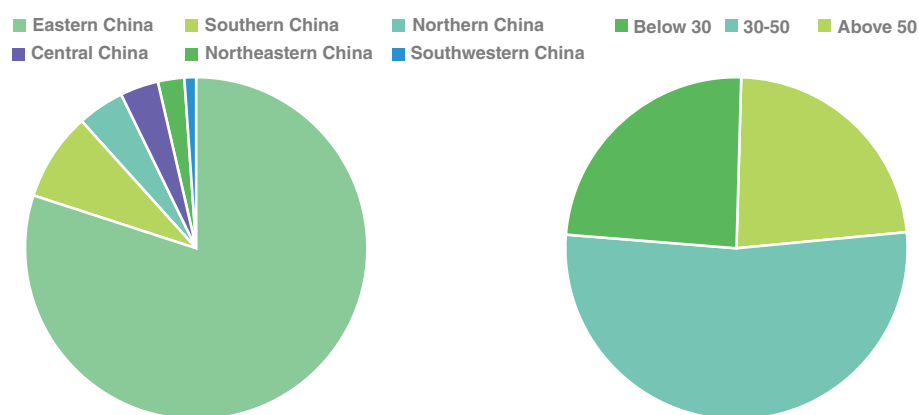
In terms of promotion path, we have established a “Y”-shaped career development path for employees. This creates a vertically sequenced system with upward and downward mobility; and a horizontal rank structure that enables cross-departmental transfers. Employee performance is evaluated regularly each year, and the results are used as a reference for promotion opportunities or salary increases. The company emphasizes internal promotion to motivate employees to contribute continuously and diligently.

Regarding employee rights and interests, the Group is committed to promoting a balance between work and life for its employees, advocating for the establishment of fair and reasonable working time systems and leave policies to protect employees’ rights to rest and vacation. To promote harmonious relationships among employees in various departments, the company regularly organizes various social activities, such as afternoon tea, birthday parties, and employee sports day.

B1.1 Total Number of Employees and Details

As of December 31, 2025, the Group had a total of 8,523 employees across its headquarters, Medical Examination segment, and General Hospital segment, including 201 in the Group headquarters, 7,253 in the Medical Examination segment, and 1,069 in the General Hospital segment; The ratio of male to female employees was approximately 1:4.

By region, the number of employees in each region is as follows: East China (6,833), South China (706), North China (311), Central China (381), Northeast China (93), and Southwestern China (199). By age group, there are 2,046 employees aged 50 and above, 4,516 employees aged 31–50, and 1,961 employees under 30. The proportions are shown below:



B1.2 Employee Turnover Rate and Details

The Group’s total employee turnover rate for 2025 was 19.96%. Among them, the turnover rate for male employees was 25.74%, and for female employees was 18.66%; By age group, the turnover rate was 26.15% for those over 50, 15.68% for those aged 31–50, and 22.84% for those under 30.

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B2 Health and Safety

The Group, which attaches great importance to the health and safety of its employees, has established a sound management system and regulatory requirements to ensure the health and safety of its employees and to operate its business in a safe and responsible manner. Based on the Group's actual business conditions, we have formulated more than 20 related systems for the General Hospital and Medical Examination segments, including the "Disinfection and Isolation System", "Infectious Disease Management System", "Occupational Safety and Injury Prevention System and Measures", "Radiation Diagnosis and Treatment Safety Protection Management System", and "Health Examination Medical Regulations", covering various aspects such as medical operations, infection control, radiation protection, occupational disease prevention, and emergency response, forming a systematic, standardized, and implementable safety management system.

Each system clearly defines the responsible departments and specific implementation procedures, and is supported by corresponding training mechanisms and supervision measures to ensure that the health and safety of employees in various work environments is effectively safeguarded. By regularly inspecting and evaluating the implementation of the systems, and continuously updating and improving the relevant content based on changes in laws and regulations, as well as feedback from actual operations, we diligently fulfill our corporate responsibility and provide a safe and reliable working environment for our employees.

In 2025, the Group spent a total of RMB5,852,110.00 on employee medical examinations, providing employees with in-depth medical examination benefits. A total of RMB1,120,664.31 was spent on purchasing safety supplies for employees, providing safety equipment for special positions.

During the reporting period, the general hospitals and various medical examination institutions carried out various regular or irregular safety inspections, designated safety management personnel, conducted safety training and assessments, organized on-site safety inspections, and created a zero-accident working environment.

Case 1: Fire Safety Training and Drills

In 2025, all facilities of Rici Healthcare Group fully implemented fire safety management and carried out regular fire drills and training. Most facilities jointly organize annual fire drills (usually 1–2 times) with the property management of their buildings, and some institutions also invite fire associations or local fire departments for professional training. The drills cover practical items such as the use of fire extinguishers, operation of fire hydrants, emergency evacuation, and casualty rescue, supplemented by explanations of fire safety knowledge and case analysis. Notably, the Shenzhen Nanshan institution organized more than 5 special safety activities in 2025, including fire warning education, joint drills with property management, and self-inspections conducted with the fire brigade. The training covers multiple aspects such as the use of fire-fighting equipment, theoretical and practical aspects of escape drills, and evacuation procedures. The Suzhou Gusu institution carried out more than 10 safety-related activities in 2025 in various forms, including monthly self-inspections, Work Safety Month studies, fire emergency drills, and viewings of accident warning films. In daily management, all institutions strictly implement monthly self-inspections of fire safety facilities (fire extinguishers, fire hydrants, emergency exits, etc.), and some institutions also conduct daily safety patrols. Nantong Rich Hospital, along with other institutions, have established a graded safety responsibility letter system and carried out centralized publicity, education, and drills through the "Work Safety Month" and "Fire Safety Publicity Month" to enhance the fire safety awareness and emergency response capabilities of all staff. A multi-level safety management system of "daily inspection + regular training + practical drills" has been formed.



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Case 2: Emergency Response Plan Training

The training content conducted by the Group in 2025 on the emergency response plan was closely integrated with the characteristics of the healthcare industry, and specifically covered special emergency drills such as accidental leakage of medical waste, in-hospital violence, occupational exposure of medical staff, and cardiopulmonary resuscitation (CPR). Institutions in places such as Changzhou, Beijing, and Chengdu have achieved comprehensive coverage spanning from general safety to professional risks. In terms of training format, the emphasis is on “combining learning with practice”, with practical operations and assessments conducted in simulated scenarios. Taking the Suqian institution as an example, a complete closed-loop process including theoretical publicity, practical skills, and command coordination has effectively established an emergency capability training system covering major risk scenarios.

In the past three years, no work-related deaths of its employees occurred in the Group. In 2025, 13 employees were injured at work, resulting in 828 lost workdays. The Group provided timely medical assistance to the injured employees when work-related injuries occurred.

B3 Development and Training

The Group fully recognizes the irreplaceable key role of senior employees in promoting the implementation of the Group’s strategy. In order to comprehensively enhance the professional quality and business skills of all employees, the company actively expands training channels and is committed to creating a wealth of internal and external training opportunities for employees.

The Human Resources Department has set up a dedicated internal training position, carefully planned and refined the training content, and is committed to building a systematic and scientific training system. On the one hand, the company is actively building a high-quality internal teaching team that is highly aligned with the Group’s development strategy. They not only have profound professional knowledge but are also more familiar with the Group’s business processes and cultural concepts, and can accurately translate the Group’s strategic requirements into specific training content and impart it to every employee. On the other hand, the company vigorously promotes the “mentor-apprentice” training model, gives full play to the exemplary leading role of senior employees, inherits valuable work experience and skills through the “old-lead-new” and “superior-lead-subordinate” methods, promotes the fine tradition of “passing on, helping, and leading”, helps new employees grow rapidly, and ensures that all employees have the professional skills and qualities necessary to implement the group’s strategy.

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In 2025, to fully tap the potential of corporate talent and highlight Rici Healthcare Group's talent philosophy of "making the best use of talent without being constrained by conventional norms", the Group launched the "Rici Healthcare Group Competition Management System". This system standardizes the internal development channels for the Group's talent, broadens the channels for selecting and appointing personnel, and improves the alignment between recruitment work and the Company's job requirements.

In addition, relevant departments of the company are working closely with the Information Management Center to actively explore online training models on mobile devices. With the help of advanced information technology, breaking the time and space limitations of traditional training, employees can participate in training and learning anytime and anywhere, effectively improving the convenience and flexibility of training. This innovative measure not only improves training efficiency and ensures the effective implementation of training plans, but also greatly optimizes the training experience of employees, making training and learning easier and more enjoyable, and further stimulating employees' enthusiasm and initiative to participate in training.

In 2025, the details of participants in various trainings categorized by gender and employee category are as follows:

Gender	Number of participants
Female	13,215
Male	3,076

Employee Category	Number of participants
Associate and below	22,132
Supervisor	789
Manager	1,019
Director and above	590



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Case 1: New Employee Orientation Training

To help new employees quickly understand the company's circumstances, adapt to the working environment and job requirements, the Group's Human Resources Center, hospitals, and medical examination institutions' HR teams coordinate and organize new employee training, and various departments cooperate closely. The training content focuses on core areas such as the development history and current status of Rici Group, brand philosophy, company organizational structure, corporate culture, and rules and regulations. At the same time, each employing department establishes a mentoring mechanism, through one-on-one guidance, to help new employees quickly familiarize themselves with job responsibilities, improve their professional skills, and ensure that they adapt to their jobs in a short period of time and contribute to the company's development.

In 2025, the new employee orientation training rate was 100%.



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Case 2: Kunpeng Program Middle and Senior Management Training

To enhance the strategic thinking and leadership capabilities of the Group's middle and senior management team, the Human Resources Center jointly organized the first middle and senior management training program with the School of Lifelong Education, Shanghai Jiao Tong University. The training lasted for 2 days and was completed on July 27–28, 2025. The main contents of the course included “In-depth Analysis of Macroeconomic Strategies and Economic Reform and Development in 2025”, “Coaching Management and Communication—Empowering Employees and Liberating Leaders”, and “Brand Strategy and Marketing Innovation”.



A total of 50 people participated in the training. The trainees were mainly B-level cadres of the Group, and the post-course evaluation score was 97.3 points (out of 100).



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Case 3: 2025 New General Manager Training Program

The core management personnel of the Medical Examination Business Division and the Group's headquarters are the backbone in implementing the Company's strategy and the driving force for the Company's sustainable development. To enhance the professional performance and collaborative management capabilities of newly hired/promoted management cadres, this training course closely focused on the core responsibilities of each position, with a key emphasis on three core areas: business strategy implementation, medical quality and safety risk control, and brand value empowerment of business, promoting efficient cross-departmental collaboration, and jointly driving the realization of the company's strategic goals and high-quality development. This training lasted for 2 days and was completed on December 18–19, 2025. There were 9 participants, mainly newly hired & promoted management cadres in the second half of 2025, and the post-course evaluation score was 98.5 points.



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Case 4: Functional “Spark Lecturer” Selection Activity

To effectively support the strategic implementation and talent pipeline development of Rici Healthcare Group, systematically capture and transfer organizational knowledge and experience, and reduce dependence on external training costs, the Human Resources Center plans to conduct an internal trainer selection activity for the Group’s headquarters and the medical examination headquarters, selecting 13 part-time lecturers.

This activity was completed on September 10, certifying 13 functional lecturers for the Group.





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B4 Labor Standards

The Group abides by applicable laws and regulations such as the “Labor Law of the People’s Republic of China” and the “Law on the Protection of Minors of the People’s Republic of China”, and strictly prohibits forced labor and the employment of minors to safeguard the legitimate rights and interests of all parties involved. The Group’s Human Resources Department strictly supervises the recruitment process and carefully reviews applicants’ age verification documents to ensure their authenticity and validity. We advocate for efficient work methods and encourage our employees to complete tasks within the stipulated working hours, while refraining from encouraging or imposing overtime. In addition, the Company has established a labor union and holds regular meetings between management and union representatives to stay informed of employee developments.

In 2025, there were no incidents of discrimination, child labor, or forced labor violations in the Group.

B5 Supply Chain Management

The Group upholds a high sense of responsibility and mission. With the joint efforts of various departments of the Group, we actively implement a unified procurement strategy, aiming to build an efficient, transparent, and friendly procurement environment, ensure the standardization and fairness of the procurement process, and lay a solid foundation for the sustainable development of the Group.

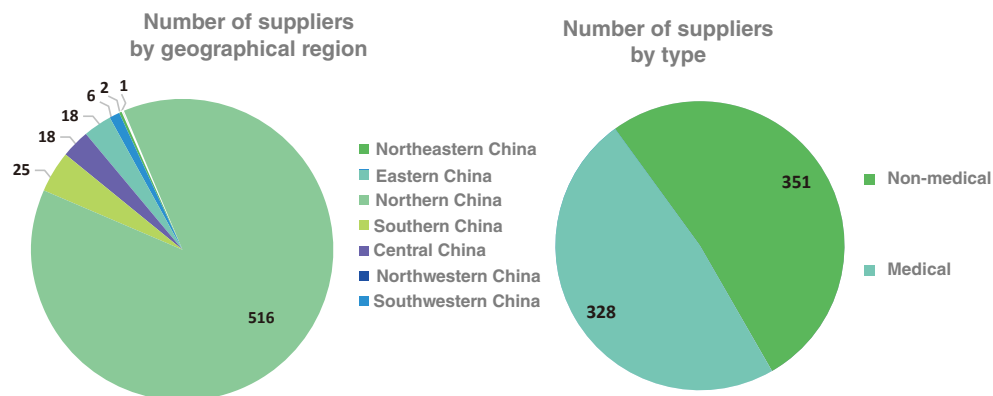
B5.1 Supplier Management

The Group attaches great importance to long-term cooperation with suppliers. We are well aware that excellent suppliers are the foundation for providing high-quality services. Therefore, we actively communicate and exchange with suppliers to jointly explore how to improve product quality, optimize procurement processes, reduce costs, and improve environmental benefits. Through close cooperation, we can obtain the latest market dynamics in a timely manner and flexibly adjust our procurement strategies according to business needs to achieve a win-win situation for both parties.

At the same time, to standardize supplier management and ensure the efficiency and quality of procurement activities, we conduct strict assessments of new suppliers based on key criteria such as basic qualifications, product quality, supply capacity, after-sales service, and price to ensure they meet our admission criteria. Qualified suppliers are evaluated based on the “New Supplier Evaluation and Assessment Form” and then included in the “Annual Qualified Supplier Directory”. In addition, key suppliers are assessed annually on dimensions such as product quality compliance rate, delivery timeliness, service awareness, and reputation, forming a “Supplier Evaluation and Assessment Record Sheet”. Priority is given to cooperation with Level I rated suppliers, while an exit process is negotiated for Level IV suppliers. In addition, the “Corruption-free Agreement” has become a necessary component of supplier contracts, achieving a 100% signing rate in 2025.

Environmental, Social and Governance Report

There were 586 cooperative suppliers in 2025, and the specific distribution and classification are as follows:



B5.2 Procurement Management

The Procurement and Commercial Management Center at the Group's headquarters, as the core hub of procurement work, has established a comprehensive and systematic supplier and procurement management system. This system completely covers the entire process of supplier screening, evaluation, cooperation, and management, ensuring material quality and supply stability from the source. At the same time, by establishing a strict procurement supervision mechanism, we implement dynamic tracking and monitoring of the entire procurement process to ensure that all procurement activities comply with the Group's standards and to prevent non-compliant operations.

At the procurement execution level, we implement full-chain closed-loop management. From demand submission, supplier selection, and contract signing, to material acceptance and warehousing, and final payment settlement, all stages are closely connected and efficiently coordinated. This closed-loop management model has significantly improved procurement efficiency, effectively reducing procurement costs and risks while ensuring the quality, quantity, and timely supply of various materials, providing strong support for the Group's stable operations.



Environmental, Social and Governance Report

B6 Product Responsibility

B6.1 Quality Control of Healthcare Services

The Group attaches great importance to medical quality, regarding it as the core content of medical service management and always placing it as the top priority. We are committed to integrating continuous improvement of medical quality and service level enhancement into all aspects of the Group's business, establishing a management system with clear responsibilities and division of labor in the medical examination segment and the general hospital segment to achieve a comprehensive and efficient improvement in the quality of medical services.

Strictly complying with health laws and regulations at all levels and standardizing medical procedures, and scientifically carrying out medical services are the basic principles of the Group. To this end, the Group's medical quality management team has formulated a comprehensive and standardized medical system to ensure that every aspect of medical services meets high standard requirements.

In terms of medical skills and services, the Group upholds the attitude of striving for excellence and is committed to providing patients with high-quality medical services. We adhere to a high-standard talent cultivation strategy, continuously building a professional and stable medical team. In terms of equipment configuration, we adhere to high-end standards, mainly selecting advanced equipment from internationally renowned brands such as GE, Philips, and Siemens, and equipping them according to the standards of Grade III Level A hospitals to ensure the accuracy and reliability of test results. At the same time, the Group also attaches great importance to discipline construction and scientific research investment, continuously promoting the innovation and development of medical services to ensure that it maintains a leading position in medical technology and service quality.

In 2025, the Group launched the "Tech Rici" strategy, upgrading the smart medical platform "RiciMedark" to promote the digital and intelligent transformation of the entire medical examination process. In addition, leveraging its vast medical data and medical scenarios, Rici Healthcare has cooperated with GE HealthCare (China), Shanghai Jiao Tong University, and others to empower proactive health with digital technology and promote the application of artificial intelligence in the medical field to improve medical quality and service quality.

