佰泽医疗集团
BAYZED HEALTH GROUP

佰澤醫療集團
Bayzed Health Group Inc

(Incorporated under the laws of the Cayman Islands with limited liability)

Stock code：**2609**

2025
Annual Report

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive directors	Dr. Chen Haoyang *(Chairman) (Appointed as the Chairman with effect from September 26, 2025)* Mr. Zhao Yongkai *(Resigned as the Chairman with effect from September 26, 2025)* Ms. Xu Xu Mr. Lu Jizhong Mr. Feng Yu
Independent non-executive directors	Mr. Chan Hok Leung Ms. Liu Shuang Dr. Guo Wei
AUDIT COMMITTEE	Mr. Chan Hok Leung *(chairman of the committee)* Dr. Guo Wei Ms. Liu Shuang
REMUNERATION COMMITTEE	Ms. Liu Shuang *(chairlady of the committee)* Mr. Zhao Yongkai *(Resigned with effect from September 26, 2025)* Dr. Chen Haoyang *(Appointed with effect from September 26, 2025)* Mr. Chan Hok Leung
NOMINATION COMMITTEE	Mr. Zhao Yongkai *(Resigned with effect from September 26, 2025)* Dr. Chen Haoyang *(chairman of the committee) (Appointed with effect from September 26, 2025)* Mr. Chan Hok Leung Ms. Liu Shuang
JOINT COMPANY SECRETARIES	Mr. Fan Kunkun *(Resigned with effect from October 14, 2025)* Mr. Yao Le *(Appointed with effect from October 14, 2025)* Ms. Chan Sze Ting *(Resigned with effect from October 14, 2025)* Ms. Fong Christine Haiman *(Appointed with effect from October 14, 2025)*
AUTHORIZED REPRESENTATIVES	Mr. Zhao Yongkai Ms. Chan Sze Ting *(Resigned with effect from October 14, 2025)* Ms. Fong Christine Haiman (方希琳) *(Appointed with effect from October 14, 2025)*
HONG KONG LEGAL ADVISOR	Han Kun Law Offices LLP Rooms 4301–10, 43/F Gloucester Tower, The Landmark 15 Queen's Road Central Hong Kong

AUDITOR	KPMG *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8th Floor, Prince's Building 10 Chater Road Central Hong Kong
COMPLIANCE ADVISOR	Caitong International Capital Co., Limited Unit 2401–05 24/F, Grand Millennium Plaza 181 Queen's Road Central Hong Kong
HONG KONG SHARE REGISTRAR	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
REGISTERED OFFICE IN CAYMAN ISLANDS	Osiris International Cayman Limited Suite #4–210, Governors Square 23 Lime Tree Bay Avenue PO Box 32311 Grand Cayman KY1-1209 Cayman Islands
CORPORATE HEADQUARTERS	Room 2401 Mingfeng Tower Office Building No. 16 Lize Road Fengtai District, Beijing PRC
PRINCIPAL PLACE OF BUSINESS IN HONG KONG	Room 1919, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
PRINCIPAL BANKS	Bank of China, Tianjin Dagang Branch China Merchants Bank, Beijing Lize Financial Business District Branch
COMPANY'S WEBSITE	www.bayzedhealthcare.com
STOCK CODE	2609

FINANCIAL HIGHLIGHTS

- Revenue for the year ended December 31, 2025 amounted to approximately RMB1,119.8 million, representing a decrease of approximately 5.8% as compared with the year ended December 31, 2024.

- Gross profit for the year ended December 31, 2025 amounted to approximately RMB190.8 million, representing a decrease of approximately 8.4% as compared with the year ended December 31, 2024.

- Loss for the year ended December 31, 2025 amounted to approximately RMB8.7 million, representing an increase of approximately 141.7% as compared with the year ended December 31, 2024.

- Adjusted profit for the year ended December 31, 2025 amounted to approximately RMB17.9 million, representing an increase of approximately 43.2% as compared with the year ended December 31, 2024.

- Net cash flows from operating activities for the year ended December 31, 2025 amounted to approximately RMB222.3 million, representing an increase of approximately 31.9% as compared with the year ended December 31, 2024.

- Cash and cash equivalents for the year ended December 31, 2025 amounted to approximately RMB616.0 million, representing an increase of approximately 109.4% compared with the year ended December 31, 2024.

- Gearing ratio decreased from approximately 46.9% for the year ended December 31, 2024 to approximately 36.6% for the year ended December 31, 2025.

To supplement the financial information presented in accordance with IFRS Accounting Standards, we use non-IFRS measures, namely adjusted EBITDA (a non-IFRS measure) and adjusted net profit (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe that these non-IFRS measures facilitate comparisons of operating performance across different years and between companies by eliminating the potential impact of certain items. We believe that these measures provide useful information to investors and others, enabling them to understand and evaluate our consolidated operating results in the same manner as our management. However, the adjusted EBITDA (a non-IFRS measure) and adjusted net profit (a non-IFRS measure) we present may not be comparable to similarly titled financial measures presented by other companies. Non-IFRS measures have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our operating results or financial condition as reported under IFRS Accounting Standards.

CORPORATE PROFILE

Bayzed Health Group Inc. (the "**Company**", together with its subsidiaries, the "**Group**"; Stock Code: 02609.HK) is a Chinese medical group engaged in the investment and provision of oncology-related medical services. The Group focuses on providing cancer patients with oncology diagnosis, multi-modal cancer treatment, and cancer rehabilitation services. It also offers early cancer screening, tumor vaccination, comprehensive cancer risk assessment, and health management services to potential high-risk cancer populations including family members of cancer patients, as well as other healthy individuals.

Through the acquisition of equity and management rights, the Group has successively operated and managed eight hospitals in Beijing, Tianjin, Anhui, Shanxi, and Henan. The Group continuously invests resources in these hospitals to establish early cancer screening centers and cancer rehabilitation centers, cultivate oncology talents, and introduce advanced medical equipment, thereby enhancing the competitiveness of oncology-related disciplines and market influence of these hospitals, while improving patient service quality.

The Group's core growth driver stems from a highly replicable and implementable standardized operational system. Based on its proprietary standardized operational management manual, the Group implements comprehensive and refined standardized control over more than 400 service touchpoints across all of its campuses. The "Five Major Prescriptions for Cancer Rehabilitation" and related clinical pathway standards are precisely integrated into the Group-wide Hospital Information System (HIS). This tool-based and standardized control model effectively ensures high consistency across different regions and hospital tiers in critical links such as medical order issuance, clinical assessment, and rehabilitation execution. This establishes a solid management foundation for the Group's cross-regional large-scale expansion, achieving an organic integration of standardized control and personalized services, while ensuring the stability and professionalism of service quality.

The Group adheres to oncology discipline development as its core driving force, pursuing a differentiated development path. It has innovatively constructed a "Full-Cycle Eight-Ring Model" encompassing "Prevention, Screening, Diagnosis, Treatment, Rehabilitation" and "Management, Connection, Companionship," successfully achieving a strategic transformation from single cancer treatment to full life-cycle health management. In core clinical areas such as cancer pain management, oncology nutrition, and targeted radiotherapy, the Group has made steady progress in rolling out technical standards, fortifying a strong defense line for diagnostic and treatment quality. Simultaneously, through the registration of data assets such as "Oncology Imaging," the Group further leverages digital means to accumulate high-quality clinical data, continuously enhancing the precision and standardization of medical services, thereby empowering the high-quality development of the Group's healthcare services.

To address the industry pain point featuring the concentration of premium medical resources in core cities, the Group has meticulously constructed a vertical expert collaboration network. Leveraging long-term strategic partnerships with leading domestic medical institutions in Beijing, Shanghai, and other cities, the Group has established a multidisciplinary team (MDT) system and remote collaboration platform covering all campuses. Through efficient coordination mechanisms such as remote consultations and two-way referrals, the Group precisely channels premium expert resources and advanced clinical standards from core cities to county-level and grassroots facilities. This significantly enhances the accessibility of oncology medical services at the grassroots level while effectively strengthening the Group's market penetration and core competitive barriers in lower-tier markets, consolidating its leading position in regional markets.

CORPORATE PROFILE

In response to the growing demand for oncology services against the backdrop of an aging population, the Group will continue to deepen its focus on the core oncology healthcare sector, fully constructing an integrated closed-loop service ecosystem of "in-hospital + out-of-hospital" care. Leveraging its AI-ready technology infrastructure and green channels at physical hospitals, the Group proactively breaks down the physical walls of hospitals, genuinely assuming long-term clinical-grade management responsibility for patients' out-of-hospital health processes. The Group continuously optimizes customer service experience and focuses on cultivating a second growth curve for performance, being committed to creating long-term, stable, and sustainable investment value for shareholders and all stakeholders, fulfilling its corporate mission of safeguarding public oncology health, and promoting the standardized and high-quality development of China's oncology healthcare industry.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of the Company, I am delighted to present our annual report of the Group for the year ended December 31, 2025. I would like to review our achievements in 2025 and share our outlook for the future.

Steadfast in our mission, we advance toward the light. The year 2025 marks a pivotal milestone in our Group's journey of growth. On June 23, 2025, our shares were officially listed on the Main Board of the Hong Kong Stock Exchange, signifying our successful step onto the international capital market stage and opening a new chapter of high-quality development. In the face of macroeconomic changes and deep-seated transformations in the medical industry, the Group has remained true to the mission of "Respecting Life and Promoting the Broad Accessibility of High-quality Medical Resources for the Benefit of the Public", and has firmly advanced its strategic shift from "scale expansion" to "high-quality value creation". Through optimization of the business structure and digitally-empowered operations, we have demonstrated strong operational resilience.

Only through intensive cultivation can one reap a worthy harvest. In the pursuit for high-quality growth, we have lived up to every expectation and have delivered a highly valuable annual performance. In 2025, the Group recorded a revenue of approximately RMB1,119.8 million. Even amid industry volatility, we achieved explosive profitability growth by focusing on the core full-cycle cancer management pathway and we have worked with concerted efforts, dedication and meticulousness: the Group's adjusted net profit reached RMB17.94 million, a substantial increase of 43.2% compared with 2024. More critically, our cash-generating capability reached a new high, with cash flow from operating activities of RMB222.3 million, up by 31.9% year on year. As of the end of 2025, the Group held cash and cash equivalents of about RMB616.0 million, a year-on-year increase of 109.4%; the gearing ratio declined markedly from 46.9% to 36.6%, resulting in a more robust capital structure, providing ample funding assurance and a high safety margin for future strategic deployment.