Environmental, Social and Governance Report

B6.2 Complaint and Dispute Management

In accordance with national laws and regulations such as the “Administrative Measures for Complaints by Medical Institutions”, “Regulations on the Handling of Medical Accidents”, and “Regulations on the Prevention and Handling of Medical Disputes”, the Group has formulated the “Administrative Measures for Complaints by the Medical Examination Segment of Rici Healthcare Group”, “Preliminary Plan for the Prevention and Handling of Medical Disputes and Medical Malpractices”, “Opinions on the Assessment of and Penalty for Medical Disputes (Malpractices) Involving Economic Losses”, and the “System of Communication between Physicians and Patients”, in order to ensure medical safety, protect the legitimate rights and interests of both medical staff and customers, and optimize medical services. Among them:

Medical Examination Segment: The customer service departments of each medical examination center and the 400 hotline service department are responsible for receiving complaints. The headquarters’ Quality and Safety Department regularly collects and follows up on the handling of complaints, and compiles the “Ledger on the Management of Customer Complaints from Institutions Nationwide”. Complaints were mainly concentrated on service quality, such as service attitude, timeliness, and personalized service. A closed-loop management of “complaint-analysis-rectification-avoidance of recurrence” is adopted to ensure unimpeded complaint channels and designate dedicated personnel for handling. Upon receiving a complaint, the 400 Hotline Service Department will liaise with the institution’s customer service department within 2 hours. The institution’s customer service will provide an initial response within 24 hours, and the 400 Hotline Service Department will monitor the handling of the case. The “first-contact responsibility system” is implemented. The Medical Quality and Safety Department regularly summarizes and analyzes complaint cases, proposes improvement measures, and continuously optimizes services; and at the same time, strengthens the supervision, inspection, and daily management assessment of the Complaint Management Department. In 2025, a total of 11 disputes involving compensation occurred.

General Hospital Segment: The doctor-patient communication office leads the handling of medical complaints and disputes, establishes a ledger to record the handling and follow-up, and other departments cooperate. The medical department and the directors of each department regularly discuss and analyze medical disputes, discuss solutions for disputes that cannot be reconciled, and conduct accident appraisals when necessary. The hospital has formulated relevant systems, including handling protocols, assessment and penalty guidelines, litigation management procedures, and communication mechanisms, to clarify the dispute resolution process, responsibility determination, and departmental division of labor.



Environmental, Social and Governance Report

B6.3 Intellectual Property Protection

In accordance with intellectual property-related laws and regulations such as the “Patent Law of the People’s Republic of China”, the “Trademark Law of the People’s Republic of China”, and the “Copyright Law of the People’s Republic of China”, the Group has formulated the “Intellectual Property Management System of Rici Healthcare Group”. This system aims to comprehensively coordinate the entire process of creation, application, protection, and management of the Group’s intellectual property, standardize the intellectual property management practices of the Group’s headquarters and its subordinate units, and enhance employees’ awareness of trademark, patent, and trade secret protection through regular training, case sharing, and other initiatives. The specific allocation of responsibilities is as follows: the Legal Affairs Center is responsible for the full lifecycle management of intellectual property rights such as trademarks, software copyrights, and patent rights, including application and registration, rights maintenance, infringement monitoring, and dispute resolution. Each business department is responsible for the graded control of its core trade secrets (such as customer information, technical solutions, operational data), clearly designating a confidentiality officer and establishing an assessment mechanism. The Brand Management Center focuses on the standardized management of trademarks in daily use, including auditing the compliance of trademark use in advertising and promotional materials, product packaging, and online and offline promotional content, to ensure consistency between the brand image and intellectual property protection requirements.

B6.4 Quality Assurance Process and Product Recall Procedures (Not Applicable)

As the Company is principally engaged in the provision of healthcare services instead of the manufacture of products, there are neither recalls of the products sold or shipped for safety and health reasons, nor product manufacturing quality assurance and recall procedures.

B6.5 Customer Privacy Protection

The Group attaches great importance to customer privacy rights, strictly abides by laws and regulations such as the “Management Rules on Medical Records of Medical Institutions”, “Personal Information Protection Law of the People’s Republic of China”, and “Data Security Law of the People’s Republic of China”, and strengthens internal system construction, formulated systems such as the “Information Data Security Management System”, standardized privacy protection behaviors, and ensured the security of customer information and health data.

In 2025, three key measures were implemented to further strengthen customer privacy protection: First, report management was strictly implemented, under which electronic reports are accessible only with the individual’s mobile phone number and a dynamic verification code, while the collection of paper reports on behalf of others is subject to comprehensive authorization and identity verification. Second, the “one person, one consultation room” practice was further reinforced to ensure that examination spaces remain independent and private. Third, service procedures were standardized by explicitly requiring medical staff to proactively use privacy curtains, close doors, and obtain consent before assisting customers with their mobile phones, thereby comprehensively safeguarding customer privacy and security through both processes and details.

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B7 Anti-corruption

B7.1 Anti-corruption Policy

The Group strictly abides by laws and regulations such as the “Criminal Law of the People’s Republic of China”, “Regulations of the People’s Republic of China on Punishing Corruption”, and “Interim Provisions on Prohibiting Commercial Bribery”, and improves supervision, auditing, and disciplinary punishment systems according to its own situation. The Group adheres to the core value of “upholding integrity”, implements anti-corruption policies, clarifies the supervision mechanism, and provides employees with induction training that includes codes of conduct, relevant norms and requirements as important content. New employees are required to pass relevant training before taking up their posts.

In 2025, the Group conducted anti-corruption and anti-bribery training for relevant departments such as Legal Affairs, Internal Audit, and Procurement. During the reporting period, the company did not receive any corruption-related lawsuits involving Rici or personnel within the Group.

B7.2 Whistleblowing Mechanism

The Group has established a sound internal and external reporting and whistleblowing system, providing multiple reporting channels such as hotlines, emails, and websites, and has designated dedicated personnel to receive complaints, ensuring that they are followed up and handled in a prudent and confidential manner. The Group’s Audit Department, in collaboration with the Legal Affairs Center, thoroughly investigates and pursues accountability for any violations of anti-corruption regulations, and reports such matters to the judicial authorities as appropriate.

B7.3 Risk Control

The Group has set up a sound risk control organizational structure to identify various contingent risks in its business operations, and has established a risk control system with pre-event prevention, in-event control and post-event summarization. From the perspective of division of rights, responsibilities and benefits, in addition to the clearly-defined objectives, duties, and permissions for different departments and positions, checks and balances have also come in place as a supervision mechanism to ensure functions can be fulfilled within the scope of authority. Continuous efforts were made to optimize the review and approval process for various matters in the Group’s operations (covering procurement management, sales management, human resources management, payment management, seal management, etc.) to seek a balance between risk control and operational efficiency.

In 2025, the Audit Department conducted a comprehensive audit of the Group’s medical examination centers and general hospitals as planned, focusing on reviewing aspects such as sales revenue management, marketing expense management, human resource management, and financial management. While going deep into each institution, the Audit Department explained the Company’s rules and regulations to front-line personnel to strengthen their risk prevention awareness.



Environmental, Social and Governance Report

B8 Community Investment

In 2025, the Group continued to uphold the concept of “taking from society and using it for society”, and participated in or organized more than 20 public welfare activities among communities including public welfare donations and medical support for sporting events, actively spreading positive energy, undertaking corporate citizenship responsibilities, and making its own contribution to promoting the development of social public undertakings.

It mainly covers the fields of health, education, environmental protection. Among them, the major activities are disclosed as follows:

Case 1: Rici Healthcare in collaboration with the Shanghai Disability Welfare Foundation, launched the “Hearts Connected · Building Health with Love” initiative to promote cardiocerebral health and support persons with disabilities

On March 5, Rici Healthcare Group, in collaboration with the Shanghai Disability Welfare Foundation, held the “Hearts Connected · Building Health with Love” donation ceremony for cardiocerebral health support for persons with disabilities. At the event, the Group donated a special screening package for cardiovascular and cerebrovascular diseases valued at RMB300,000 to provide targeted health screenings for persons with disabilities in Shanghai.

Liu Jin, Chairman of the Shanghai Disability Welfare Foundation; Tang Shiming, Party Group Member and Vice Chairman of the Shanghai Pudong New Area Disabled Persons’ Federation; Yao Huiqian, Secretary-General of the Shanghai Disabled Persons’ Welfare Foundation; Cao Ying, Assistant President and General Manager of the Shanghai Region of Rici Healthcare Group and General Manager of XMEDIC; Yang Jieni, General Manager of the Brand Management Centre of Rici Healthcare Group; and Liu Zhongqi, Deputy General Manager of the Shanghai Region of Rici Healthcare Group, attended the donation ceremony.

This charitable initiative for persons with disabilities will also provide free specialized health check-ups for persons with disabilities in Pudong New Area, Baoshan District, and Jing’an District, extending care and support to more people in need. Tang Shiming stated that this collaboration has benefited hundreds of persons with disabilities, effectively safeguarding their health through professional medical screening methods. This donation is not only a concrete form of medical assistance but also a reflection of the care and respect shown by various sectors of society towards persons with disabilities. It demonstrates the humanistic care embodied in the “Healthy China” strategy and the fulfilment of corporate social responsibility. The Shanghai Disability Welfare Foundation also called on more social forces to pay attention to the health of persons with disabilities and work together to build a health defence line for them.



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Case 2: Nantong Hosts Suzhou: Cheering for Happiness on the Football Pitch

On August 17, during the “Jiangsu Super League” in which Nantong hosted Lianyungang at its home ground, nearly 80 persons with disabilities from Nantong travelled by specially arranged coach buses to the Rugao Base of Nantong Football Training Center to cheer for the Nantong team. They wore red jerseys printed with the slogan “Nantong Team Must Win” and were accompanied by a volunteer team including team leaders, sign language interpreters and medical support personnel.

The cheering squad included disabled athletes who regularly participate in sports such as triathlon and basketball, as well as ordinary sports enthusiasts. Some cheered loudly, while others waved their arms to encourage the players on the pitch. The lively atmosphere of the stadium, combined with the thoughtful care services, led many persons with disabilities to happily exclaim: “This is the happiest day we have had in a long time!” ”

In fact, this was the first time that the “Jiangsu Super League” had organized an event for persons with disabilities to watch a game live. Initiated jointly by Rici Healthcare Group and the Nantong Disabled Persons’ Federation, the event added colour to the health and cultural life of persons with disabilities through charitable donations and the organisation of live viewing of the “Jiangsu Super League”.

At a charity symposium held on August 15, Mr. Fang Haoze, President of Rici Healthcare Group and General Manager of the Medical Examination Business Division, announced the donation of an MRI special screening package valued at RMB100,000 and 100 tickets to the “Jiangsu Super League” to the Nantong Disabled Persons’ Federation, enabling persons with disabilities to attend the matches live and cheer for the Nantong team. Mr. Fang Haoze stated that the “Jiangsu Super League” a sports event for universal participation, with the aim of allocating the limited sponsor tickets to those who truly love football. He added that by jointly organising a charitable cheering squad with the Disabled Persons’ Federation, the Group also hoped to give football and sports-loving persons with disabilities the opportunity to experience the lively atmosphere of football for all in person.

Mr. Fang Haoze pointed out: “Addressing the needs of persons with disabilities is our long-term commitment. In the future, Rici Healthcare Group will continue to carry out public welfare actions for special groups and contribute to improving the quality of life for vulnerable groups in Nantong City. ”



Case 3: Healing March | Rici Healthcare Launches a Series of Women's Health Initiatives

During the International Women's Day in March 2025, Rici Healthcare Group fully leveraged its medical resource advantages to launch a series of themed activities under the banner "Healthy China, Shared Resonance" for Women's Day, aiming to empower women's health with healthcare services and practice "Health and Beauty Go Hand in Hand", which won widespread praise.

This series of Women's Day themed activities attracted the active participation of female employees and clients from more than 10 enterprises. The diversified service experience not only created a warm and joyful festive atmosphere and effectively enhanced the happiness and sense of fulfillment of women from all walks of life, but also enriched their spiritual lives through health empowerment.



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Case 4: Rici Healthcare Supports the 2025 Nantong Marathon, Safeguarding the Runners Along the Way

On March 23, 2025, the 2025 Nantong Marathon kicked off. Certified as a Class A1 event by the China Athletic Association, this marathon was the sporting event with the largest number of participants and the greatest influence in Nantong in 2025, attracting 30,000 runners from both domestic and international locations to gather in Nantong and run with passion.

The event was hosted by the Nantong Municipal People's Government and organized by the Nantong Sports Bureau, the Chongchuan District People's Government, the Nantong Economic and Technological Development Zone Management Committee, and the Nantong Innovation Zone Management Office, with Rici Healthcare providing professional medical sponsorship and support services as the official partner supplier of the event.

At the race venue, Rici Healthcare set up medical aid stations and formed a medical support team consisting of professional healthcare providers, ensuring that rapid and effective rescue operations could be carried out in the event of emergencies involving the runners, thereby building a strong health defence line for the smooth running of the event.





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Case 5: An Invitation from the Stars

In April 2025, Rici Medical Examination joined hands with the ByteDance Philanthropy Platform to launch a special care initiative for April, “Make Friends with Children of the Stars”, to bring care to autistic patients and their families.

Rici Medical Examination’s institutions nationwide have jointly become “Autism-Friendly Certified”, engaging in public welfare advocacy and welcoming families with autism.

Participate in public welfare content interaction, learn scientific health knowledge, and convey understanding and care.

Claim the spring health benefits from Rici Medical Examination and save a dose of health for yourself and your family.



Environmental, Social and Governance Report

Appendix: Index of HKEX ESG Reporting Guide

Environmental, Social and Governance Reporting Guide		Content
Subject Areas: A. Environmental		
Aspect A1: Emissions		
A1	General Disclosure Information on: (a) policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Management
A1.1	The types of emissions and respective emissions data (including ozone-depleting substances and major air pollutants).	Emissions Management
A1.2	Direct (Scope 1) and indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Management
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Emissions Management
A1.5	Description of the emission target(s) and steps taken to achieve them.	Emissions Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions Management
Aspect A2: Use of Resources		
A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Use Management
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Resource Use Management
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource Use Management
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource Use Management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Use Management
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group
Aspect A3: The Environment and Natural Resources		
A3	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources



Environmental, Social and Governance Report

Environmental, Social and Governance Reporting Guide		Content
A4: Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
Subject Areas: B. Social		
Employment and Labor Practices		
Aspect B1: Employment		
B1	General Disclosure – Employment Information on: (a) policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti discrimination, and other benefits and welfare.	Employment
B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety		
B2	General Disclosure Information on: (a) policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
B2.2	Lost days due to work injury.	Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

Environmental, Social and Governance Report

Environmental, Social and Governance Reporting Guide		Content
Aspect B4: Labor Standards		
B4	General Disclosure Information on: (a) policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labor Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labor Standards
B4.2	Description of steps taken to eliminate such practices when discovered.	Labor Standards
Aspect B5: Supply Chain Management		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1	Number of suppliers by geographical region.	Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
B6	General Disclosure Information on: (a) policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group
B6.2	Number of product and service related complaints received and how they are dealt with.	Product Responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
B6.4	Description of quality assurance process and recall procedures.	Not applicable to the Group
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility



Environmental, Social and Governance Report

Environmental, Social and Governance Reporting Guide		Content
Aspect B7: Anti-corruption		
B7	General Disclosure Information on: (a) policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
B7.3	Description of the anti-corruption training provided to directors and employees.	Anti-corruption
Community		
Aspect B8: Community Investment		
B8	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Investment
B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Investment

Directors' Report

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended December 31, 2025.

PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on July 11, 2014 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company is an investment holding company, and its subsidiaries primarily incorporated in the PRC are primarily engaged in the operating general hospital and medical examination centers in the PRC.

The activities and particulars of the Company's subsidiaries are shown under Note 41 to the consolidated financial statements. An analysis of the Group's revenue and net results for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report.

BUSINESS REVIEW

A review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties facing by the Group, an analysis of the Group's performance using financial key performance indicators and an indication of likely future developments in the Group's business, can be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" in this annual report. In addition, a discussion on relationships with its key stakeholders is included in the sections headed "Management Discussion and Analysis" and "Environmental, Social and Governance Report". A discussion on the Company's environmental policies and performance is included in the "Environmental, Social and Governance Report". The review and discussion form part of this directors' report.

RESULTS AND DIVIDEND

The consolidation results of the Group for the year ended December 31, 2025 are set out on pages 118 to 208 of this annual report.

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

CLOSURE OF THE REGISTER OF MEMBERS

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

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

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

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

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 10 of this annual report.

PROPERTY AND EQUIPMENT

Details of the movements in property and equipment of the Group during the year ended December 31, 2025 are set out in Note 7 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended December 31, 2025 are set out in Note 19 to the consolidated financial statements of this annual report.

RESERVES

Details of the movement in the reserves of the Group and of the Company during the year ended December 31, 2025 are set out in Note 21 and Note 42(a) to the consolidated financial statements of this annual report.

Directors' Report

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company's distributable reserves were RMB587.0 million.

BORROWINGS

As at December 31, 2025, the Group had outstanding borrowings of RMB635.6 million. Details of the borrowings are set out in the section headed "Management Discussion and Analysis" in this annual report and Note 23 to the consolidated financial statements of this annual report.

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

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

PRE-EMPTIVE RIGHTS

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

DIRECTORS

The Board currently consists of the following seven Directors:

Executive Directors

Dr. Fang Yixin (*Chairman and Chief Executive Officer*)

Dr. Mei Hong

Ms. Lin Xiaoying

Mr. Fang Haoze

Independent Non-executive Directors

Ms. Wong Sze Wing

Mr. Jiang Peixing

Mr. Tian Wenguo (*since December 29, 2025*)

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out in the section headed “Profile of Directors and Senior Management” in this annual report.

DIRECTORS' SERVICE CONTRACTS

Details of the executive Directors' service contracts and the independent non-executive Directors' appointment letters are set out in the section headed “Corporate Governance Report — 2. The Board — (8) Change of Directors” in this annual report.

Save as disclosed in this annual report, there are no other changes to the information of the Directors subject to disclosure under Rule 13.51B(1) of the Listing Rules.

The appointment of the Directors is subject to the provisions of retirement and rotation of Directors under the Articles.

Save as disclosed in this annual report, none of the Directors has entered into any service contract with the Company or any of its subsidiaries (excluding contracts expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation).

CONTRACT WITH CONTROLLING SHAREHOLDERS

Other than disclosed in the sections headed “Connected Transaction”, “Related Party Transactions” and “Management Discussion and Analysis” and Note 40 to the consolidated financial statements contained in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the year ended December 31, 2025 or subsisted at the end of the year and no contract of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries was entered into during the year ended December 31, 2025 or subsisted at the end of the year.

DIRECTOR'S INTEREST IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Other than disclosed in the sections headed “Connected Transaction”, “Related Party Transactions” and “Management Discussion and Analysis” and Note 40 to the consolidated financial statements contained in this annual report, no transaction, arrangement or contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director or any entity connected with such a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended December 31, 2025.

Directors' Report

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of the Directors' emoluments and emoluments of the five highest paid individual in the Group are set out in Note 32 to the consolidated financial statements of this annual report.

For the year ended December 31, 2025, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived or agreed to waive any emoluments for the year ended December 31, 2025.

The Company has also adopted the Pre-IPO Share Option Scheme and the Share Option Scheme as incentive for Directors and eligible employees. Details of the said schemes are set out under the section headed "Pre-IPO Share Option Scheme and Share Option Scheme" in this annual report and in Note 20 to the consolidated financial statements of this annual report.

Except as disclosed above, no other payments have been made or are payable, for the year ended December 31, 2025, by our Group to or on behalf of any of the Directors.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended December 31, 2025, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DEED OF NON-COMPETITION

On June 23, 2016, Dr. Mei, the Company's ultimate Controlling Shareholder, and Chelsea Grace, through which Dr. Mei holds equity interest in the Company entered into the deed of non-competition ("**Deed of Non-competition**") in favor of the Company, pursuant to which the Controlling Shareholders have irrevocably, jointly and severally given certain non-competition undertakings to the Company. Details of the Deed of Non-competition are set out in the section headed "Relationship with our Controlling Shareholders — Deed of Non-competition" in the Prospectus.

The Controlling Shareholders confirmed that they have complied with the Non-competition Deed for the year ended December 31, 2025. The independent non-executive Directors have conducted such review for the year ended December 31, 2025 and also reviewed the relevant undertakings and are satisfied that the Deed of Non-competition has been fully complied with.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters as disclosed in the section headed "— Directors' service contracts" and the section headed "Corporate Governance Report — 2. The Board — (8) Change of Directors" in this annual report, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the year ended December 31, 2025.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended December 31, 2025.

LOAN AND GUARANTEE

During the year ended December 31, 2025, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the Controlling Shareholders or their respective associates (as defined in the Listing Rules).

PRE-IPO SHARE OPTION SCHEME AND SHARE OPTION SCHEME

Pre-IPO Share Option Scheme

The Company conditionally approved and adopted the Pre-IPO Share Option Scheme pursuant to the resolutions of the Shareholders passed on September 19, 2016.

The purpose of the Pre-IPO Share Option Scheme is to attract, retain and motivate employees and Directors, and to provide a means of compensating them through the grant of options for their contribution to the growth and profits of the Group, and to allow such employees and Directors to participate in the growth and profitability of the Group.

Participants of the Pre-IPO Share Option Scheme include (a) any employee (whether full time or part time) of the Company or its subsidiaries, including any executive Director, (b) any non-executive Director or independent non-executive Director of the Company appointed or proposed to be appointed prior to the Listing Date, or any director of any of the subsidiaries, and (c) any other person who in the sole opinion of the Board, will contribute or have contributed to the Group.

A remittance of HK\$1.00 by way of consideration for the grant shall be payable at the acceptance of the offer of the grant of options.

The Pre-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any option granted prior thereto. Options granted thereunder shall be exercisable for a period not be longer than ten years from the date of the grant of the option. The remaining life of the Pre-IPO Share Option Scheme is approximately 0.5 years.

Directors' Report

On September 19, 2016, options (exercisable for 10 years from the date of grant subject to vesting schedule as set out below) to subscribe for an aggregate of 47,710,500 Shares were conditionally granted by the Company under the Pre-IPO Share Option Scheme to a total of three grantees, including two executive Directors. Such options were granted based on the performance of the grantees that have made important contributions or are important to the long term growth and profitability of the Group. The exercise price is HK\$1.60 per Share as determined by the Board taking into account of the grantees' contribution to the development and growth of the Group. Apart from the above share options, no options were granted under the Pre-IPO Share Option Scheme. In addition, no further options can be granted under the Pre-IPO Share Option Scheme on or after the Listing Date. The total number of Shares underlying the outstanding options granted under the Pre-IPO Share Option Scheme is 47,710,500 Shares, representing approximately 3.0% of the issued share capital of the Company as at the date of this annual report.

Subject to the terms of the Pre-IPO Share Option Scheme, each option shall be vested in the following manner:

Tranche	Vesting Date
five percent (5%) of the Shares subject to an option so granted	third (3rd) anniversary of the offer date for an option
ten percent (10%) of the Shares subject to an option so granted	fourth (4th) anniversary of the offer date for an option
fifteen percent (15%) of the Shares subject to an option so granted	fifth (5th) anniversary of the offer date for an option
seventy percent (70%) of the Shares subject to an option so granted	sixth (6th) anniversary of the offer date for an option

Details of movement of the share options granted under the Pre-IPO Share Option Scheme for the year ended December 31, 2025 are set out below:

Name of option holder	Outstanding as at January 1, 2025	Date of grant	Vesting Period	Exercise Period	Number of options			Outstanding as at December 31, 2025	Exercise Price
					Exercised during the year	Cancelled during the year	Lapsed during the year		
Directors of the Company									
Dr. Fang	15,903,500	September 19, 2016	See above vesting schedule	Exercisable for 10 years from date of grant	–	–	–	15,903,500	HK\$1.60
Dr. Mei	15,903,500	September 19, 2016	See above vesting schedule	Exercisable for 10 years from date of grant	–	–	–	15,903,500	HK\$1.60
Senior management and other employees of the Group									
Cao Ying	15,903,500	September 19, 2016	See above vesting schedule	Exercisable for 10 years from date of grant	–	–	–	15,903,500	HK\$1.60
Total	47,710,500				–	–	–	47,710,500	

The Directors who have been granted options under the Pre-IPO Share Option Scheme, have undertaken that they will not exercise the options granted to them under the Pre-IPO Share Option Scheme if as a result of which the Company would not be able to comply with the public float requirements of the Listing Rules.

A summary of the terms (including the terms of the scheme, the calculation method of the exercise price and vesting periods and conditions) of the Pre-IPO Share Option Scheme has been set out in the section headed “E. Pre-IPO Share Option Scheme” in Appendix IV of the Prospectus.

The Pre-IPO Share Option Scheme does not fall within the ambit of, and is not subject to, the regulations under Chapter 17 of the Listing Rules. Details of the impact of options granted under the Pre-IPO Share Option Scheme on the consolidated financial statements since the date of grant of such options and the subsequent financial periods are set out under Note 20 to the consolidated financial statements in this annual report.

Share Option Scheme

On September 19, 2016, the Company adopted the Share Option Scheme, which falls within the ambit of, and is subject to, the regulations under Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to attract, retain and motivate employees, Directors and other participants, and to provide a means of compensating them through the grant of options for their contribution to the growth and profits of the Group, and to allow such employees, Directors and other persons to participate in the growth and profitability of the Group.

The participants of the Share Option Scheme include any non-executive Director or independent non-executive Director appointed or proposed to be appointed prior to the Listing Date, or any director of any of the subsidiaries, or any employee (whether full time or part time) of the Company or its subsidiaries, including any executive Director as the Board may in its absolute discretion select.

Directors' Report

The Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and other share option schemes of our Company (and to which the provisions of the Listing Rules are applicable) shall not exceed 79,517,500 Shares (i.e. 5% of the aggregate of the Shares in issue on the Listing Date) ("**Scheme Mandate Limit**"), representing approximately 5% of the total issued shares as at the date of this annual report. Options lapsed in accordance with the terms of the Share Option Scheme shall not be counted for the purpose of calculating this Scheme Mandate Limit.

The total number of Shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible person under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue.

The Share Option Scheme will remain in force for a period of 10 years from September 19, 2016 and the options granted have a 10-year exercise period. The Share Option Scheme has a remaining life of approximately 0.5 years. Options may be vested over such period(s) as determined by the Board in its absolute discretion subject to compliance with the requirements under any applicable laws, regulations or rules.

A remittance of HK\$1.00 by way of consideration for the grant shall be payable at the acceptance of the offer of the grant of options. The exercise price of the option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option), but in any case the exercise price shall not be less than the higher of (a) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day, (b) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five (5) business days immediately preceding the date of grant, and (c) the nominal value of a Share.

On November 24, 2017, the Company granted share options to certain then Directors and employees of the Company and its subsidiaries to subscribe for a total of 79,517,500 ordinary shares in the share capital of the Company, at the price of HK\$2.42 per Share. No further options are available for grant as at January 1, 2025 and December 31, 2025 respectively. The closing price of the Shares before the date of grant of such options was HK\$2.35 per Share. As of December 31, 2025, among the Options granted as described above, options in respect of a total of 700,000 Shares were granted to an associate (as defined under the Listing Rules) of a Director and the acceptance letter was signed. Details of such options granted to the associate of a Director are set out as follows:

Name	Position	Number of options granted
Mr. Mei Ye	Deputy General Manager of Medical Examination Business Department	700,000
Total		700,000

Note:

(1) Mr. Mei Ye is an associate of Dr. Mei.

Details of the options granted under the Share Option Scheme and those remained outstanding as at December 31, 2025 are as follows:

Name and Class of Grantees	Date of Grant	Vesting Period	Exercise Period	Number of Options					Exercise Price	
				Outstanding as at January 1, 2025	Granted during the year ended December 31, 2025	Exercised during the year ended December 31, 2025	Cancelled during the year ended December 31, 2025	Lapsed during the year ended December 31, 2025		Outstanding as at December 31, 2025
(1) Associate of Director										
Mr. Mei Ye	November 24, 2017	See below vesting schedule	10-year exercise period	700,000	–	–	–	–	700,000	HK\$2.42
(2) Other Employees										
	November 24, 2017	See below vesting schedule	10-year exercise period	45,500,000	–	–	10,440,000	–	35,060,000	HK\$2.42
Total				46,200,000	–	–	10,440,000	–	35,760,000	

Note:

(1) Mr. Mei Ye is an associate of Dr. Mei.

20% of the options granted will be exercisable from the date falling on the 3rd anniversary of the date of grant of such options; 20% of the options granted will be exercisable from the date falling on the 4th anniversary of the date of grant of such options; 20% of the options granted will be exercisable from the date falling on the 5th anniversary of the date of grant of such options; and the remaining 40% of the options granted will be exercisable from the date falling on the 6th anniversary of the date of grant of such options.

Directors' Report

Details of the impact of the options granted under the Share Option Scheme on the consolidated financial statements since the date of grant of such options and the subsequent financial periods are set out under Note 20 to the consolidated financial statements in this annual report.

A summary of the terms of the Share Option Scheme has been set out in the section headed "F. Share Option Scheme" in Appendix IV of the Prospectus.

The number of Shares that may be issued in respect of the options granted under all share schemes of the Company during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue for the Reporting Period was 5.25%.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at December 31, 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(A) Long/Short position in ordinary shares of the Company

Name of Director	Long position	Capacity	Number of ordinary shares interested ⁽¹⁾	Approximate percentage* of the Company's issued share capital
Dr. Mei	Long position	Interest in controlled corporation;	1,003,196,200 (L)	63.08%
Dr. Fang	Long position	Interest of spouse	1,003,196,200 (L)	63.08%

(B) Long position in underlying shares of the Company – physically settled unlisted equity derivatives

Name of Director	Capacity	Number of underlying shares in respect of the share options granted ⁽¹⁾⁽²⁾	Approximate percentage ⁺ of the Company's issued share capital
Dr. Mei	Beneficial owner; Interest of spouse	31,807,000 (L)	2.00%
Dr. Fang	Beneficial owner; Interest of spouse	31,807,000 (L)	2.00%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares and the letter "S" denotes the person's short position in the Shares.
- (2) Chelsea Grace was beneficially interested in the 971,389,200 Shares as at December 31, 2025. Under the SFO, Dr. Mei is deemed to be interested in all the Shares held by Chelsea Grace by reason of her 100% interest in its issued share capital and is also deemed to be interested in all the interests held by Dr. Fang as she is the wife of Dr. Fang who is granted an option to subscribe for 15,903,500 Shares under the Pre-IPO Share Option Scheme. Dr. Mei is granted an option to subscribe for 15,903,500 Shares under the Pre-IPO Share Option Scheme.
- (3) Dr. Fang is the husband of Dr. Mei. Therefore, Dr. Fang is deemed to be interested in Dr. Mei's interests in our Company who is granted an option to subscribe for 15,903,500 Shares under the Pre-IPO Share Option Scheme. Dr. Fang is granted an option to subscribe for 15,903,500 Shares under the Pre-IPO Share Option Scheme.

* The percentage represents the number of ordinary Shares interested divided by the number of the issued Shares as at December 31, 2025.

Details of the above share options granted by the Company are set out in the section headed "Pre-IPO Share Option Scheme and Share Option Scheme" in this report.

(C) Interest in associated corporation

Name of Director	Associated corporation	Capacity/nature of interest	Number of shares	Percentage of shareholding interest
Dr. Mei ⁽¹⁾	Chelsea Grace ⁽²⁾	Beneficial owner	1	100%
Dr. Fang ⁽¹⁾	Chelsea Grace ⁽²⁾	Interest of spouse	1	100%

Notes:

- (1) Dr. Fang is the husband of Dr. Mei. Therefore, under the SFO, Dr. Fang is deemed to be interested in Dr. Mei's interests in Chelsea Grace.
- (2) Under the SFO, a holding company of the listed corporation is regarded as an "associated corporation". As at December 31, 2025, Chelsea Grace held 61.08% of our issued share capital and thus was our associated corporation.

Directors' Report

Save as disclosed in this annual report and to the best knowledge of the Directors, as at December 31, 2025, none of the Directors or the chief executive of the Company has any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

So far as is known to any Director or chief executive of the Company, as at December 31, 2025, the following corporations/ persons (other than Directors or the chief executive of the Company) had interests of 5% or more in the issued shares of the Company according to the register of interests required to be kept by the Company under section 336 of the SFO:

Long/Short position in ordinary shares of the Company

Name	Capacity	Number of ordinary shares interested ⁽¹⁾	Approximate percentage* of the Company's issued share capital
Chelsea Grace	Beneficial owner	971,389,200 (L)	61.08%

Notes:

(1) The letter "L" denotes the person's long position in the Shares and the letter "S" denotes the person's short position in the Shares.

* The percentage represents the number of ordinary Shares interested divided by the number of the issued Shares as at December 31, 2025.

Save as disclosed above and to the best knowledge of the Directors, as at December 31, 2025, no person (other than the Directors or chief executives of the Company) had registered an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Pre-IPO Share Option Scheme and the Share Option Scheme, at no time during the year under review was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

MAJOR SUPPLIERS AND CUSTOMERS

In the year under review, the Group's largest customers accounted for 5.2% of the Group's total revenue. The Group's five largest customers accounted for 10.7% of the Group's total revenue.

In the year under review, the Group's largest suppliers accounted for 7.9% of the Group's total purchase. The Group's five largest suppliers accounted for 27.0% of the Group's total purchase.

None of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders of the Company by reason of their holding of the Company's securities.

HUMAN RESOURCES

The Group had 8,523 employees as at December 31, 2025, as compared to 8,908 employees as at December 31, 2024. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group's employees includes basic salaries, allowances, bonus, share options and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. We provide regular training to our employees in order to improve their skills and knowledge. The training courses range from further educational studies to skill training to professional development courses for management personnel, including a management trainee program.

Directors' Report

RETIREMENT BENEFITS SCHEME

The Group does not have any employee who is required to participate in the Mandatory Provident Fund in Hong Kong. The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The employees of the PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme.

Details of the pension obligations of the Company are set out in Note 32 to the consolidated financial statements in this annual report.

CONNECTED TRANSACTION

During the year ended December 31, 2025, the Group has not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of Rule 14A.71 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended December 31, 2025 are set out in Note 40 to the consolidated financial statements contained in this annual report.

None of the related party transactions constitutes a connected transaction or continuing connected transaction subject to independent Shareholders' approval, annual review and all disclosure requirements in Chapter 14A of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities. Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the year under review. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the year under review.

EVENTS SUBSEQUENT TO THE PERIOD

As of the date of this annual report, there has been no significant event since the end of the Reporting Period that is required to be disclosed by the Company.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this annual report, the Company has maintained the public float as required under the Listing Rules.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) in relation to the director's liability exposure is currently in force and was in force during the year.

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions as set out in the CG Code as contained in the Listing Rules, as its own code to govern its corporate governance practices.

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

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

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

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

Directors' Report

DONATIONS

During the year ended December 31, 2025, the Group made charitable donations in the amount of RMB0.5 million (2024: RMB1.7 million).

AUDITOR

BDO Limited was being re-appointed as the Company's auditor on June 19, 2025. The consolidated financial statements for the year ended December 31, 2025 have been audited by BDO Limited, Certified Public Accountants, BDO Limited will retire, and being eligible, offer themselves for re-appointment at the forthcoming AGM of the Company. A resolution will be proposed at the forthcoming AGM of the Company to re-appoint BDO Limited as auditor of the Company.

There was no change of the Company's auditors in any of the preceding three years.

COMPLIANCE WITH LAWS AND REGULATIONS

For the year ended December 31, 2025, the Company is in compliance with the relevant laws and regulations that have a significant impact on the Company.