Excellence in medicine, dedication to professionalism, and the convergence of talent. The core competitiveness of the healthcare industry is rooted in profound disciplinary foundations and manifested through the innovation and transformation of service models. In 2025, the Group successfully implemented the eight-link closed-loop service system including "Prevention, Screening, Diagnosis, Treatment, Rehabilitation, Management, Collaboration, and Support," systematically solving data and accountability gaps in traditional cancer care, and achieving a shift from simply treating illness to becoming a long-term health partner. This established our leading position in the field of full-cycle medical services. At the same time, we continued to strengthen our talent pipeline. By the end of 2025, the Group employed 2,561 medical professionals, with associate-chief and chief physicians accounting for 38% of the total – the professional depth of our talent pipeline has become the cornerstone supporting healthcare quality. In the same year, we spearheaded the publication of the "Expert Consensus on Cancer Rehabilitation (2025)," which established our standard definitions in the rehabilitation field and further consolidated our first-mover advantage in academic leadership.

Digital-Intelligent transformation to chart a new chapter. Digital-intelligent transformation has become the underlying logic and core engine by which Company achieves value reconstruction and pursues high-quality development. We continue to build a solid "AI-ready" digital foundation and work hard on data value exploration. By integrating core data resources across the value chain, we successfully registered two data assets, i.e., "Lung Cancer Diagnosis Analytics" and "Tumor Imaging", marking that our digital capabilities are translating into measurable asset premium. Driven by dual engines of standardized management system and intelligent information system, the Group is steadily pursuing light-asset replication of brand and core capabilities through management outsourcing and entrusted partnerships, accelerating the move from regional leadership to national benchmark status.

CHAIRMAN'S STATEMENT

A new journey begins and steadfast action reaches far. Looking ahead to 2026, this year will be the foundation-laying year for the Group's "155 Strategy." Facing the critical opportunity presented by China's aging population and the advancement of cancer prevention and control, we will continue to deepen full-cycle cancer management, focusing on capability refinement and technology empowerment. Bayzed Health Group will always uphold the balance between the medical essence and humanistic care, drive mode innovation and technological change, and continually enhance core competitiveness, fully enjoying the "compounding effect of time" and delivering sustainable, long-term value to shareholders while providing customers with more dignified medical services.

With our original aspiration, we fulfill our mission; with steadfast action, we honor our commitments; with craftsmanship and dedication, we reach for the future. We look forward to joining hands with all our shareholders as we embrace what lies ahead together.

Dr. Chen Haoyang
Chairman and Executive Director
March 31, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Adhering to the mission of "respecting life and promoting the widespread availability of high-quality medical resources for the benefit of the public", the Group provides patients with high-quality medical services as a leading full-cycle oncology healthcare group in the PRC, and screening, diagnosis, treatment and rehabilitation are core services provided by the Group in its full-cycle oncology healthcare services system, including but not limited to oncology diagnosis for patients, various kinds of oncology treatment, oncology rehabilitation and hospice care, as well as screening and early detection of cancer, vaccination and health management services to other potential healthy people including family members of oncology patients. The Group is dedicated to providing full-cycle oncology healthcare services to individuals (i) who have been diagnosed with cancer; (ii) who present with average or high risks of cancer, such as those with cancer incidents in their family history; and (iii) who have received oncology treatment including radical oncology treatment.

As of December 31, 2025, the Group operated and managed a network of eight hospitals in Beijing, Tianjin, Shanxi Province, Anhui Province and Henan Province with focus on provision of full-cycle oncology healthcare services, through its direct ownership in the equity interest in six private for-profit hospitals and management over two private not-for-profit hospitals. With the continuous efforts, the market position and oncology service capabilities of the in-network hospitals of the Group has been significantly enhanced.

For the twelve months ended December 31, 2025, revenue amounted to approximately RMB1,119.8 million, representing a decrease of approximately 5.8% as compared to the same period in 2024. The Group's gross profit amounted to approximately RMB190.8 million, representing a decrease of approximately 8.4% as compared to the same period in 2024. The Group's net loss amounted to approximately RMB8.7 million and its adjusted net profit amounted to approximately RMB17.9 million. The Group's EBITDA amounted to approximately RMB117.8 million, and its adjusted EBITDA amounted to approximately RMB144.4 million.

For the year ended December 31, 2025, net cash generated from operating activities amounted to RMB222.3 million, representing a year-on-year increase of 31.9% and reaching a record high. The gearing ratio stood at 36.6%, representing a decrease of 10.3% from the corresponding period of last year, reflecting continuous optimization of the asset-liability structure.

Notes:

(1) Adjusted net profit is calculated based on the loss for the period, excluding listing expenses;

(2) EBITDA is calculated based on the loss for the period, excluding income tax expenses, depreciation of property, plant and equipment, amortization of intangible assets, depreciation of right-of-use assets, and net finance costs;

(3) Adjusted EBITDA is calculated based on EBITDA, excluding listing expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

CORE OPERATING INDICATORS

Self-owned Hospitals

- Revenue from the hospital business amounted to approximately RMB915 million, of which approximately RMB440 million was related to oncology, accounting for approximately 48.1%;

- Total outpatient and emergency visits of 670,000;

- 11,021 surgeries performed, of which 6,453 were level III and IV surgeries, representing a year-on-year increase of approximately 16.9%, while level III and IV surgeries accounted for approximately 58.6%, representing a year-on-year increase of approximately 20.5%.

Managed Hospitals

The managed hospitals recorded revenue of RMB361 million for the year ended December 31, 2025.

- 5,420 surgeries performed at managed hospitals, of which 3,936 were level III and IV surgeries, while level III and IV surgeries accounted for approximately 72.6%, representing a year-on-year increase of approximately 1.8%.

DISCIPLINE DEVELOPMENT AND BUSINESS OPERATION

1. Industry Recognition and Clinical Breakthroughs

During the Reporting Period, Taiyuan Peace Hospital under the Group, as the China Hospital Rehabilitation Medical Consortium Standing Director Unit (中國醫院康復醫學聯合體常務理事單位), jointly drafted the Expert Consensus on Cancer Rehabilitation (2025) (《腫瘤康複專家共識(2025)》) with Peking University Third Hospital and other institutions, which was officially published. The consensus establishes the assessment standards for oncology rehabilitation and the "five prescriptions (五大處方)" strategy. The Group has made milestone progress in the standardization of the oncology rehabilitation sector.

In October 2025, Hefei Bayway Hospital was awarded the title of "Member Unit of the Lifestyle Medicine Alliance under the National Center for Cardiovascular Diseases (國家心血管病中心生活方式醫學聯盟會員單位)." This recognition signifies that the Group's systematic expansion in preventive medicine has gained national-level endorsement.

In addition, by the end of December, all the Group's hospitals had completed the compilation of medical order lists and medical order dictionaries based on the five prescriptions for oncology rehabilitation. In addition, their integration into the HIS has promoted the comprehensive implementation of the five prescriptions for oncology rehabilitation across the Group.

2. Development of a Discipline-Based Ecosystem

The Group remains committed to the oncology discipline as its core. We aim to drive the differentiated, high-quality development across our hospitals, forming a discipline-based ecosystem featuring cross-regional resource synergy:

- Western Beijing Cancer Hospital: Recognized as a group member of the China Anti-Cancer Association (CACA) (中國抗癌協會), the hospital has gained industry acknowledgment for its academic standing. Through the completion of its DSA suite and the introduction of an oncology nutrition team, the support system that integrates "treatment + nutrition" has been further improved. In addition, the successful implementation of its first intrathecal morphine pump implantation marks the formation of a technical closed loop in precision cancer pain management, strengthening the depth of its perioperative support capabilities.

- Taiyuan Peace Hospital: Leveraging the opportunity to establish itself as a Class-IIIA Rehabilitation Hospital, the hospital has comprehensively advanced its quality management system. During the Reporting Period, the AI Rehabilitation Center and the Second Rehabilitation Training Hall were officially put into operation, representing an intelligent upgrade of its rehabilitation capabilities. By hosting national-level academic conferences such as the Peace Rehabilitation International Forum (2025) (和平康復國際論壇(2025)), the hospital has effectively converted brand influence into academic appeal, solidifying its leading position in regional rehabilitation.

- Wuzhi Jimin Hospital: The hospital has established a medical consortium with the Department of Respiratory and Critical Care Medicine of the Chinese PLA General Hospital (301 Hospital) (解放軍總醫院(301醫院)) and the Chinese PLA 988 Hospital (解放軍第988醫院), thereby bringing in high-quality medical resources. On the technology front, the hospital has completed filings for national and provincial restricted technologies, including tumor ablation, while obtaining designation as a designated outpatient radiotherapy center. This marks its transformation from routine diagnosis and treatment to advanced oncology technologies. Meanwhile, through the "Oncology Disease Treatment Without Leaving the County" initiative and the commissioning of its DSA catheterization room, the hospital has significantly enhanced its technical penetration and patient acquisition capabilities in the county-level market.

- Hefei Bayway Hospital: Leveraging its large-scale hyperbaric oxygen chamber facility (with a capacity of 40 berths), the hospital has strengthened its hardware advantages in critical care and functional rehabilitation. During the Reporting Period, the hospital formally initiated a strategic partnership with Ping An Property Insurance (平安產險), actively exploring a payment closed loop between medical services and commercial insurance, with patient mix optimization and profitability expansion through medical-insurance synergy as its ultimate goal.

- Tianjin Shishi Hospital: The hospital has added a clinical psychology specialty, signed a medical consortium agreement with the 983rd Hospital of the Joint Logistics Support Force (聯勤保障部隊第九八三醫院) of the Chinese PLA, and entered into a deep collaboration with the team of Professor Jia Yingjie (賈英傑), a nationally renowned traditional Chinese medicine practitioner. These initiatives further refine its integrated oncology diagnosis and treatment system combining traditional Chinese and Western medicine as well as physical and mental care.

- Tianjin Nankai Jixing Hospital: The hospital has introduced a color Doppler ultrasound diagnostic system and infrared polarized light therapy devices. Furthermore, leveraging a specialized department – the "Traditional Chinese Medicine Wellness Center (中醫養生堂)", it has expanded the boundaries of diversified health management through self-pay TCM wellness programs.

- Huangshan Shoukang Hospital (under management): The hospital has successfully hosted the 8th Huangshan Forum on New Advances in General Surgery (第八屆普外領域新進展黃山論壇), further strengthening its academic brand presence in the field.