On behalf of the Board

Fang Yixin

Chairman and Chief Executive Officer

Hong Kong, March 26, 2026



Independent Auditor's Report



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To the Shareholders of Rici Healthcare Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Rici Healthcare Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 118 to 208, which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Impairment assessment on property and equipment and right-of-use assets

Refer to notes 5(e), 7 and 8 to the consolidated financial statements respectively and the material accounting policies in notes 2.4, 2.5 and 2.15 to the consolidated financial statements.

As at 31 December 2025, the Group had property and equipment and right-of-use assets with carrying amounts of RMB1,422.8 million and RMB1,148.3 million, respectively. The amount of RMB2,571.1 million in total represented 52.7% of the Group's total assets.

Management is required to perform impairment assessment if a potential impairment is indicated. Management concluded that there was no indication of impairment of property and equipment and right-of-use assets of the Group other than those related to certain medical examination centres which have been in operation for more than two years as at 31 December 2025 but incurred operating losses in recent years.

For the purpose of performing the impairment assessment on the property and equipment and right-of-use assets for these medical examination centres, as these assets do not generate cash flow independently, management identified each of medical examination centre as a Cash Generating Unit ("CGU"). The recoverable amount of the underlying CGU was determined based on the value-in-use calculations.

The impairment test involves significant judgements in selecting data including revenue growth rate, profit margins, discount rate and assumptions used by the management under the value-in-use calculation.

Management concluded that, based on the impairment assessment, impairment losses of RMB13.0 million would be recognised for the year.

Our response

Our procedures on the management's impairment assessment on property and equipment and right-of-use assets included:

- (i) Understanding the management's internal control and assessment process of impairment assessment of property and equipment and right-of-use assets;
- (ii) Understanding and evaluating the management's procedures in identifying the CGUs having impairment indicators;
- (iii) Involving an auditor's valuation expert to assist our work in assessing the appropriateness of the valuation methodology adopted by management and evaluating the appropriateness of the discount rate adopted by management;
- (iv) Corroborating the key input data and major assumptions of the future cash flows projection adopted in the valuation model, including revenue growth rate, by comparing them with historical actual operating results, budgets approved by management and future business projections; and
- (v) Testing the mathematical accuracy of the underlying value-in-use calculations.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Independent Auditor's Report

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent Auditor's Report

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

Lui Chi Kin

Practicing Certificate Number P06162

Hong Kong, 26 March 2026

Consolidated Balance Sheet

As at 31 December 2025

		As at 31 December	
	Notes	2025	2024
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property and equipment	7	1,422,827	1,491,855
Right-of-use assets	8	1,148,344	1,297,547
Intangible assets	9	13,461	15,636
Investments accounted for using equity method	10	1,872	10,485
Financial assets at fair value through profit or loss		—	1,500
Financial assets at fair value through other comprehensive income	11(a)	162,100	169,000
Deposits for long-term leases	12	70,403	62,047
Deferred tax assets	13	91,332	118,236
Prepayments	18	214,602	25,030
		3,124,941	3,191,336
Current assets			
Inventories	14	29,394	35,962
Trade receivables	15	286,060	324,064
Other receivables	16	230,664	162,779
Prepayments	18	27,674	30,049
Financial assets at fair value through profit or loss	11(b)	10,163	—
Amounts due from related parties	40 (d)	—	2,772
Deposits in financial institution		18,065	—
Restricted cash	17	15,994	1,722
Cash and cash equivalents	17	1,135,425	1,109,817
		1,753,439	1,667,165
Total assets		4,878,380	4,858,501
EQUITY			
Equity attributable to owners of the Company			
Share capital	19	1,065	1,065
Reserves	21	1,645,006	1,344,778
		1,646,071	1,345,843
Non-controlling interests	22	73,738	29,300
Total equity		1,719,809	1,375,143

Consolidated Balance Sheet

As at 31 December 2025

	Notes	As at 31 December	
		2025	2024
		RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	23	242,450	254,600
Lease liabilities	24	1,114,059	1,230,970
Deferred income	27	4,207	7,276
		1,360,716	1,492,846
Current liabilities			
Borrowings	23	393,150	542,400
Lease liabilities	24	262,449	272,308
Contract liabilities	25	608,612	630,615
Trade and other payables	26	475,994	495,179
Income tax payables		54,468	46,456
Deferred income	27	3,182	3,554
		1,797,855	1,990,512
Total liabilities		3,158,571	3,483,358
Total equity and liabilities		4,878,380	4,858,501

The notes on pages 124 to 208 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 118 to 208 were approved by the Board of Directors on 26 March 2026 and were signed on its behalf by:

Fang Yixin
Director

Mei Hong
Director

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	28	2,795,553	2,924,457
Cost of sales	31, 32	(1,588,193)	(1,756,698)
Gross profit		1,207,360	1,167,759
Distribution costs and selling expenses	31, 32	(323,798)	(301,847)
Administrative expenses	31, 32	(221,416)	(265,140)
Fair value change on financial assets	31	(1,337)	—
Reversal of/(impairment loss) on financial assets	31	1,989	(18,819)
Impairment loss on non-financial assets	31	(12,956)	(18,749)
Other income	29	25,301	47,682
Other losses	30	(10,065)	(3,391)
Operating profit		665,078	607,495
Finance costs	33	(103,553)	(128,852)
Finance income	33	5,907	4,873
Finance costs — net	33	(97,646)	(123,979)
Share of results of investments accounted for using equity method	10	(93)	405
Profit before income tax		567,339	483,921
Income tax expense	34	(184,311)	(129,266)
Profit for the year		383,028	354,655
Profit for the year attributable to:			
Owners of the Company	35(a)	307,128	297,321
Non-controlling interests		75,900	57,334
		383,028	354,655
Earnings per share for profit attributable to owners of the Company			
— Basic and diluted	35	RMB0.19	RMB0.19

The notes on pages 124 to 208 are an integral part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December 2025

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

The notes on pages 124 to 208 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Notes	Attributable to Owners of the Company			Non-	Total equity RMB'000
		Share capital RMB'000 (Note 19)	Reserves RMB'000 (Note 21)	Sub-total RMB'000	controlling interests RMB'000	
Balance at 1 January 2024		1,065	1,125,880	1,126,945	(12,900)	1,114,045
Profit for the year		—	297,321	297,321	57,334	354,655
Other comprehensive income		—	(13,100)	(13,100)	—	(13,100)
Total comprehensive income		—	284,221	284,221	57,334	341,555
Capital contributions by non-controlling interests of subsidiaries		—	—	—	4,550	4,550
Dividend paid to non-controlling interests		—	—	—	(19,684)	(19,684)
Interim dividend declared	43	—	(65,323)	(65,323)	—	(65,323)
Total transaction with owners in their capacity as owners		—	(65,323)	(65,323)	(15,134)	(80,457)
Balance at 31 December 2024		1,065	1,344,778	1,345,843	29,300	1,375,143
Balance at 1 January 2025		1,065	1,344,778	1,345,843	29,300	1,375,143
Profit for the year		—	307,128	307,128	75,900	383,028
Other comprehensive income		—	(6,900)	(6,900)	—	(6,900)
Total comprehensive income		—	300,228	300,228	75,900	376,128
Capital contributions by non-controlling interests of subsidiaries		—	—	—	8,700	8,700
Arising from step acquisition of subsidiaries		—	—	—	5,533	5,533
Dividend paid to non-controlling interests		—	—	—	(45,695)	(45,695)
Total transaction with owners in their capacity as owners		—	—	—	(31,462)	(31,462)
Balance at 31 December 2025		1,065	1,645,006	1,646,071	73,738	1,719,809

The notes on pages 124 to 208 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flow from operating activities			
Cash generated from operations	36(a)	973,501	1,118,587
Interest paid		(100,073)	(128,131)
Income tax paid		(154,035)	(199,880)
Net cash generated from operating activities		719,393	790,576
Cash flow from investing activities			
Purchases of property and equipment		(142,053)	(205,607)
Purchases of intangible assets		(141)	(623)
Proceeds from disposal of property and equipment	36(b)	6,116	12,156
Deposit payment for purchase of investment property		(198,951)	—
Prepayment for purchases of property and equipment		(15,651)	—
Purchase of financial assets		(40,000)	—
Proceeds from disposal of financial assets		30,254	—
Net cash inflow arising from step acquisition of subsidiaries		18,406	—
Consideration receivable received		48,901	50,000
Withdrawal of restricted cash		1,722	900
Placement of restricted cash		(15,994)	(1,722)
Interest received		5,907	4,873
Net cash used in investing activities		(301,484)	(140,023)
Cash flows from financing activities			
Capital contribution from non-controlling interests of subsidiaries		8,700	4,550
Repayments of other borrowings		—	(16,606)
Proceeds from bank borrowings		496,000	856,000
Repayments of bank borrowings		(657,400)	(909,000)
Principal elements of lease payments		(190,526)	(191,091)
Dividend paid to non-controlling interests		(45,695)	(19,684)
Dividend paid to shareholders		—	(75,398)
Net cash used in financing activities		(388,921)	(351,229)
Net increase in cash and cash equivalents		28,988	299,324
Cash and cash equivalents at beginning of the year		1,109,817	811,210
Exchange losses on cash and cash equivalents		(3,380)	(717)
Cash and cash equivalents at end of the year		1,135,425	1,109,817

The notes on pages 124 to 208 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1 General information

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

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

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

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

2 Material accounting policies

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

2.1 Basis of preparation

(a) Statement of compliance

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

The preparation of consolidated financial statements in compliance with adopted HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group’s accounting policies. The areas where significant judgements and estimates have been made in preparing the consolidated financial statements are disclosed in Note 5.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

(b) Going concern

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

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

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

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

Changes in accounting policies and disclosures The Group has adopted amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective. Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

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

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

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

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

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



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.2 Principles of consolidation

2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

2.2.2 Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

2.2.3 Disposal of subsidiaries

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company.

2.4 Property and equipment

Property and equipment, other than construction in progress, are stated at historical cost less depreciation and provision for impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated statement of profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost net of their residual values over their estimated useful lives, as follows:

	Expected useful life
Buildings	Shorter of land lease or 30–50 years
Medical equipment	5–8 years
General equipment	5–10 years
Leasehold improvements	Shorter of lease term of 2–20 years or useful life
Others	5 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within “other gains/(losses)” in the consolidated statement of profit or loss.

Construction in progress represents property and equipment under construction or pending installation and is stated at cost less provision for impairment loss, if any. Cost includes the costs of construction and acquisition. When the assets concerned are available for use, the costs are transferred to property and equipment and depreciated in accordance with the policy as stated above.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.5 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.6 Investment and other financial assets

2.6.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

As at 31 December 2025 and 2024, "trade receivables", "other receivables", "amounts due from related parties" "restricted cash" and "cash and bank balances" in the consolidated balance sheet (Note 15, Note 16, Note 40(d) and Note 17) are measured at amortised cost. Financial assets at fair value through profit or loss (FVPL) and FVOCI are measured at fair value.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.6 Investment and other financial assets (continued)

2.6.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.6.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.6 Investment and other financial assets (continued)

2.6.3 Measurement (continued)

Debt instruments (continued)

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2.6.4 Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b) and 15 for further details.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories include pharmaceuticals and medical and other consumables, the cost of which is measured at actual purchase price. It excludes borrowing costs. Inventory cost in the medical examination centres is determined using the weighted average method. Inventory cost in the hospital is determined using the first in, first out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less costs necessary to make the sale.

2.8 Trade receivables and other receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection of trade receivables and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.6 for further information about the Group's accounting for trade receivables and other receivables and a description of the Group's impairment policies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.9 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.12 Current and deferred income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the areas where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.12 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

Current and deferred tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.13 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(b) Pension obligations

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

(c) Housing funds, medical insurances and other social insurances

The PRC employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period and recognised as employee benefit expense when they are due.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.14 Share-based payments

Share-based compensation benefits are provided to employees via share option schemes. Information relating to these share option schemes is set out in Note 20.

(a) Share option scheme

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (eg the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (eg the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares to employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.15 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The Group leases various business premises, offices, medical equipment and land use rights. Rental contracts are typically made for fixed periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.15 Leases (continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.15 Leases (continued)

A lease modification is accounted for as a separate lease if

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Group determines the lease term of the modified contract.
- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

2.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered and pharmaceuticals sold. The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the services/goods underlying the particular performance obligation is transferred to customers.

The Group has applied the practical expedients under HKFRS 15. Information related to the transaction price allocated to the remaining performance obligations has not been disclosed as the duration of the most contracts are one year or less.

Control of the services/goods is transferred over time or at a point in time.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.16 Revenue recognition (continued)

(a) Revenue from general hospital services and specialty hospital services

The Group offers outpatient and inpatient hospital services to customers. The Group recognises revenues when such services are provided to customers. Such services are including (i) provision of consultation services; (ii) provision of inpatient healthcare services; and (iii) sales of pharmaceutical. Both (i) provision of consultation services and (iii) sales of pharmaceutical for which the control of services or pharmaceutical is transferred at a point in time, revenue is recognised when the customer obtains the control of the completed services or pharmaceutical and the Group has satisfied its performance obligations with present right to payment and the collection of the consideration is probable. For revenue from (ii) provision of inpatient healthcare services, the revenue is recognised over the time (i.e. over the service period) when customers simultaneously receive the services and consumes the benefits provided by the Group's performance as the Group performs.

(b) Revenue from medical examination services

The Group offers medical examination and renders such services at the request of its customers. The Group recognises revenues at a point in time that the examination reports are issued and passed to the local couriers if hard copy reports are required by its customers, or at a point in time that the examination reports are uploaded online and can be viewed by the customers online if hard copy reports are not required. The Group notifies its customers when their examination reports are delivered to the local couriers or ready to be viewed and downloaded online.

For most of corporate customers, fees are collected after the completion of the medical examination services while most of individual customers prepay all of the service fees upon purchasing the medical examination cards, which are recognised as contract liabilities by the Group. The Group records accounts receivables from its corporate customers when the examination reports of the employees of corporate customers have been delivered or uploaded on line but the Group has not received remaining payments from the corporate customers. All fees for services rendered are first charged against the contract liabilities until the balances are entirely exhausted before the Group starts to invoice the corporate customers.

Management service revenue represented that the Group provides the management services to non-controlling interests. The revenue is recognised over time so as to depict the pattern of delivery of services.

2.17 Contract liabilities

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.18 Provision and contingent liabilities

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the Group's consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.19 Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method, is recognised in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected useful lives of the related asset or deducted against the carrying amount of the asset. The grant income is recognized and presented in the consolidated statement of profit or loss by way of a reduced depreciation charge of the related asset over its useful life in the same period.

2.21 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares, if any.

(b) Diluted earnings per share

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

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Material accounting policies (continued)

2.22 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of key management personnel of the Company or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include (i) that person's children and spouse or domestic partner; (ii) children of that person's spouse or domestic partner; and (iii) dependents of that person or that person's spouse or domestic partner.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group is engaged in the provision of general hospital service and medical examination services in PRC with almost all transactions denominated in RMB. In addition, the majority of the Group's assets and liabilities are denominated in RMB. Accordingly, the Group is not exposed to significant foreign currency risk, except for the bank deposits denominated in Hong Kong Dollar ("HKD") and United States Dollar ("USD").

The Group currently does not have a foreign currency hedging policy. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2025, if RMB had weakened/strengthened by 5% against the HKD with all other variables held constant, post-tax profit for the year would have been RMB604,000 (2024: RMB27,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of cash in bank.

At 31 December 2025, if RMB had weakened/strengthened by 5% against USD with all other variables held constant, post-tax profit for the year would have been RMB2,771,000 (2024: RMB457,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of cash in bank.

(ii) Cash flow and fair value interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings from banks and other non-bank finance institutions.

Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group does not hedge its cash flow and fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 23.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) **Market risk (continued)**

(ii) **Cash flow and fair value interest rate risk (continued)**

As at 31 December 2024 and 2025 if interest rates had risen/fallen by 50 basis points with all other variables held constant, the Group's net results for the year would have changed mainly as a result of higher/lower interest expenses on floating rate borrowings. Details of changes are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net results (decrease)/increase		
— risen 50 basis points	(3,178)	(1,195)
— fallen 50 basis points	3,178	1,195

(b) **Credit risk**

The Group's credit risk arises from restricted cash, cash and cash equivalents, deposits in financial institution, trade receivables and other receivables, amounts due from related parties and deposits for long-term leases. The concentration of credit risk of hospital segment is from the recoverability of trade receivables and other receivables. The credit risk of medical examination segment is from the length of the overdue period of trade receivables and other receivables by corporate customers. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem.

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

The Group established policies in place to ensure that the Group assesses the credit worthiness and financial strength of its customers as well as considering prior dealing history with the customers and volume of sales. Management makes periodic assessment on the recoverability of trade receivables and other receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any trade disputes with the debtors.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets

The Group has below financial assets that are subject to the expected credit loss model.

- Trade receivables and other receivables
- Amounts due from related parties
- Deposits for long-term leases

While cash and cash equivalents, restricted cash and deposits in financial institution are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

(i) *Trade receivables*

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the invoice date.