TALENT TEAM DEVELOPMENT

The Group regards talent as its core driver of development and continues to strengthen the construction of its medical workforce. Through the enhancement of a standardized training system and the "Double Eagle (雙鷹)" talent development program, the Group has established a well-structured medical team with exceptional technical expertise, while continuously recruiting high-caliber academic talent. At the organizational level, the Group has equipped its core specialists with dedicated support teams consisting of case managers, rehabilitation therapists and nutritionists, aiming to support clinical decision-making and improve the efficiency of medical outcomes. As of December 31, 2025, the Group had a total of 2,561 medical professionals, including 363 associate chief physicians and chief physicians, accounting for 38% of all physicians. Within the medical staff team, two physicians were promoted to senior professional rank, 16 physicians were promoted to associate-senior professional rank, and 33 physicians were promoted to mid-end professional rank.

Zhang Hongshui (張紅水), as the vice president of business of Taiyuan Peace Hospital, was appointed as the vice chairman of the Cognitive Impairment Rehabilitation Professional Committee of the Shanxi Association of Rehabilitation Medicine (山西省康復醫學會認知障礙康復專業委員會), and Tan Hongyan (譚紅燕), as the director of the nursing department, was appointed as a standing member of the Rehabilitation Nursing Professional Committee of the Chinese Association of Rehabilitation Medicine (中國康復醫學會康復護理專業委員會); Liu Jianping (劉建平), as the director of the Pharmacy Department of Western Beijing Cancer Hospital (北京京西腫瘤醫院藥劑科), was appointed as the vice chairman of the Beijing Non-public Pharmacy Professional Committee (北京非公藥學專業委員會); Ding Jie (丁捷), as the director of the department of anesthesia, was awarded the title of Outstanding Anesthesia Quality Control Officer by the Beijing Anesthesia Quality Control and Improvement Center (北京市麻醉質量控制和改進中心); Sun Huayue (孫華悅), a nurse in the operating room, obtained a patent for invention from the Intellectual Property Office of the United Kingdom; Zhang Chi (張馳), as the director of the clinical laboratory, was appointed as a member of the Fengtai District Transfusion Quality Control Center (豐台區輸血質控中心); and Gu Feng (顧峰), as the executive vice president of Wuzhi Jimin Hospital, was appointed as the vice chairman of the Hospital Quality Control Management Committee of Jiaozuo Medical Association (焦作市醫院協會醫院質量控制管理委員會).

SERVICE OPTIMIZATION AND QUALITY IMPROVEMENT

During the Reporting Period, the Group continued to advance the standardization of service processes and the development of its quality management system, with focus on the two core areas – patient experience and medical quality – thereby driving steady improvements in service capabilities and operational efficiency across its hospitals.

1. Standardized Services and Enhanced End-to-End Experience

During the Reporting Period, the Group issued an updated Customer Service Standardization Manual, which maps out and standardizes over 400 service touchpoints covering the entire patient journey. The manual transitioned service management from an experience-driven approach to standardized process management. The Group also established a closed-loop mechanism spanning experience feedback, process optimization and effectiveness tracking. Meanwhile, it continuously refined service processes by engaging patients in the evaluation of key outpatient and inpatient procedures.

Each hospital improved its patient pathways and service environment based on its specific operational context. Western Beijing Cancer Hospital launched the "Jingtong – WeChat Pay" mobile medical insurance settlement system and achieved full coverage of online prescription review. By adding blood collection windows, implementing a smart queuing system, and upgrading its LIS system, the hospital reduced average patient waiting time by approximately 30% compared to the previous period. Taiyuan Peace Hospital completed the renovation of its outpatient area, improved its wayfinding system, and implemented vehicle-pedestrian separation. Wuzhi Jimin Hospital launched a cloud imaging system, reducing patient report retrieval time from approximately two hours to less than one hour. Huangshan Shoukang Hospital introduced bedside settlement, shortening discharge processing time to approximately five minutes. Tianjin Nankai Jixing Hospital established an internet consultation room, expanding online consultation and e-prescription services for follow-up visits. Hefei Bayway Hospital set up a patient service center offering integrated services such as registration, payment, and medical insurance inquiries. Tianjin Shishi Hospital completed age-friendly renovations for 12 wards, enhancing inpatient safety and accessibility.

The Group continued to monitor customer satisfaction and Net Promoter Score (NPS), and established a mechanism for tracking negative feedback. During the Reporting Period, over 13,000 patients and customers participated in evaluations, with overall satisfaction remaining at a high level. Notably, Western Beijing Cancer Hospital, Tianjin Shishi Hospital, and Taiyuan Peace Hospital received overall ratings of 4.8 or above on a 5-point scale, maintaining high satisfaction rates in indicators such as physician attitude and diagnostic and treatment skills.

2. End-to-End Quality Control System and Risk Management

The Group continues to enhance its medical quality management system, establishing a vertical management structure characterized by group-level coordination and hospital-level implementation, and has developed a quality control mechanism covering the pre-process, in-process, and post-process stages. During the Reporting Period, the Group further refined its quality control system based on the "one goal, three tiers, four networks" framework and incorporated the PDCA cycle into its routine quality management processes.

During the Reporting Period, the Group launched a medical dispute reporting platform and established a 24-hour response mechanism for major adverse events at the group level, to improve the efficiency of risk identification and handling.

At the quality execution level, the Group conducted regular special-purpose quality inspections. During the Reporting Period, the Group performed monthly sample reviews of medical records for key departments such as oncology and rehabilitation. Training sessions were organized on standardized medical record documentation, with over 500 medical staff participating cumulatively. Each hospital also advanced quality management initiatives tailored to its specific operations, including Western Beijing Cancer Hospital, which revised its core medical quality policies; Tianjin Shishi Hospital, which optimized the operating mechanisms of its medical quality management committee; and Hefei Bayway Hospital, which established a multidisciplinary medical record quality control team and updated its insurance-specific clinical pathways.