The expected loss rates are based on historical credit losses experienced which are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the inflation rate and other factors in PRC and accordingly adjusts the historical loss rates based on expected changes in these factors.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

On that basis, the loss allowance as at 31 December 2025 and 31 December 2024 was determined as follows for trade receivables:

As at 31 December 2025		Aging					Total
		Up to 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Medical examination	Trade receivables carrying amount	257,283	6,736	3,215	245	1,358	
	Expected loss rate	3%	11.60%	34.10%	30.71%	100%	
	Provision for impairment of trade receivables	(7,695)	(781)	(1,097)	(75)	(1,358)	(11,006)
General hospital – medical insurance	Trade receivables carrying amount	22,556	–	–	–	–	
	Expected loss rate	–	–	–	–	–	
	Provision for impairment of trade receivables	–	–	–	–	–	–
General hospital – non-medical insurance	Trade receivables carrying amount	5,609	152	1,190	557	427	
	Expected loss rate	1.4%	6.5%	100%	100%	100%	
	Provision for impairment of trade receivables	(78)	(10)	(1,190)	(557)	(427)	(2,262)
Total provision for impairment of trade receivables							(13,268)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

As at 31 December 2024		Up to 6 months	6 months to 1 year	Aging			Total
				1 to 2 years	2 to 3 years	Over 3 years	
Medical examination	Trade receivables carrying amount	308,073	7,400	2,562	378	3,856	
	Expected loss rate	2.8%	11.7%	32.5%	30.6%	100%	
	Provision for impairment of trade receivables	(8,626)	(866)	(833)	(116)	(3,856)	(14,297)
General hospital — medical insurance	Trade receivables carrying amount	25,877	—	—	—	—	
	Expected loss rate	68.9%	—	—	—	—	
	Provision for impairment of trade receivables	(17,820)	—	—	—	—	(17,820)
General hospital — non-medical insurance	Trade receivables carrying amount	7,509	678	349	268	314	
	Expected loss rate	1.3%	7.4%	100%	100%	100%	
	Provision for impairment of trade receivables	(101)	(51)	(349)	(268)	(314)	(1,083)
Total provision for impairment of trade receivables							(33,200)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

The loss allowances for trade receivables as at 31 December 2025 and 2024 reconcile to the opening loss allowances as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Opening loss allowance as at 1 January	33,200	15,537
(Decrease)/increase in trade receivable loss allowance recognised in profit or loss during the year	(1,989)	18,809
Receivables written off during the year as uncollectible	(17,943)	(1,146)
Closing loss allowance at 31 December	13,268	33,200

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 3 years for medical examination business and 1 year for hospital business since invoice date.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Other financial assets at amortised cost

Other financial assets at amortised cost include amount due from related parties, deposits for long term leases and other receivables.

Management considers deposits for long term leases do not have significant increase in credit risk since initial recognition, and the deposits are refundable from landlords upon end of lease term or recoverable by the Group through using the leased property. For the remaining balance, given the short term nature of these assets, the ECL had been provided under 12-month expected credit loss assessment given credit risk has not increase significantly since initial recognition. No further ECL provision has been made by the management for the year ended 31 December 2025 after their assessment (2024: provision of RMB10,000).

(iii) Net impairment losses on financial assets recognised in profit or loss

During the year, the following gain/(loss) were recognised in profit or loss in relation to impaired financial assets:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
(Reversal of)/impairment losses on trade receivables	(1,989)	18,809
Impairment losses on other financial assets at amortised cost	—	10
(Reversal of)/impairment losses on financial assets	(1,989)	18,819

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Group expected to fund the future cash flow needs through internally generated cash flows from operations, borrowings from financial institutions and issuing debt instruments and capital injection from shareholders, as necessary.

The table below analyzes the Group's financial liabilities that will be settled on a net basis into relevant maturity grouping based on the remaining period at the consolidated balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
As at 31 December 2025					
Borrowings, including interests	398,385	125,350	123,711	—	647,446
Lease liabilities	268,873	253,441	594,003	532,670	1,648,987
Trade and other payables	475,994	—	—	—	475,994
	1,143,252	378,791	717,714	532,670	2,772,427
As at 31 December 2024					
Borrowings, including interests	560,411	92,750	184,258	—	837,419
Lease liabilities	284,719	278,103	667,956	638,473	1,869,251
Trade and other payables	495,179	—	—	—	495,179
	1,340,309	370,853	852,214	638,473	3,201,849

The interest on borrowings is calculated based on borrowings held as at 31 December 2025 and 2024, respectively. Floating-rate interests are estimated using the current interest rate as at 31 December 2025 and 2024, respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Financial risk management (continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net cash divided by total capital. Net cash is calculated as total borrowings (including "current and non-current borrowings" and "lease liabilities" as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net cash.

The gearing ratios at 31 December 2025 and 2024 are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Total borrowings and lease liabilities (Note 23, 24)	2,012,108	2,300,278
Less: Cash and cash equivalents (Note 17)	(1,135,425)	(1,109,817)
Net overall financing	876,683	1,190,461
Total equity	1,719,809	1,375,143
Total capital	2,596,492	2,565,604
Gearing ratio (%)	33.76%	46.40%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4 Fair value estimation

4.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets measured and recognised at fair value at 31 December 2025 and 2024 on a recurring basis:

Recurring fair value measurements				
At 31 December 2025	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Financial assets at fair value through profit or loss				
— Listed equity securities	10,163	—	—	10,163
— Unlisted equity securities	—	—	—	—
Financial assets at fair value through other-comprehensive income				
— Unlisted equity securities	—	—	162,100	162,100
Total	10,163	—	162,100	172,263

Recurring fair value measurements				
At 31 December 2024	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Financial assets at fair value through profit or loss				
— Listed equity securities	—	—	—	—
— Unlisted equity securities	—	—	1,500	1,500
Financial assets at fair value through other-comprehensive income				
— Unlisted equity securities	—	—	169,000	169,000
Total	—	—	170,500	170,500

As at 31 December 2025 and 2024, the fair value of financial assets at fair value through profit or loss is approximately equal to their carrying amount.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4 Fair value estimation (continued)

4.1 Fair value hierarchy (continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods. There were no significant transfers of financial assets and liabilities between Level 1, Level 2 and Level 3 fair value hierarchy classifications.

Unlisted equity securities classified as financial assets at fair value through profit or loss is a Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below:

	2025 RMB'000	2024 RMB'000
Opening balance as at 31 December	1,500	1,500
Fair value change during the year	(1,500)	—
Closing balance as at 31 December	—	1,500

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4 Fair value estimation (continued)

4.1 Fair value hierarchy (continued)

The fair value of unlisted equity securities classified as financial assets at fair value through other comprehensive income is determined by the directors of the Company based on the valuation report prepared by the independent valuer with market approach using price to revenue ratio. It is a Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below:

	2025 RMB'000	2024 RMB'000
Opening balance as at 1 January	169,000	182,100
Fair value change during the year	(6,900)	(13,100)
Closing balance as at 31 December	162,100	169,000

One of the key significant unobservable inputs to determine the fair value of unlisted equity securities classified as financial assets at fair value through other comprehensive income is price to revenue ratio.

A higher price to revenue ratio would result in an increase in the fair value of unlisted equity securities classified as financial assets at fair value through other comprehensive income, and vice versa.

4.2 Fair values of other financial instruments

Fair value of trade receivables, other receivables, amounts due from related parties, deposits in financial institution, restricted cash, cash and cash equivalents, trade and other payables, borrowings and lease liabilities, approximates to their carrying amounts.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimated useful lives and residual values of property and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for the Group's property and equipment. This estimate is based on the historical experience of the actual useful lives of property and equipment of similar nature and functions. Management will revise the depreciation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in future periods.

(b) Current and deferred income tax

The Group is subject to income taxes in PRC. Significant judgement is required in determining the provision for income taxes in various legal entities in the jurisdiction. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

(c) Impairment of trade receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The expected loss rate was determined and disclosed in Note 3.1(b).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5 Critical accounting estimates and judgements (continued)

(d) Provision for medical dispute

The Group may be subject to legal proceedings and claims that arise in the ordinary course of business, which primarily include medical dispute claims brought by the patients. Provision for medical dispute claims is made based on the status of potential and active claims outstanding at the end of each reporting period, and take into consideration the assessment and analysis of external lawyer and the total claim exposure. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Based on the assessment, the management believes that no material claims exposure or outstanding litigation on the medical dispute claim existed at the end of each reporting period and accordingly no additional provision was made. The situation is closely monitored by the management and provision will be made as appropriate. Where the actual claims are greater than expected, a material dispute claim expense may arise, which would be recognised in statement of profit or loss for the period in which such a claim takes place.

(e) Impairment of property and equipment and right-of-use assets

The Group performs impairment review if a potential impairment is indicated. Management concluded that there was no indication of impairment of property and equipment and right-of-use assets of the Group other than those related to certain medical examination centres which have been in operation for more than two years as at 31 December 2025 but incurred operating losses in recent years. For the purpose of performing the impairment assessment on the property and equipment and right-of-use assets for these medical examination centres, as these assets do not generate cash flow independently, management identified each of medical examination centre as a Cash Generating Unit (“CGU”). The recoverable amount of the underlying CGU was determined based on the value-in-use calculations. The impairment test involves significant judgements in selecting data including revenue growth rate, profit margins, discount rate and assumptions used by the management under the value-in-use calculation.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5 Critical accounting estimates and judgements (continued)

(f) Fair value measurement

A number of assets included in the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: observable inputs other than quoted prices included within Level 1; and
- Level 3: unobservable inputs are inputs for which market data are not available

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur. The Group measures the following items at fair value:

- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income

For more detailed information in relation to the fair value measurement of the items above, please refer to the respective notes and note 4.1.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6 Segment information

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

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

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

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

(a) General hospital

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

(b) Medical examination centres

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6 Segment information (continued)

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6 Segment information (continued)

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7 Property and equipment

	Buildings RMB'000	Medical equipment RMB'000	General equipment RMB'000	Leasehold improvements RMB'000	Others RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2024							
Cost	908,791	811,992	101,541	694,164	12,685	69,695	2,598,868
Accumulated depreciation	(91,046)	(516,627)	(75,752)	(391,954)	(9,212)	—	(1,084,591)
Accumulated impairment losses	—	—	—	(18,076)	—	—	(18,076)
Net book amount	817,745	295,365	25,789	284,134	3,473	69,695	1,496,201
Year ended 31 December 2024							
Opening net book amount	817,745	295,365	25,789	284,134	3,473	69,695	1,496,201
Additions	15,668	76,635	5,970	3,845	1,947	101,542	205,607
Transfers (Note 8 and 9)	16,983	7,090	—	122,855	—	(140,138)	6,790
Impairment	—	—	—	(5,338)	—	—	(5,338)
Disposals (Note 36(b))	(11,762)	(948)	(57)	(24)	—	(112)	(12,903)
Depreciation (Note 31)	(22,002)	(92,625)	(8,325)	(74,902)	(648)	—	(198,502)
Closing net book amount	816,632	285,517	23,377	330,570	4,772	30,987	1,491,855
At 31 December 2024 and 1 January 2025							
Cost	939,066	896,730	102,146	820,840	14,535	30,987	2,804,304
Accumulated depreciation	(122,434)	(611,213)	(78,769)	(466,857)	(9,763)	—	(1,289,036)
Accumulated impairment losses	—	—	—	(23,413)	—	—	(23,413)
Net book amount	816,632	285,517	23,377	330,570	4,772	30,987	1,491,855
Year ended 31 December 2025							
Opening net book amount	816,632	285,517	23,377	330,570	4,772	30,987	1,491,855
Additions	133	—	—	4,672	—	137,088	141,893
Acquired through step acquisition of subsidiaries	—	20	61	169	—	4,329	4,579
Transfers (Note 9)	—	64,918	4,734	68,596	—	(138,779)	(531)
Impairment	—	—	—	(4,335)	—	—	(4,335)
Disposals (Note 36(b))	(5,140)	(294)	(14)	(589)	—	(326)	(6,363)
Depreciation (Note 31)	(21,836)	(90,246)	(7,415)	(84,023)	(751)	—	(204,271)
Closing net book amount	789,789	259,915	20,743	315,060	4,021	33,299	1,422,827
At 31 December 2025							
Cost	934,059	947,900	106,277	887,366	14,151	33,299	2,923,052
Accumulated depreciation	(144,270)	(687,985)	(85,534)	(544,558)	(10,130)	—	(1,472,477)
Accumulated impairment losses	—	—	—	(27,748)	—	—	(27,748)
Net book amount	789,789	259,915	20,743	315,060	4,021	33,299	1,422,827

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7 Property and equipment (continued)

Notes:

- (a) Depreciation of property and equipment has been charged to the consolidated statement of profit or loss as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Cost of sales	180,452	175,449
Distribution costs and selling expenses	115	170
Administrative expenses	23,705	22,883
	204,272	198,502

- (b) As at 31 December 2025, buildings with a total carrying amount of RMB690,752,000 (31 December 2024: RMB58,090,000) were pledged for the Group's borrowings (Note 23).

- (c) Management is required to perform impairment review if a potential impairment is indicated. Management concluded that there was no indication of impairment of property and equipment and right-of-use assets of the Group other than those related to certain medical examination centres which have been in operation for more than two years as at 31 December 2025 but incurred operating losses in recent years. For the purpose of performing the recoverability assessment on the property and equipment and right-of-use assets for the medical examination centres, as these assets do not generate cash flow independently, management identified each of medical examination centres as a Cash Generating Unit ("CGU"). The recoverable amount of the underlying CGU was determined based on the value-in-use ("VIU") calculations.

The calculations use cash flow projections based on financial budgets approved by management with average pre-tax discount rate of 12.9% (2024:15.0%) as at 31 December 2025. Other key assumptions for the VIU calculations included but not limited to revenue growth rate, profit margins, etc., which are determined based on the CGUs' past performance and management's expectations for the market development.

For the year ended 31 December 2025, the Group recognized impairment loss of RMB4,335,000 (2024: RMB5,338,000) related to property and equipment and RMB8,621,000 (2024: RMB13,411,000) related to right-of-use assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8 Right-of-use assets

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Properties	1,145,746	1,294,849
Land use rights	2,598	2,698
	1,148,344	1,297,547

	Properties	Equipment	Land	Total
	RMB'000	RMB'000	use rights	RMB'000
			RMB'000	RMB'000
At 1 January 2024				
Cost	1,931,042	32,445	4,698	1,968,185
Accumulated depreciation	(698,183)	(22,847)	(1,900)	(722,930)
Net book amount	1,232,859	9,598	2,798	1,245,255
Year ended 31 December 2024				
Opening net book amount	1,232,859	9,598	2,798	1,245,255
Additions (Note 37)	362,703	—	—	362,703
Modification (Note 37)	(62,254)	—	—	(62,254)
Impairment	(13,411)	—	—	(13,411)
Transfer to property and equipment (Note 7)	—	(7,091)	—	(7,091)
Depreciation (Note 31)	(225,048)	(2,507)	(100)	(227,655)
Closing net book amount	1,294,849	—	2,698	1,297,547

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For the year ended 31 December 2025

8 Right-of-use assets (continued)

	Properties RMB'000	Land use rights RMB'000	Total RMB'000
At 31 December 2024 and 1 January 2025			
Cost	1,976,479	4,698	1,981,177
Accumulated depreciation	(681,630)	(2,000)	(683,630)
Net book amount	1,294,849	2,698	1,297,547
Year ended 31 December 2025			
Opening net book amount	1,294,849	2,698	1,297,547
Additions (Note 37)	144,505	—	144,505
Modification (Note 37)	(44,202)	—	(44,202)
Impairment	(8,621)	—	(8,621)
Termination	(29,029)	—	(29,029)
Depreciation (Note 31)	(211,756)	(100)	(211,856)
Closing net book amount	1,145,746	2,598	1,148,344
At 31 December 2025			
Cost	1,991,009	4,698	1,995,707
Accumulated depreciation	(845,263)	(2,100)	(847,363)
Net book amount	1,145,746	2,598	1,148,344

Notes:

- As at 31 December 2025, land use rights with a total carrying amount of RMB2,598,000 (2024: RMB2,698,000) were pledged for the Group's borrowings (Note 23).
- As at 31 December 2025, impairment testing has been performed for the right-of-use assets for the medical examination centres, details of which are set out in note 7(c) of the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9 Intangible assets

	Computer software RMB'000	Goodwill RMB'000	Total RMB'000
At 1 January 2024			
Cost	47,329	7,447	54,776
Accumulated amortisation	(29,471)	—	(29,471)
Accumulated impairment losses	—	(7,447)	(7,447)
Net book amount	17,858	—	17,858
Year ended 31 December 2024			
Opening net book amount	17,858	—	17,858
Transfer from construction in progress (Note 7)	301	—	301
Addition	623	—	623
Amortisation (Note 31)	(3,146)	—	(3,146)
Closing net book amount	15,636	—	15,636
At 31 December 2024 and 1 January 2025			
Cost	48,253	7,447	55,700
Accumulated amortisation	(32,617)	—	(32,617)
Accumulated impairment losses	—	(7,447)	(7,447)
Net book amount	15,636	—	15,636
Year ended 31 December 2025			
Opening net book amount	15,636	—	15,636
Transfer from construction in progress (Note 7)	531	—	531
Addition	141	—	141
Amortisation (Note 31)	(2,847)	—	(2,847)
Closing net book amount	13,461	—	13,461
At 31 December 2025			
Cost	48,924	7,447	56,371
Accumulated amortisation	(35,463)	—	(35,463)
Accumulated impairment losses	—	(7,447)	(7,447)
Net book amount	13,461	—	13,461

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10 Investments accounted for using equity method

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Opening balance	10,485	10,080
Derecognition of investment in joint venture	(8,520)	—
Share of results	(93)	405
Ending balance	1,872	10,485

The particulars of the joint venture and associate of the Group during the years, which are unlisted, are set out as follows:

Company name	Country/date of incorporation and operation	Paid-in capital	Equity interests held		Principal activities	Nature of relationship	Measurement method
			As at 31 December 2025	2024			
Shanghai Rich Meidi Management Consulting Co.,Ltd. ("Shanghai Meidi") (a)	29 October 2013, Shanghai, the PRC	RMB15,000,000	—	60%	Investment holding	Joint Venture	Equity method
Neijiang Ruichuan Clinic Co.,Ltd ("Neijiang Ruichuan") (b)	29 March 2017, Sichuan, the PRC	RMB14,313,000	20%	20%	Examination service	Associate	Equity method

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10 Investments accounted for using equity method (continued)

a) Summarised financial information

	Shanghai Meidi		Neijiang Ruichuan	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the year	—	733	101	989
Other comprehensive income	—	—	—	—
Total comprehensive income	—	733	101	989

Notes:

- (a) In October 2025, the Group has gained control in the board of directors of Shanghai Meidi upon the change of board composition. Since then, Shanghai Meidi and its subsidiary Nantong Meidi consequently become subsidiaries of the Group.
- (b) On 29 March 2017, the Group, Zhonghengji Investment Group Co., Ltd(中恒基投資集團有限公司) and Neijiang Yulinglong Property Co., Ltd (內江市玉玲瓏置業有限公司), both third parties, established Neijiang Ruichuan with a total paid-in capital of RMB14,313,000. The Group injected total RMB2,863,000 in proportion to its respective equity interests in 2017 and 2018.

As at 31 December 2025 and 2024, there are no material commitments and contingent liabilities in respect of associate and joint venture.

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11 Financial assets

(a) Financial assets at fair value through other comprehensive income

	2025 RMB'000	2024 RMB'000
Unlisted equity investments	162,100	169,000

The Group designated its unlisted equity investments at financial assets at fair value through other comprehensive income as below, as those investments are held for long term strategic purposes.

As at 31 December 2025, the unlisted equity investments represented 1.17% (2024: 1.17%) equity interest in Unicorn II Holdings Limited (“**Unicorn**”). Particulars of the Group’s investments in Unicorn are as follows:

Name	Country of incorporation	Particulars of issued shares held	Number of shares held by the Group	Percentage of ownership interest attributable to the Group
Unicorn II Holdings Limited	Cayman Islands	Ordinary Share	1,672,140	1.17% (2024: 1.17%)

During the year, the decrease in fair value of financial assets at fair value through other comprehensive income of RMB6,900,000 (2024: RMB13,100,000) has been dealt with in other comprehensive income and FVOCI reserve. There is no transfer of cumulative gain or loss within equity during the year.

(b) Financial assets at fair value through profit or loss

	2025 RMB'000	2024 RMB'000
Listed equity investments	10,163	—

12 Deposits for long-term leases

The Group paid refundable deposits for leases of certain medical examination centres, which are due over 1 year from balance sheet date and are recoverable at the end of the lease term.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13 Deferred tax assets

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13 Deferred tax assets (continued)

Movement in deferred tax assets for both years ended 31 December 2025 and 2024, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

Movement	Tax losses RMB'000	Right- of-use assets and lease liabilities RMB'000	Assets impairment RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	41,324	37,476	6,832	24,279	109,911
(Charged)/credited to the consolidated statement of profit or loss (Note 34)	(4,319)	7,925	4,719	—	8,325
At 31 December 2024	37,005	45,401	11,551	24,279	118,236
At 1 January 2025	37,005	45,401	11,551	24,279	118,236
(Charged)/credited to the consolidated statement of profit or loss (Note 34)	(17,950)	884	(7,441)	(2,397)	(26,904)
At 31 December 2025	19,055	46,285	4,110	21,882	91,332

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets in respect of tax losses amounting to RMB386,938,000 (2024: RMB354,985,000) as at 31 December 2025. All these tax losses will expire within five years.

14 Inventories

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Pharmaceuticals	14,987	21,742
Medical and other consumables	14,407	14,220
	29,394	35,962

The cost of inventories recognised as expense and included in "cost of sales" amounted to RMB135,964,000 for the year ended 31 December 2025 (2024: RMB215,190,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15 Trade receivables

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

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

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

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

Movements of loss allowance for trade receivables are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	33,200	15,537
(Decrease)/increase in loss allowance	(1,989)	18,809
Receivables written off as uncollectible	(17,943)	(1,146)
At the end of the year	13,268	33,200

The carrying amounts of the Group's trade receivables are all denominated in RMB.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16 Other receivables

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

Notes:

- Balance represents loans to the non-controlling interests of subsidiaries, which are unsecured and bore the interest rate at 1-year loan prime rate plus 1 basis point. They were recoverable within twelve months from the reporting date as at 31 December 2025 and 2024.
- Consideration receivable of RMB1,099,000 (2024: RMB50,000,000) from the disposal of Shanghai Shuixian Obstetrics, Gynecology & Pediatric Hospital Co., Ltd. ("Rici Shuixian") during the year ended 31 December 2022 is included in Others. The consideration receivable is unsecured and non-interest bearing. RMB48,901,000 has been received during the year ended 31 December 2025 (2024: RMB50,000,000).

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17 Cash and bank balances

a. Cash and cash equivalents

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

b. Restricted cash

The amount of RMB15,994,000 (2024: RMB1,722,000) is a security deposit for the letter of guarantee from the banks for the daily operation of the Group as at 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18 Prepayments

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

Note:

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

19 Share capital

Ordinary shares, issued and fully paid:

	Number of ordinary shares	Par value RMB	Share capital RMB'000
As at 31 December 2025 and 2024	1,590,324,000	0.00067	1,065



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20 Share-based payments

- a. The Group approved and launched a share option scheme on 19 September 2016. Pursuant to the share option scheme, two directors and one employee were granted the share options to subscribe for up to 47,710,500 shares of the Company. The share options will vest in four tranches at the third, the fourth, the fifth and the sixth anniversaries of the offer date and will only become exercisable from the respective vesting dates up to the tenth anniversary of the offer date. The subscription price payable upon the exercise of any share option is fixed at HKD1.60.

As at 31 December 2025, 47,710,500 (2024: 47,710,500) options were outstanding. These options with an exercise price of HKD1.60 per share upon vesting will be expired on 19 September 2026.

The fair value of the options granted was HKD65,573,946, which was subject to a number of assumptions and with regard to the limitation of the model. The options have been divided into four tranches according to different vesting periods.

- b. Another share option scheme was conditionally approved and adopted pursuant to a resolution of the shareholders of the Company passed on September 19, 2016. On and subject to the terms of the share option scheme, the board shall be entitled at any time within ten years after 19 September, 2016 to offer to grant to any non-executive director or independent non-executive director of the Company or any eligible employees of the Company as the board may in its absolute discretion select, and subject to such conditions as the board may think fit, an option to subscribe for such number of shares as the board may determine at the subscription price. One director and ten employees were granted the share options to subscribe for up to 79,517,500 shares of the Company on 24 November, 2017. The share options will vest in four tranches at the third, the fourth, the fifth and the sixth anniversaries of the offer date and will only become exercisable from the respective vesting dates up to the tenth anniversary of the offer date. The subscription price payable upon the exercise of the share options is fixed at HKD2.42.

As at 31 December 2025, 35,760,000 (2024: 46,200,000) options were outstanding. These options with an exercise price of HKD2.42 per share upon vesting will be expired on 24 November 2027.

The fair value of the options granted was HKD50,358,000, which was subject to a number of assumptions and with regard to the limitation of the model. The options have been divided into four tranches according to different vesting periods.

During the year ended 31 December 2025, 10,440,000 options were cancelled because of resignation of an employee.

No share option expenses (2024: no share option expenses) has been included in the consolidated statement of profit or loss for the year ended 31 December 2025. It gave rise to a share option scheme reserve. No liabilities were recognised due to equity-settled share-based payment transactions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21 Reserves

	Share premium RMB'000	Merger and capital reserves RMB'000	Statutory reserves and other reserves (a) RMB'000	FVOCI reserve RMB'000	Share option scheme RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2024	527,388	(333,180)	314,487	2,100	97,662	517,423	1,125,880
Profit for the year	–	–	–	–	–	297,321	297,321
Other comprehensive income	–	–	–	(13,100)	–	–	(13,100)
Appropriation to statutory reserves (b)	–	–	96,553	–	–	(96,553)	–
Interim dividend declared (Note 43)	(65,323)	–	–	–	–	–	(65,323)
At 31 December 2024	462,065	(333,180)	411,040	(11,000)	97,662	718,191	1,344,778
At 1 January 2025	462,065	(333,180)	411,040	(11,000)	97,662	718,191	1,344,778
Profit for the year	–	–	–	–	–	307,128	307,128
Other comprehensive income	–	–	–	(6,900)	–	–	(6,900)
Appropriation to statutory reserves (b)	–	–	272,120	–	–	(272,120)	–
Cancellation of share option (Note 20)	–	–	–	–	(9,589)	9,589	–
At 31 December 2025	462,065	(333,180)	683,160	(17,900)	88,073	762,788	1,645,006

- a. Statutory reserves and other reserves included the retained earnings of Nantong Rich Hospital as at 30 June 2014 amounted to RMB138,950,000 when Nantong Rich Hospital ceased to be a “not-for-profit medical organization”. It is non-distributable and shall be used for the hospital’s future development according to the requirements of local authorities.
- b. In accordance with the Company Law of the PRC and the articles of association of the PRC subsidiaries, these subsidiaries registered in PRC shall appropriate 10% of its annual statutory profit (after offsetting any prior years’ losses) to the statutory surplus reserve (“SSR”) account. When the balance of SSR reaches 50% of the registered capital/share capital of these subsidiaries, any further appropriation is optional. The SSR can be summarized to offset prior years’ losses or to increase paid-in capital.

Notes to the Consolidated Financial Statements

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22 Non-controlling interests

	2025 RMB'000	2024 RMB'000
At 1 January	29,300	(12,900)
Profit for the year	75,900	57,334
Arising from step acquisition of subsidiaries	5,533	—
Capital contributions by non-controlling interests of a subsidiary	8,700	4,550
Dividend paid to non-controlling interests	(45,695)	(19,684)
At 31 December	73,738	29,300

a. Subsidiaries that have non-controlling interests that are material to the Group

Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	Shanghai	Changsha	Shanghai	Shanghai	Changsha	Shanghai
	Rich Ruiming Clinic Co., Ltd. ("Shanghai Ruimin") 31 Dec 2025 RMB'000	Rich Ruishang Management Co., Ltd. ("Changsha Ruishang") 31 Dec 2025 RMB'000	Rich Ruidi Medical Laboratory Co., Ltd. ("Shanghai Ruidi") 31 Dec 2025 RMB'000	Rich Ruiming Clinic Co., Ltd. ("Shanghai Ruimin") 31 Dec 2024 RMB'000	Rich Ruishang Management Co., Ltd. ("Changsha Ruishang") 31 Dec 2024 RMB'000	Rich Ruidi Medical Laboratory Co., Ltd. ("Shanghai Ruidi") 31 Dec 2024 RMB'000
Current assets	30,278	41,588	247,757	40,231	41,541	180,484
Current liabilities	(23,414)	(99,426)	(32,188)	(33,736)	(107,893)	(57,005)
Net current assets/(liabilities)	6,864	(57,838)	215,569	6,495	(66,352)	123,479
Non-current assets	11,573	23,670	1,276	18,626	55,095	3,119
Non-current liabilities	(2,691)	(17,783)	—	(7,861)	(28,542)	(594)
Net non-current assets	8,882	5,887	1,276	10,765	26,553	2,525
Net assets/(liabilities)	15,746	(51,951)	216,845	17,260	(39,799)	126,004
Accumulated non-controlling interests	4,723	(27,198)	65,053	5,178	(24,499)	38,078

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22 Non-controlling interests (continued)

a. Subsidiaries that have non-controlling interests that are material to the Group (continued)

Summarised statement of comprehensive income	Shanghai	Changsha	Shanghai	Shanghai	Changsha	Shanghai
	Ruimin	Ruishang	Ruidi	Ruimin	Ruishang	Ruidi
	For the	For the	For the	For the	For the	For the
	year ended	year ended	year ended	year ended	year ended	year ended
	31 December	31 December	31 December	31 December	31 December	31 December
	2025	2025	2025	2024	2024	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	65,850	43,212	288,690	60,116	38,558	191,515
Profit for the year	8,485	(12,153)	186,641	10,146	(5,333)	117,126
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income	8,485	(12,153)	186,641	10,146	(5,333)	117,126
Income allocated to non-controlling interests	2,545	(5,955)	55,992	3,044	(2,613)	38,078

Summarised cash flows	Shanghai	Changsha	Shanghai	Shanghai	Changsha	Shanghai
	Ruimin	Ruishang	Ruidi	Ruimin	Ruishang	Ruidi
	For the	For the	For the	For the	For the	For the
	year ended	year ended	year ended	year ended	year ended	year ended
	31 December	31 December	31 December	31 December	31 December	31 December
	2025	2025	2025	2024	2024	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities	15,477	6,484	(2,284)	25,901	31,936	(7,578)
Cash flows from investing activities	–	(517)	–	(2,889)	(7,798)	(21)
Cash flows from financing activities	(15,699)	(6,342)	2,285	(23,552)	(4,659)	7,599
Net (decrease)/increase in cash and cash equivalents	(222)	(375)	1	(540)	19,479	–

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23 Borrowings

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

The Group's borrowing were repayable as follows:

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
31 December 2025				
Bank borrowings	393,150	121,950	120,500	635,600
31 December 2024				
Bank borrowings	542,400	67,400	187,200	797,000

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23 Borrowings (continued)

As at 31 December 2025, the bank borrowings include:

RMB279,600,000 (2024: RMB212,200,000) borrowings secured by the Group's land use rights with net book value of RMB2,598,000 (2024: RMB2,698,000) (Note 8) and buildings with net book value of RMB690,752,000 (2024: RMB58,090,000) (Note 7).

All the short-term and long-term bank borrowings are also guaranteed by the Company's subsidiaries for each other.

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

The weighted average effective interest rates for bank and other borrowings as at 31 December 2025 and 2024 were as follows:

	As at 31 December	
	2025	2024
Bank borrowings	2.67%	3.08%

24 Lease liabilities

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

Notes to the Consolidated Financial Statements

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25 Contract liabilities

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

Typical payment term which impact on the amount of contract liabilities recognised is as follows:

The Group received 100% of the contract value when they sign the medical examination cards contract with customer. This consideration is recognised as contract liabilities upon receipt.

Sales of medical examination cards represent the prepayments received from patients and customers and will be recognised in profit or loss when medical examination services are rendered to the relevant customers.

Revenue will be recognised when the relevant services are rendered to the customers. The amount of revenue recognised for the year ended 31 December 2025 that was included in the contract liabilities as at 31 December 2024 was RMB174,055,000 (2024: RMB198,204,000).

26 Trade and other payables

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

Notes to the Consolidated Financial Statements

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26 Trade and other payables (Continued)

Notes:

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

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

The trade payables are usually paid within 30–60 days of recognition.

The fair value of all trade and other payables of the Group approximated to their carrying amounts and the carrying amounts of the Group's trade and other payables are denominated in RMB.

27 Deferred income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	10,830	5,653
Additions (note)	441	13,541
Recognised in the profit or loss during the year	(3,882)	(8,364)
At the end of the year	7,389	10,830

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current liabilities	3,182	3,554
Non-current liabilities	4,207	7,276
At the end of the year	7,389	10,830

Note:

Since 2023, Nantong Rich Hospital Expansion II project has been completed and started to use. The related deferred income are deducted against the carrying amount of the property and equipment and the grant income is recognised and presented in to the consolidated statement of profit or loss by way of a reduced depreciation charge of the related asset over its useful life in the same period.

During the year ended 31 December 2025, Nantong Rich hospital received special government grants for purchasing medical equipments from Nantong Economic and Technological Development Zone Management Committee of RMB441,000 (2024: RMB13,541,000).

These government grants were asset related and hence deferred and recognised in profit or loss on a systemic basis over the useful lives of the assets.

Notes to the Consolidated Financial Statements

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28 Revenue

Revenue of the Group consists of the following:

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

No customer individually contributed over 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

29 Other income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants (note)	15,631	30,705
Rental income	2,317	1,186
Net income from medical equipment sales	9	—
Others	7,344	15,791
	25,301	47,682

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29 Other income (continued)

Notes:

Government grants mainly represent:

- i. subsidies from Nantong Economic and Technological Development Zone Finance Bureau of RMB5,000,000 (2024: RMB4,800,000) during the year ended 31 December 2025 for support in offering PCR Test in the Development Zone;
- ii. Government financial support funds from Beicai Town Shanghai Pudong Municipal People's Government of RMB900,000 (2024: Nil) during the year ended 31 December 2025 for the support of PCR Test in the Development Zone;
- iii. the other government grants in total of RMB9,731,000 for the year ended 31 December 2025 (2024: RMB14,495,000) from local government; and
- iv. subsidies from Nantong Economic and Technological Development Zone Management Committee of RMB11,410,000 during the year ended 31 December 2024 for purchasing medical equipments.