The Group also advanced the digitalization of quality management. During the Reporting Period, Huangshan Shoukang Hospital passed the National Electronic Medical Record Level 4 Review, enhancing its capabilities in structuring clinical data and monitoring quality. Wuzhi Jimin Hospital conducted cross-departmental disease-specific analyses, standardized the management of five ambulatory surgery disease categories, and launched an intelligent audit system, contributing to a year-on-year reduction of approximately 50% in suspected medical insurance irregularities.

INFORMATION TECHNOLOGY DEVELOPMENT

During the Reporting Period, by advancing the development of its data middle platform, the Group strengthened its digital governance foundation and built an AI-ready infrastructure. Leveraging end-to-end data resources that integrate early screening, diagnosis, treatment, rehabilitation and follow up, an intelligent management system has been established to provide solid support for standardized operations and scientific decision-making.

In terms of unlocking the value of data as a factor of production, the Group leveraged dedicated network connections to link its hospitals, breaking down data silos between systems and promoting the comprehensive integration of patient clinical data, post-discharge follow-up data, and operational management data. This effort gradually established a data governance system characterized by unified standards, standardized management, and clearly defined roles and responsibilities, resulting in the creation of two data assets: the "Lung Cancer Diagnosis and Treatment Analytical Data Asset" and the "Oncology Imaging Data Asset." The successful registration of these assets, together with the listing of the related products, further enhanced the role of data as a factor of production in supporting medical innovation, operational improvement, and value creation.

In the area of digital innovation, the Group continued to deepen the application of its data middle platform. Leveraging its self-developed reporting system, it monitored operations and dynamically tracked the performance of each hospital. By building a dynamic operational cost monitoring model, the Group monitored key indicators such as labor costs, equipment depreciation, and drug and consumable expenses in real time, with automated anomaly identification and root-cause analysis. Through the development of a quality control system, the Group strengthened dynamic monitoring of core indicators including medical safety and oncology diagnosis and treatment quality. Utilizing its patient management system and the WeChat platform, the Group achieved precise engagement with patients and early-screening clients, continuously enhancing end-to-end service efficiency and refined management capabilities.

ESG GOVERNANCE AND COMPLIANCE OPERATION

The Group has established a three tier ESG governance structure comprising board level decision making, management level coordination, and task force level execution. It has formulated and implemented the ESG Management System, defining the roles and responsibilities at each level to ensure that the principles of sustainability are deeply embedded in both strategic decision making and day to day operations. The Board of Directors is responsible for approving ESG strategies and major policies, while the ESG leadership team, headed by the Group's president, oversees regulatory tracking, risk assessment, indicator monitoring, and report preparation. The ESG working group, composed of the heads of the Group's hospitals and subsidiaries, is responsible for data collection, initiative implementation, and execution monitoring. The Group has also established an ESG advisory committee, engaging external experts to provide professional support and continuously enhance its governance system.

The Group has established a tiered training mechanism. ESG focused training sessions are organized for Directors, senior management, and all employees. The training covers core issues such as business ethics, patient privacy protection, occupational health and safety, and environmental protection, with the aim of raising ESG awareness and strengthening the implementation capabilities of all staff. Following the materiality principle under the HKEX's ESG Reporting Guide, the Group conducted stakeholder surveys involving investors, patients, employees, and suppliers to identify 20 material issues. These issues were reviewed by the Board of Directors to form a materiality matrix, with the following identified as highly material: employee health and safety; service quality and safety; information security and privacy protection; anti corruption; high quality patient services; employee development and training; and waste management. These areas are prioritized in the Group's management and disclosure efforts.

The Group remains firmly committed to integrity and compliance. It maintains a zero tolerance policy toward corruption, bribery, fraud, and money laundering. In strict adherence to relevant laws and regulations, the Group has established a comprehensive risk prevention and control system covering the entire procurement process, management of pharmaceutical representatives, prevention of red envelopes and kickbacks, and integrity in practice, complemented by a robust disciplinary mechanism and risk early warning system. During the Reporting Period, the Group had no records of non-compliance relating to corruption, bribery, or money laundering.

Multiple reporting channels have been established, including hotlines, email, suggestion boxes, and hospital president mailboxes, with strict mechanisms in place to ensure whistleblower confidentiality, protection against retaliation, and independent investigation. In addition, the Group has built a comprehensive risk management framework spanning the Board of Directors, the president's office, and the audit and legal department, covering five major risk categories: strategic, financial, market, operational, and compliance risks. Annual risk assessments, regular internal audits, and a closed-loop corrective action process have further strengthened the "three lines of defense" for compliant operations, ensuring sound governance and supporting the Group's steady and sustainable development.

SOCIAL RESPONSIBILITY AND BRAND BUILDING

The Group has embedded social responsibility into its development strategy, achieving simultaneous enhancement of brand influence and social recognition:

1. Deep Commitment to Public Welfare and Social Responsibility

The Group's hospitals have made targeted efforts in public welfare initiatives. Wuzhi Jimin Hospital collaborated with charitable organizations to provide assistance to financially disadvantaged cancer patients, and continued to organize public welfare activities such as the "Renowned Doctors Visit the Grassroots (名醫走基層)" initiative, Red Army physician free clinics, and voluntary blood donation drives. Western Beijing Cancer Hospital conducted community-based public welfare services, including the "Pink October (粉紅十月)" campaign and the Respect for the Elderly Month. Tianjin Shishi Hospital reached out to early childhood education groups and local communities, delivering health care through diverse free clinic activities. During the Reporting Period, a total of over 1,500 volunteer service participations were recorded across the Group, and more than 400 health awareness lectures were conducted, effectively raising public health awareness.