30 Other losses

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Losses on disposal of property and equipment (Note 36(b))	247	747
Others	9,818	2,644
	10,065	3,391

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31 Expenses by nature

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Employee benefit expenses (Note 32)	1,017,085	1,091,246
Depreciation and amortisation	418,974	429,303
Medical consumables costs	165,002	167,001
Outsourced testing expenses	152,716	166,907
Pharmaceutical costs	92,647	146,712
Advertising expenses	91,701	117,289
Utility expenses	50,168	50,321
Office expenses	39,349	49,248
Maintenance expenses	33,578	29,511
Professional service charges	15,150	18,986
Impairment losses on non-financial assets	12,956	18,749
Entertainment expenses	12,948	15,329
Short-term or low-value operating lease rentals	10,774	8,296
Stamp duty and other taxes	9,858	9,343
Travel expenses	8,571	8,254
Laundry expenses	8,061	8,639
Labour union dues	2,634	2,872
Fair value change on financial assets	1,337	—
Auditor's remuneration		
– Audit services	1,130	1,130
– Non-audit services	570	570
Security costs	18	514
Reversal/impairment losses on financial assets	(1,989)	18,819
Gain on lease modification	(7,518)	(6,025)
Other expenses	9,991	8,239
	2,145,711	2,361,253

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32 Employee benefits expense (including directors and senior management's emoluments)

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, wages and bonuses	830,254	897,401
Other welfare benefit expenses	73,333	58,333
Pension	113,498	135,512
	1,017,085	1,091,246

a. Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

Name of director	Fees	Salaries and other allowances	Discretionary bonus	Retirement scheme contributions	Other social welfares	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024:						
Dr. Fang	—	502	—	75	14	591
Dr. Mei	—	1,155	—	—	25	1,180
Mr. Fang Haoze	—	273	144	108	29	554
Ms. Lin Xiaoying	—	497	144	106	29	776
Dr. Wang Yong	180	—	—	—	—	180
Ms. Wong Sze Wing	180	—	—	—	—	180
Mr. Jiang Peixing	150	—	—	—	—	150
	510	2,427	288	289	97	3,611

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32 Employee benefits expense (including directors and senior management's emoluments) (continued)

(a) Directors' and chief executive's emoluments (continued)

Name of director	Fees RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement scheme contributions RMB'000	Other social welfares RMB'000	Total RMB'000
Year ended 31 December 2025:						
Dr. Fang	—	503	—	19	3	525
Dr. Mei	—	1,042	—	—	16	1,058
Mr. Fang Haoze	—	269	144	108	29	550
Ms. Lin Xiaoying	—	583	144	105	29	861
Dr. Wang Yong (note a)	179	—	—	—	—	179
Ms. Wong Sze Wing	180	—	—	—	—	180
Mr. Jiang Peixing	150	—	—	—	—	150
Mr. Tian Wenguo (note b)	—	—	—	—	—	—
	509	2,397	288	232	77	3,503

Note:

- (a) Dr. Wang Yong resigned on 29 December 2025.
 (b) Mr. Tian Wenguo was appointed on 29 December 2025.

(b) Five highest paid individuals

During the year ended 31 December 2025, the five individuals whose emoluments were the highest in the Group include one (2024: one) director for the year ended 31 December 2025 whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2024: four) individuals are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind	3,926	3,786
Pension	351	356
	4,277	4,142

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32 Employee benefits expense (including directors and senior management's emoluments) (continued)

(b) Five highest paid individuals (continued)

The emoluments fell within the following bands:

	Year ended 31 December	
	2025	2024
Emoluments bands (in HKD)		
500,001 to 1,000,000	4	4
1,000,001 to 1,500,000	1	1

- (c) During the years, no director or any of the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for left of office (2024: Nil).
- (d) No loans, quasi-loans and other dealings were made available in favour of directors, bodies corporate controlled by and entities connected with directors subsisted at the end of the year or at any time during the year (2024: Nil).
- (e) **Directors' material interests in transactions, arrangements or contracts**

Except the matter disclosed in Note 40, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33 Finance costs — net

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

34 Income tax expense

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

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current income tax		
— Current year	137,682	125,161
— Adjustments for current tax of prior years	19,725	12,430
Deferred income tax (Note 13)	26,904	(8,325)
Income tax expense	184,311	129,266

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34 Income tax expense (continued)

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	567,339	483,921
Tax calculated at the applicable income tax rate (25%)	141,835	120,980
Tax effect of:		
Different tax rates of a subsidiary	(12,061)	(4,389)
Expenses not deductible for tax purpose	6,827	1,776
Tax losses not recognised as deferred tax assets	15,671	16,323
Utilisation of prior year tax losses and temporary differences not recognised as deferred tax assets	(7,012)	(9,637)
Temporary differences not recognised as deferred tax assets	19,403	(7,712)
Income not subject to tax	(77)	(505)
Adjustment for current tax of prior years	19,725	12,430
Income tax expense	184,311	129,266

On 16 March, 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") which became effective on 1 January 2008. Under the CIT Law, the CIT rate applicable to the most of the Group's subsidiaries located in mainland China from 1 January 2008 is 25%. In 2024 and 2023, the CIT rate applicable to some of the subsidiaries in mainland China is 15%.

The Company is registered in the Cayman Islands, and hence is not subject to enterprise income tax. Two subsidiaries in the Group registered in the British Virgin Islands are not subject to enterprise income tax.

No provision for Hong Kong profits tax has been made as the Group does not have assessable profits subject to Hong Kong profits tax during the years ended 31 December 2025 and 2024.

The PRC corporate income tax law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside the PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between PRC and Hong Kong.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing:

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

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

(b) Diluted

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36 Notes to the consolidated statement of cash flows

a. Net cash generated from operations:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	567,339	483,921
Adjustments for:		
– Depreciation of right-of-use asset (Note 8)	211,856	227,655
– Depreciation of property and equipment (Note 7)	204,271	198,502
– Amortisation of intangible assets (Note 9)	2,847	3,146
– Net losses on disposal of property and equipment	247	747
– Fair value change on financial assets	1,337	–
– Realised gain on disposal of financial assets	(254)	–
– (Reversal of)/net provision of impairment losses on financial assets (Note 15 and Note 16)	(1,989)	18,819
– Net provision of impairment losses on non-financial assets (Note 7 and Note 8)	12,956	18,749
– Share of results of associate and joint venture (Note 10)	93	(405)
– Interest income	(5,907)	(4,873)
– Interest expense	100,173	128,135
– Foreign exchange losses	3,380	717
– Gain on lease modification (Note 31)	(7,518)	(6,025)
Operating profit before working capital changes	1,088,831	1,069,088
Changes in working capital:		
– Decrease in inventories	6,724	1,434
– (Increase)/decrease in trade receivables, other receivables and prepayments	(55,529)	55,575
– (Decrease)/increase in amounts due from related parties	2,772	(219)
– (Decrease)/increase in deferred income	(3,441)	5,177
– (Decrease)/increase in trade and other payables	(35,497)	(35,979)
– (Decrease)/increase in contract liabilities	(22,003)	29,215
– Decrease in amounts due to related parties	–	(132)
– Increase in deposits for long-term leases	(8,356)	(5,572)
Net cash generated from operating activities	973,501	1,118,587

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36 Notes to the consolidated statement of cash flows (continued)

b. Proceeds from disposal of property and equipment:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net book amount of property and equipment (Note 7)	6,363	12,903
Losses on disposal of property and equipment (Note 30)	(247)	(747)
Proceeds from disposal of property and equipment	6,116	12,156

c. Net debt cash reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

	2025 RMB'000	2024 RMB'000
Cash and cash equivalents	1,135,425	1,109,817
Borrowings — repayable within one year (including overdraft)	(393,150)	(542,400)
Borrowings — repayable after one year	(242,450)	(254,600)
Lease liabilities — repayable within one year	(262,449)	(272,308)
Lease liabilities — repayable after one year	(1,114,059)	(1,230,970)
Net debt	(876,683)	(1,190,461)
Cash and liquid investments	1,135,425	1,109,817
Gross debt — fixed interest rates	(1,376,508)	(2,061,278)
Gross debt — variable interest rates	(635,600)	(239,000)
Net debt	(876,683)	(1,190,461)

Notes to the Consolidated Financial Statements

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36 Notes to the consolidated statement of cash flows (continued)

c. Net debt cash reconciliation (continued)

	Other assets		Liabilities from financing activities			Total RMB'000
	Cash RMB'000	Borrowing due within 1 year RMB'000	Borrowing due after 1 year RMB'000	Lease	Lease	
				liabilities due within 1 year RMB'000	liabilities due after 1 year RMB'000	
Net debt as at 1 January 2024	811,210	(647,466)	(219,140)	(264,298)	(1,135,647)	(1,455,341)
Cash flows	299,324	105,066	(35,460)	191,091	—	560,021
Foreign exchange adjustments	(717)	—	—	—	—	(717)
Non-cash changes	—	—	—	(199,101)	(95,323)	(294,424)
Net debt as at 31 December 2024 and 1 January 2025	1,109,817	(542,400)	(254,600)	(272,308)	(1,230,970)	(1,190,461)
Cash flows	28,988	161,400	—	269,856	—	460,244
Foreign exchange adjustments	(3,380)	—	—	—	—	(3,380)
Non-cash changes	—	(12,150)	12,150	(259,997)	116,911	(143,086)
Net debt as at 31 December 2025	1,135,425	(393,150)	(242,450)	(262,449)	(1,114,059)	876,683

37 Major Non-cash transactions

- (i) During the year ended 31 December 2025, the Group entered into new and renewal of lease agreements in respect of properties. On the lease commencement, the Group recognised right-of-use assets of approximately RMB144,505,000 (2024: RMB362,703,000) and lease liabilities of approximately RMB144,505,000 (2024: RMB362,703,000), respectively.
- (ii) During the year ended 31 December 2025, the Group modified the lease agreements in respect of properties. On the date of modification, the Group recognised an addition of right-of-use assets of approximately RMB44,202,000 (2024: (RMB62,254,000)) and lease liabilities of approximately RMB78,201,000 (2024: RMB68,279,000), respectively.

Notes to the Consolidated Financial Statements

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38 Contingencies

Up to 31 December 2025, the Group had eleven (2024: five) ongoing medical disputes arising from the operation of Nantong Rich Hospital and several disputes arising from medical examination centres which have not been settled. The Group has assessed the individual cases and taken into account of the expenses incurred and recorded. The Group believes the financial exposure in relation to the ongoing medical disputes shall not material and thus no additional provision was made in this respect.

39 Commitments

Capital expenditure contracted for but not yet incurred at each balance sheet date, is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Authorized and contracted for:		
Leasehold improvements	30,281	14,818
Nantong Rich Hospital Expansion I	140	2,045
	30,421	16,863

40 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, has joint control over the party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

The ultimate controlling shareholders of the Group are Dr. Fang and Dr. Mei.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the years ended 31 December 2025 and 2024 and balances arising from related party transactions as at 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

40 Related party transactions (continued)

a. Name and relationship with related parties

Name of related party	Relationship with the Group
Dr. Fang (方宜新)	Controlling shareholder
Dr. Mei (梅紅)	Controlling shareholder
Nantong Rich Real Estate Development Co., Ltd. (南通瑞 慈房地產開發有限公司)(“Nantong Rici Real Estate”)	Controlled by Dr. Fang
Nantong Rich Meidi Elderly Care Center (南通瑞慈美邸护 理院有限公司)(“Nantong Meidi”)*	Subsidiary of a joint venture

* Nantong Meidi become a subsidiary of the Group during the year.

b. Saved as elsewhere disclosed in these consolidated financial statements, the following transactions were carried out with related parties:

i. Expenses paid on behalf of related parties by the Group

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Nantong Meidi	834	842
Nantong Rich Real Estate	44	8
	878	850

ii. Guarantee provided by related parties for borrowings of the Group

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Dr. Fang and Dr. Mei	117,600	326,000

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

40 Related party transactions (continued)

b. Saved as elsewhere disclosed in these consolidated financial statements, the following transactions were carried out with related parties: (continued)

iii. Services provided to related parties

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Nantong Meidi	1,983	1,802

iv. Services and products provided by related parties

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Nantong Meidi	—	184
Nantong Rich Real Estate Development Co., Ltd.	44	—

c. Key management compensation

Key management includes executive directors and non-executive directors. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other short-term employee benefits	3,271	3,322
Pension	232	289
	3,503	3,611

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

40 Related party transactions (continued)

d. Balances with related parties

Amounts due from related parties

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Nantong Meidi	—	2,744
Nantong Rich Real Estate	—	28
	—	2,772
Less: Loss allowance of amounts due from related parties	—	—
	—	2,772

The amounts due from related parties are for lending money to related parties, or expenses paid on behalf of related parties and rental deposits which were unsecured and non-interest bearing.

The Group applied expected credit loss model to assess the loss allowance on amounts due from related parties. No loss allowance was recognised for the years ended 31 December 2024.

Amounts due to related parties

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Nantong Rici Real Estate	16	—

The amounts due to related parties are for purchase of goods and services from related parties.

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41 Subsidiaries

Particulars of the subsidiaries of the Group as at 31 December 2025 and 2024 are set out below:

a. Directly holding subsidiaries

Subsidiaries incorporated in the BVI

Company name	Date of incorporation	Registered capital	Effective interests held by the		Principal activities
			Group 31 December 2025	2024	
Rici International Holdings Limited	11 July 2014	USD1	100%	100%	Investment holding
Regent Healthcare Holdings Limited	6 June 2014	USD1	100%	100%	Investment holding

b. Indirectly holding subsidiaries

Subsidiaries incorporated in Hong Kong

Company name	Date of incorporation	Registered capital	Effective interests held by the		Principal activities
			Group 31 December 2025	2024	
Hong Kong Rici Healthcare Holdings Limited	14 July 2014	HKD1	100%	100%	Investment holding
Cathay Grace Healthcare Holdings Limited	17 June 2014	HKD1	100%	100%	Investment holding
Distanced Landscape Holdings Limited	9 May 2023	HKD1	100%	100%	Investment holding
Jade Mountain Holdings Limited	30 May 2023	HKD1	100%	100%	Investment holding

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41 Subsidiaries (continued)

b. Indirectly holding subsidiaries (continued)

Subsidiaries established in the PRC

Company name	Date of incorporation	Registered capital RMB'000	Effective interests held by the Group 31 December		Principal activities
			2025	2024	
Nantong Rich Hospital Co., Ltd. (南通瑞慈醫院有限公司)	14 August 2000	68,000	100%	100%	General hospital service
Shanghai Rich Clinic Co., Ltd. (上海瑞慈門診部有限公司)	14 February 2007	13,000	100%	100%	Examination service
Nanjing Rich Clinic Co., Ltd. (南京瑞慈門診部有限責任公司)	1-December 2008	5,000	100%	100%	Examination service
Shanghai Rich Ruining Clinic Co., Ltd. (上海瑞慈瑞寧門診部有限公司)	12 February 2009	5,000	100%	100%	Examination service
Shanghai Rich Ruibo Clinic Co., Ltd. (上海瑞慈瑞鉞門診部有限公司)	10 April 2009	5,000	100%	100%	Examination service
Suzhou Rich Clinic Co., Ltd. (蘇州瑞慈門診部有限公司)	22 August 2009	10,000	100%	100%	Examination service
Nantong Rich Medical Examination Center Co., Ltd. (南通瑞慈健康體檢中心有限公司)	17 March 2010	5,000	100%	100%	Examination service
Shenzhen Rich Medical Examination Management Co., Ltd. (深圳瑞慈健康體檢管理有限公司)	17 September 2010	20,000	100%	100%	Investment holding
Nantong Rich Binjiang Medical Examination Center Co., Ltd. (南通瑞慈濱江健康體檢中心有限公司)	21 October 2010	30,000	100%	100%	Examination service
Shanghai Rich Ruitai Clinic Co., Ltd. (上海瑞慈瑞泰門診部有限公司)	17 January 2011	5,000	100%	100%	Examination service
Shanghai Rich Ruijie Clinic Co., Ltd. (上海瑞慈瑞傑門診部有限公司)	12 July 2012	5,000	100%	100%	Examination service
Shanghai Rich Ruizhao Clinic Co., Ltd. (上海瑞慈瑞兆門診部有限公司)	19 March 2013	5,000	100%	100%	Examination service
Chengdu Jinjiang Rich Clinic Co., Ltd. (成都錦江瑞慈門診部有限公司)	6 November 2013	5,000	100%	100%	Examination service
Shanghai Rich Ruize Clinic Co., Ltd. (上海瑞慈瑞澤門診部有限公司)	25 November 2013	5,000	100%	100%	Examination service
Shenzhen Rich Clinic (深圳瑞慈門診部)	28 February 2014	10,000	100%	100%	Examination service
Guangzhou Ruisen Guojin Medical Clinic Co., Ltd. (廣州瑞森國金醫療門診部有限公司)	28 February 2014	15,000	90%	90%	Examination service
Jiangsu Rich Medical Management Co.,Ltd (江蘇瑞慈醫療管理有限公司)	14 July 2014	350,000	100%	100%	Investment holding
Nantong Rich Medical Management Group Co., Ltd. (南通瑞慈醫療管理集團有限公司)	14 July 2014	650,000	100%	100%	Investment holding

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41 Subsidiaries (continued)

b. Indirectly holding subsidiaries (continued)

Subsidiaries established in the PRC (continued)

Company name	Date of incorporation	Registered capital RMB'000	Effective interests held by the Group 31 December		Principal activities
			2025	2024	
Shanghai Rich Medical Investment Group Co., Ltd. (上海瑞慈醫療投資集團有限公司)	25 August 2014	660,000	100%	100%	Investment holding
Guangzhou Rich Investment Co., Ltd. (廣州瑞慈投資有限公司)	1 September 2014	20,000	100%	100%	Investment holding
Changzhou Rich Medical Clinic Co., Ltd. (常州瑞慈醫療門診部有限公司)	16 September 2014	15,000	100%	100%	Examination service
Wuhan Rich Medical Investment Management Co., Ltd. (武漢瑞慈醫療投資管理有限公司)	10 November 2014	10,000	100%	100%	Investment holding
Nantong Haoze Medical Management Co., Ltd. (南通浩澤醫療管理有限公司)	13 November 2014	30,000	100%	100%	Investment holding
Nanjing Rich Ruixing Clinic Co., Ltd. (南京瑞慈瑞星門診部有限公司)	5 December 2014	20,000	95%	95%	Examination service
Wuhan Rich Clinic Co., Ltd. (武漢瑞慈門診部有限公司)	29 January 2015	5,000	100%	100%	Examination service
Guangzhou Rich Zhongxin Clinic Co., Ltd. (廣州瑞慈中信門診部有限公司)	27 January 2015	15,000	88%	88%	Examination service
Hefei Haoze Healthcare Management Co., Ltd. (合肥浩澤健康管理有限公司)	16 February 2015	5,000	100%	100%	Investment holding
Shanghai Rich Ruixin Clinic Co., Ltd. (上海瑞慈瑞鑫門診部有限公司)	19 March 2015	5,000	95%	95%	Examination service
Shanghai Fanjin Investment Management Co., Ltd. (上海返錦投資管理有限公司)	1 April 2015	100,000	100%	100%	Investment holding
Beijing Rich Ruitai General Clinic Co., Ltd. (北京瑞慈瑞泰綜合門診部有限公司)	20 May 2015	10,000	100%	100%	Examination service
Shanghai Rich Ruijin Clinic Co., Ltd. (上海瑞慈瑞錦門診部有限公司)	28 May 2015	5,000	95%	95%	Examination service
Hefei Shushan Rich Medical Examination Clinic Co., Ltd. (合肥蜀山瑞慈健康體檢門診部有限公司)	29 June 2015	18,000	100%	100%	Examination service
Suzhou Rich Ruihe Clinic Co., Ltd. (蘇州瑞慈瑞禾門診部有限公司)	25 August 2016	10,000	88%	88%	Examination service
Yangzhou Rich Ruiyang General Clinic Co., Ltd. (揚州瑞慈瑞揚綜合門診部有限公司)	9 October 2016	5,000	88%	88%	Examination service