2. Excellence in Academic Exchange and Ongoing Social Engagement

Through participation in regional alliances and cross sector collaborations, the Group's hospitals have facilitated the optimized allocation of medical resources and the standardization of industry practices. By hosting international and national academic conferences, Bayzed Health Group Inc has undergone a transformation from a healthcare service provider to an academic thought leader. We remain committed to advancing the integrated development of medical education, research, and clinical practice, driving innovation in clinical technologies through outstanding academic achievements, ultimately benefiting a broad base of patients.

Hospitals under the Group, including Tianjin Shishi Hospital and Hefei Bayway Hospital, actively participated in relevant annual academic conferences. The latest research findings were translated into clinical practice to ensure that medical services remain at the forefront of the industry. Through the regional alliance platform of the Tianjin Anti Cancer Association (天津抗癌協會), the Group actively promoted the optimal allocation of medical resources, ensuring that frontline clinical practices remain aligned with the latest industry standards. The Group hosted the Annual Academic Conference of the Rehabilitation Psychology Professional Committee of the Chinese Association of Rehabilitation Medicine (中國康復醫學會康復心理學專業委員會學術年會). This conference focused on cutting edge advancements in rehabilitation psychology, with the goal of enhancing the professional competence of practitioners and advancing the holistic rehabilitation model. Taiyuan Peace Hospital organized a forum themed "Psychological, Physical, and Organ Synergy for Holistic Progress" – an international bridge for medical exchange – bringing together over 300 experts from both domestic and international institutions.

We promote our community public welfare activities through digital channels (television, local media, WeChat official accounts, Douyin accounts, WeChat groups for chronic disease and other patients, as well as WeChat subscription accounts) and physical materials (hospital brochures, branded promotional materials, digital displays). We strive to expand our influence and encourage broader public participation in public welfare initiatives, and together to fulfill our social responsibilities.

3. Authoritative Recognition and Brand Strength

Several of the Group's hospitals achieved notable rankings in the "Medical Institutions Established by Social Capitals" evaluation conducted by Asclepius: Taiyuan Peace Hospital was ranked among the "Top 10 Rehabilitation Hospitals." Western Beijing Cancer Hospital was ranked among the "Top 15 Oncology Hospitals." Huangshan Shoukang Hospital was once again named among the "Top 100 Single Hospitals."

FUTURE OUTLOOK

Future Outlook: Deepening the Strategic Focus on Full-Cycle Oncology Management and Building Sustainable Growth Engines

Looking ahead, the Group will continue to uphold its mission of "Respecting Life and Promoting the Broad Accessibility of High-quality Medical Resources for the Benefit of the Public" and steadfastly advance its strategic positioning as a "value re-architect of full cycle oncology management in China." We are committed to achieve business transformation from a traditional disease treatment model to a health management paradigm that covers the entire patient lifecycle. In light of the major policy opportunities presented by an aging population, the continued rise in cancer incidence, and the national policy of prioritizing early cancer prevention and control, the Group will focus on consolidating its foundations in fiscal year 2026, concentrating on capacity building, system refinement, and technology enablement. Our goal is to lay a solid foundation for the next phase of scalable replication and platform based upgrading.

I. Strategic Direction: Building a Closed-Loop Service System Centered on the "Eight Links" of Prevention, Screening, Diagnosis, Treatment, Rehabilitation, Management, Connection, and Companionship

The Group has established a full-cycle oncology service model centered on the "eight links" – prevention, screening, diagnosis, treatment, rehabilitation, management, connection, and companionship – systematically addressing the three major pain points in current oncology care: "data fragmentation, process discontinuity, and lack of care continuity." This model not only aligns with the policy direction of establishing a precision prevention and control closed loop set forth in the national Five-Year Plan for Integrated Cancer Prevention and Control (2025–2030) (《全國腫瘤整合防治五年規劃(2025–2030)》), but also reflects the global trend of managing cancer as a chronic disease.

Through this eight link model, the Group is achieving three major service transformations:

1. From "Treating Disease" to "Managing Disease": Extending medical services beyond the hospital to provide proactive health interventions and continuous care management;

2. From "Managing Disease" to "Connecting People": Leveraging the Internet of Things (IoT), wearable devices, and telemedicine platforms to break down the physical boundaries of medical institutions, creating a "borderless hospital" that is "invisible yet always accessible";

3. From "Connecting People" to "Accompanying People": Establishing lifelong health partnership relationships through patient communities, electronic health records, palliative care, and grief counseling, embodying respect for life and enduring companionship.

II. Execution Pathway: Concurrent Advancement of the "155 Strategy" and the "Dual-Engine" Model

To ensure effective strategy implementation, the Group has formulated a clear "155 Strategy" implementation framework, supported by a "dual-engine" mechanism to ensure executional effectiveness.

(1) "155 Strategy": A Five-Year Staged Development Blueprint

- 1 Core Goal: Taking "customer satisfaction" as the core performance indicator;
- 5 Reconfiguration Directions: Reconfiguration of model, experience, technology, evaluation, and ecosystem;
- 5-Year Development Pathway: With 2026 as the strategic foundation year, focusing on strengthening organizational, system, and standards foundations; entering export and regional replication phase in 2027–2028; achieving national leadership and platform-based leapfrog development in 2029–2030.