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41 Subsidiaries (continued)

b. Indirectly holding subsidiaries (continued)

Subsidiaries established in the PRC (continued)

Company name	Date of incorporation	Registered capital RMB'000	Effective interests held by the Group 31 December		Principal activities
			2025	2024	
Hangzhou Rich Medical Clinic Co., Ltd. (杭州瑞慈醫療門診部有限公司)	1 December 2016	15,000	100%	100%	Examination service
Nanjing Rich Ruixiang Clinic Co., Ltd. (南京瑞慈瑞祥門診部有限公司)	7 December 2016	5,000	88%	88%	Examination service
Chengdu Gaoxin Rich Ruigao Medical Examination Clinic Co., Ltd. (成都高新瑞慈瑞高體檢門診部有限公司)	14 December 2016	5,000	100%	100%	Examination service
Chengdu Wenjiang Rich Ruiwen Clinic Co., Ltd. (成都溫江瑞慈瑞文門診部有限公司)	20 December 2016	17,500	88.57%	88.57%	Examination service
Xuzhou Rich Ruixu Medical Examination Clinic Co., Ltd. (徐州瑞慈瑞徐體檢門診部有限公司)	20 December 2016	5,000	88%	88%	Examination service
Wuxi Rich Ruixi Clinic Co., Ltd. (無錫瑞慈瑞錫門診部有限公司)	21 December 2016	5,000	88%	88%	Examination service
Nantong Rich Ruifeng Medical Examination Center Co., Ltd. (南通瑞慈瑞峰健康體檢中心有限公司)	10 January 2017	5,000	88%	88%	Examination service
Shenyang Rich Medical Examination Management Co., Ltd. (瀋陽瑞慈健康體檢管理有限公司)	9 May 2017	20,000	80%	80%	Investment holding
Shenyang Rich Ruishen Tiexi General Clinic Co., Ltd. (瀋陽瑞慈瑞瀋鐵西綜合門診部有限公司)	20 June 2017	5,000	80%	80%	Examination service
Foshan Rich Ruifo Clinic Co., Ltd. (佛山瑞慈瑞佛門診部有限公司)	5 July 2017	5,000	51%	51%	Examination service
Changsha Ruishang Healthcare Management Co., Ltd. (長沙瑞上健康管理有限公司)	22 June 2017	20,000	51%	51%	Examination service
Zhenjiang Jingkou Rich Ruirun Medical Examination Center Co., Ltd. (鎮江京口瑞慈瑞潤體檢中心有限公司)	5 July 2017	5,000	51%	51%	Examination service
Shanghai Rich Ruilong Clinic Co., Ltd. (上海瑞慈瑞隆門診部有限公司)	20 July 2017	5,000	70%	70%	Examination service
Huzhou Rich Ruihu Clinic Co., Ltd. (湖州瑞慈瑞湖門診部有限公司)	14 August 2017	5,000	51%	51%	Examination service
Xiamen Siming Rich Ruisi Clinic Co., Ltd. (廈門思明瑞慈瑞思門診部有限公司)	16 August 2017	5,000	51%	51%	Examination service
Shanghai Rich Ruimin Clinic Co., Ltd. (上海瑞慈瑞閔門診部有限公司)	17 August 2017	5,000	70%	70%	Examination service
Yantai Rich Ruigao Clinic Co., Ltd. (煙臺瑞慈瑞高門診部有限公司)	3 November 2017	5,000	51%	51%	Examination service

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41 Subsidiaries (continued)

b. Indirectly holding subsidiaries (continued)

Subsidiaries established in the PRC (continued)

Company name	Date of incorporation	Registered capital RMB'000	Effective interests held by the Group 31 December		Principal activities
			2025	2024	
Qingdao Rich Ruicheng Healthcare Management Co., Ltd. (青島瑞慈瑞城健康管理有限公司)	9 November 2017	5,000	100%	100%	Examination service
Nantong Rich Ruixing Medical Examination Center Co., Ltd. (南通瑞慈瑞興健康體檢中心有限公司)	15 November 2017	20,000	51%	51%	Examination service
Changzhou Rich Medical Equipment Co., Ltd. (常州瑞慈醫療器械有限公司)	24 November 2017	30,000 (USD'000)	100%	100%	Medical equipment sales
Wuhan Rich Ruiyue General Clinic Co., Ltd. (武漢瑞慈瑞嶽綜合門診部有限公司)	11 December 2017	20,000	51%	51%	Examination service
Shanghai Ruikui Healthcare Consulting Co., Ltd. (上海瑞魁健康諮詢有限公司)	6 February 2018	170,000	100%	100%	Investment holding
Hefei Gaoxin District Rich Ruihe General Clinic Co., Ltd. (合肥高新區瑞慈瑞合綜合門診部有限公司)	8 February 2018	20,000	70%	70%	Examination service
Shanghai Rich Ruiqing Clinic Co., Ltd. (上海瑞慈瑞青門診部有限公司)	3 April 2018	5,000	100%	100%	Examination service
Shanghai Rich Ruishan Clinic Co., Ltd. (上海瑞慈瑞山門診部有限公司)	15 June 2018	20,000	70%	70%	Examination service
Shanghai Hongdun Enterprise Management Co., Ltd. (上海虹敦企業管理有限公司)	19 June 2018	10,000	51%	51%	Investment holding
Nanjing XMEDIC General Clinic Co., Ltd. (南京幸元會綜合門診部有限公司)	5 July 2018	30,000	70%	70%	Examination service
Jinan Rich Ruiji Healthcare Management Co., Ltd. (濟南瑞慈瑞濟健康管理有限公司)	11 July 2018	20,000	100%	100%	Examination service
Quanzhou Rich Ruiquan Clinic Co., Ltd. (泉州瑞慈瑞泉門診部有限公司)	19 July 2018	20,000	70%	70%	Examination service
Nantong Rich Ruiyun Medical Examination Center Co., Ltd. (南通瑞慈瑞運健康體檢中心有限公司)	20 July 2018	20,000	70%	70%	Examination service
Yancheng Rich Healthcare Management Co., Ltd. (鹽城瑞慈健康管理有限公司)	3 August 2018	15,000	70%	70%	Examination service
Huaian Rich Ruimao Clinic Co., Ltd. (淮安瑞慈瑞茂門診部有限公司)	26 November 2018	5,000	70%	70%	Examination service
Shanghai Rich Ruiqiao Clinic Co., Ltd. (上海瑞慈瑞喬門診部有限公司)	11 December 2018	20,000	72%	72%	Examination service

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41 Subsidiaries (continued)

b. Indirectly holding subsidiaries (continued)

Subsidiaries established in the PRC (continued)

Company name	Date of incorporation	Registered capital RMB'000	Effective interests held by the Group 31 December		Principal activities
			2025	2024	
Shanghai Cherry Pediatric Clinic Co., Ltd. (上海睿醫小櫻桃門診部有限公司)	24 November 2016	5,000	100%	100%	Examination service
Shanghai Rich Ruiyuan Medical Examination Center Co., Ltd. (上海瑞慈瑞輳健康體檢中心有限公司)	30 January 2019	5,000	70%	70%	Examination service
Sugian Rich Ruiqian Clinic Co., Ltd. (宿遷瑞慈瑞謙門診部有限公司)	20 February 2019	5,000	70%	70%	Examination service
Shanghai XMEDIC Medical Examination Center Co., Ltd. (上海幸元會健康體檢中心有限公司)	25 April 2019	53,600	70%	70%	Examination service
Shanghai Rich Medical Science and Technology Co., Ltd. (上海瑞慈醫療科技有限公司)	13 May 2019	30,000	100%	100%	Health counselling
Shenzhen Rich Ruizhou Medical Examination Center (深圳瑞慈瑞洲健康體檢中心)	5 August 2019	15,000	70%	70%	Examination service
Suzhou Gusu Rich Ruiwu Medical Examination Center Co., Ltd. (蘇州姑蘇瑞慈瑞梧健康體檢中心有限公司)	13 May 2020	15,000	70%	70%	Examination service
Changzhou Wujin Rich Ruiyao General Clinic Co., Ltd. (常州武進瑞慈瑞曜綜合門診部有限公司)	17 August 2020	15,000	70%	70%	Examination service
Nantong XMEDIC Hejia Maternal and Child Nursing Service Co., Ltd. (南通幸元會和嘉母嬰護理服務有限公司)	13 October 2020	5,000	100%	100%	Maternity and Child Nursing service
Hangzhou Rich Ruijiang General Clinic Co., Ltd. (杭州瑞慈瑞江綜合門診部有限公司)	1 June 2021	15,000	70%	70%	Examination service
Xuzhou Rich Ruipeng Medical Examination Center Co., Ltd. (徐州瑞慈瑞彭體檢中心有限公司)	22 June 2021	15,000	70%	70%	Examination service
Nantong Rich Ruiwei Medical Examination Center Co., Ltd. (南通瑞慈瑞威健康體檢中心有限公司)	18 September 2021	20,000	70%	70%	Examination service
Yangzhou Rich Ruiyun Medical Examination Co., Ltd. (揚州瑞慈瑞韻健康體檢有限公司)	29 September 2021	15,000	70%	70%	Examination service
Beijing Rich Ruihai General Clinic Co., Ltd. (北京瑞慈瑞海綜合門診部有限公司)	24 November 2021	15,000	70%	70%	Examination service
Guangzhou Rich Ruisui Medical Examination Center Co., Ltd. (廣州瑞慈瑞穗健康體檢中心有限公司)	2 December 2021	15,000	70%	70%	Examination service

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41 Subsidiaries (continued)

b. Indirectly holding subsidiaries (continued)

Subsidiaries established in the PRC (continued)

Company name	Date of incorporation	Registered capital RMB'000	Effective interests held by the Group 31 December		Principal activities
			2025	2024	
Taizhou Rich General Clinic Co., Ltd. (泰州瑞慈綜合門診部有限公司)	14 December 2021	15,000	70%	70%	Examination service
Guangzhou Rich Ruiyi Medical Examination Co., Ltd. (廣州瑞慈瑞宜健康體檢有限責任公司)	24 April 2022	15,000	70%	70%	Examination service
Shanghai Rich Ruiyue Clinic Co., Ltd. (上海瑞慈瑞悅門診部有限公司)	10 August 2022	15,000	70%	70%	Examination service
Shanghai XMEDIC Xingrong Clinic Co., Ltd. (上海幸元幸融門診部有限公司)	30 August 2022	15,000	70%	70%	Examination service
Shanghai Rich Ruiyan Clinic Co., Ltd. (上海瑞慈瑞延門診部有限公司)	20 September 2022	15,000	70%	70%	Examination service
Wuhan Rich Ruilang General Clinic Co., Ltd. (武漢瑞慈瑞朗綜合門診有限公司)	18 November 2022	15,000	70%	70%	Examination service
Nanjing Jiangning Rich Ruihong Medical Examination Center Co., Ltd. (南京江寧瑞慈瑞弘健康體檢中心有限公司)	21 November 2022	15,000	70%	70%	Examination service
Shanghai Ruijia Healthcare Management Co., Ltd. (上海瑞葭健康管理有限公司)	17 January 2023	14,000	70%	100%	Investment holding
Shanghai Rich Ruiming Clinic Co., Ltd. (上海瑞慈瑞銘門診部有限公司)	28 March 2023	15,000	70%	70%	Examination service
Hangzhou Rich Ruihe Medical Clinic Co., Ltd. (杭州瑞慈瑞和醫療門診部有限公司)	10 July 2023	15,000	70%	70%	Examination service
Shanghai Rich Ruidi Medical Laboratory Co., Ltd. (上海瑞慈瑞迪醫學檢驗實驗室有限公司)	27 July 2023	14,000	70%	70%	Medical Laboratory
Shenzhen Rich Ruixin Medical Examination Center (深圳瑞慈瑞新健康體檢中心)	18 August 2023	15,000	70%	70%	Examination service
Shanghai Rich Chenxi Healthcare Management Co., Ltd. (上海瑞慈謙曦健康管理有限公司)	29 August 2023	5,000	49%	70%	Investment holding
Shanghai Rich Ruirong Clinic Co., Ltd. (上海瑞慈瑞榮門診部有限公司)	20 November 2023	15,000	70%	70%	Examination service
Beijing Rich Ruihua Medical Examination Center Co., Ltd. (北京瑞慈瑞華健康體檢中心有限公司)	26 February 2024	15,000	70%	70%	Examination service
Beijing Rich Ruishang Medical Examination Center Co., Ltd. (北京瑞慈瑞尚健康體檢中心有限公司)	18 April 2024	15,000	70%	70%	Examination service
Nantong Guanxing Healthcare Science and Technology Co., Ltd. (南通觀星健康科技有限公司)	14 September 2024	10,000	70%	100%	Investment holding

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41 Subsidiaries (continued)

b. Indirectly holding subsidiaries (continued)

Subsidiaries established in the PRC (continued)

Company name	Date of incorporation	Registered capital RMB'000	Effective interests held by the Group 31 December		Principal activities
			2025	2024	
Zhenjiang Jingkou Rich Ruijing Clinic Co., Ltd. (鎮江京口瑞慈瑞京門診部有限公司)	5 November 2024	15,000	70%	70%	Examination service
Suzhou Rich Healthcare Management Co., Ltd. (蘇州瑞慈健康管理有限公司)	9 December 2024	1,500	70%	70%	Investment holding
Suzhou Industrial Park Rich XMEDIC Medical Examination Center Co., Ltd. (蘇州工業園區瑞慈幸元會健康體檢中心有限公司)	8 January 2025	15,000	70%	N/A	Examination service
Guangzhou Ruijing Healthcare Management Consulting Co., Ltd. (廣州瑞景健康管理諮詢有限公司)	3 January 2025	15,000	70%	N/A	Examination service
Shanghai XMEDIC Xinghe Clinic Co., Ltd. (上海幸元會幸和門診部有限公司)	18 February 2025	15,000	70%	N/A	Examination service
Nanjing XMEDIC Ruimao Clinic Co., Ltd. (南京幸元會瑞慈瑞賢門診部有限公司)	6 March 2025	15,000	70%	N/A	Examination service
Foshan Rich Medical Services Co., Ltd (佛山瑞慈醫療服務有限公司)	24 October 2025	15,000	51%	N/A	Investment holding
Shanghai Meidi (Note10(a)) (上海瑞慈美邸管理諮詢有限公司)	29 October 2013	15,000	60%	—	Investment holding
Nantong Meidi (Note10(a)) (南通瑞慈美邸護理院有限公司)	19 August 2014	10,000	60%	—	Provision of elderly care services

The English names of the PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available. The PRC companies listed above are all limited liability companies.

Changzhou Rich Medical Instrument Co., Ltd, Shanghai Fanjin Investment Management Co., Ltd. and Jiangsu Rich Medical Management Co., Ltd. ("**Jiangsu Rich Management**") are registered as wholly foreign owned enterprises under PRC law. All the other subsidiaries established in the PRC are held by Jiangsu Rich Management and registered as domestic companies under PRC law.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42 Balance sheet and reserve movement of the Company

Balance Sheet of the Company

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Interests in subsidiaries	264,916	264,916
Current assets		
Cash and cash equivalents	11,726	9,496
Prepayment	55	—
Amounts due from related parties	337,587	339,271
	349,368	348,767
Total assets	614,284	613,683
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,065	1,065
Reserves (a)	587,005	586,965
Total equity	588,070	588,030
LIABILITIES		
Current liabilities		
Trade and other payables	865	304
Amounts due to related parties	25,349	25,349
Total liabilities	26,214	25,653
Total equity and liabilities	614,284	613,683

The balance sheet of the Company was approved by the Board of Directors on 26 March 2026 and was signed on its behalf by:

Fang Yixin
Director

Mei Hong
Director

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42 Balance sheet and reserve movement of the Company (continued)

a. Reserve movement of the Company

	Contributed Surplus RMB'000	Share premium RMB'000	Share option scheme RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	93,464	527,388	99,001	(64,779)	655,074
Loss for the year	—	—	—	(2,786)	(2,786)
Interim dividend declared (Note 43)	—	(65,323)	—	—	(65,323)
At 31 December 2024	93,464	462,065	99,001	(67,565)	586,965
At 1 January 2025	93,464	462,065	99,001	(67,565)	586,965
Profit for the year	—	—	—	40	40
Cancellation of share option (Note 20)	—	—	(9,589)	9,589	—
At 31 December 2025	93,464	462,065	89,412	(57,936)	587,005

43 Dividend

Subsequent to the end of the reporting period, the directors of the Company proposed a final dividend for the year ended 31 December 2025 of HK0.02 per ordinary share, in the aggregate amount of approximately HK\$31,806,000. The proposed final dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company.

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

44 Authorization for issue of the consolidated financial statements

The consolidated financial statements were approved and authorized for issue by the board of directors of the Company on 26 March 2026.



股份代號 Stock Code: 1526

於開曼群島註冊成立之有限公司 Incorporated in the Cayman Islands with limited liability