(2) "Dual-Engine" Model: Standardization and Digital Intelligence

- Engine 1: Standardized Management System

  The Group is fully implementing its Service Standardization Manual, which covers over 400 key service touchpoints with detailed SOPs, encompassing clinical pathways, follow-up mechanisms, emergency response, and cross-departmental coordination, ensuring consistent service quality, manageable risks, and replicability.

- Engine 2: Intelligent Information System

  The Group continues to advance the development of an AI-ready infrastructure. It has completed the software copyright registration for its data middle platform and achieved the confirmation and listing of medical data assets. The system integrates data pathways across in-hospital systems (HIS, EMR, LIS/PACS) and external IoT devices, initially establishing a "personal health digital twin" to provide data support for AI-assisted decision-making, recurrence prediction, and personalized interventions. This not only enhances current operational efficiency but also creates an operational environment for the future large-scale application of AI agents in healthcare management, driving the formation of a "human + AI" collaborative service model.

III. Business Model Evolution: A Structural Shift from "One-Time Treatment" to "Lifetime Value"

The Group is actively advancing the diversification of its revenue structure, gradually reducing its reliance on traditional one-time medical service revenues and exploring more sustainable profit models.

IV. **Financial and Capital Support: Strong Cash Flow to Sustain Long-Term Investment**

As of the end of 2025, the Group held cash and cash equivalents of approximately RMB616 million. The ample cash reserves provide a solid foundation for investments in digital infrastructure, service standardization, and talent acquisition. The Group adheres to a prudent and disciplined expansion strategy: prioritizing asset-light replication through management expertise, entrusted operations, and partnerships, while rigorously controlling investment risks to maximize capital efficiency.

CONCLUSION

In summary, the Group has moved beyond the traditional "scale expansion trap" prevalent in the private healthcare sector and has shifted onto a new growth trajectory centered on value creation. Leveraging its physical network spanning five provinces, a proven standardized operating system, industry-leading full-cycle service capabilities, and deepening technology enablement, we are confident in achieving the transition from "regional leadership" to "national benchmark" in the years ahead.

Although industry competition may intensify and uncertainties persist in the policy and reimbursement environment, the Group will remain committed to the principle of balancing medical excellence with humanistic care, continuously strengthening its core competitiveness. In doing so, we are committed to delivering more dignified medical services to our clients and generating sustainable long-term value for our Shareholders and other stakeholders.

FINANCIAL REVIEW

REVENUE

During the Reporting Period, the Group generated the revenue mainly from (i) operating six private for-profit hospitals the Group owned and providing healthcare services including full-cycle oncology healthcare services; (ii) managing and operating, and receiving management fees from two private not-for-profit hospitals in the in-network hospitals; and (iii) supply of pharmaceuticals, medical equipment and consumables. Given the nature of healthcare service market in the PRC, the Group focuses on full-cycle oncology healthcare services as a core part of the Group's business operations, and the Group expects this trend to continue in the future.

The Group recorded revenue of RMB1,119.8 million for the year ended December 31, 2025, representing a decrease of approximately 5.8% from RMB1,188.8 million for the year ended December 31, 2024, primarily due to (i) a decrease of RMB37.4 million in revenue from hospital operations; and (ii) a decrease of RMB21.6 million in revenue from the supply of pharmaceutical products, medical equipment and consumables.

The table below sets out the breakdown of the revenue for the periods indicated:

	For the year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Hospital business	914,571	81.7	951,985	80.1
Inpatient services	526,149	47.0	544,428	45.8
Outpatient services	385,679	34.4	400,737	33.7
Others(1)	2,743	0.3	6,820	0.6
Hospital management business(2)	33,998	3.0	39,567	3.3
Supply of pharmaceuticals, medical equipment and consumables	169,062	15.1	190,686	16.0
Others(3)	2,218	0.2	6,608	0.6
Total	1,119,849	100.0	1,188,846	100.0

Notes:

(1) The revenue derived from others of the hospital business during the Reporting Period primarily refer to revenue from nucleic acid testing services and government-procured medical service income.

(2) The revenue derived from the hospital management business during the Reporting Period consisted of the management fee received from Huangshan Shoukang Hospital* (黃山首康醫院) and Taiyuan Wanbailin District Peace Community Health Service Center (太原市萬柏林區和平社區衛生服務中心).

(3) The revenue derived from others of the business during the Reporting Period primarily refer to revenue related to the provision of healthcare-related consultancy services, organizing and arranging experts to attend academic seminars and medical and healthcare related conferences held by the customers and provision of conference affairs, publicity and other related services.

The revenue generated from the hospital business decreased by approximately 3.9% from RMB952.0 million for the year ended December 31, 2024 to RMB914.6 million for the year ended December 31, 2025.

The revenue generated from the hospital management business decreased by approximately 14.1% from RMB39.6 million for the year ended December 31, 2024 to RMB34.0 million for the year ended December 31, 2025, which was in line with the decrease in revenue from managed hospitals and community health service centers.

The revenue generated from the supply of pharmaceuticals, medical equipment and consumables decreased by approximately 11.3% from RMB190.7 million for the year ended December 31, 2024 to RMB169.1 million for the year ended December 31, 2025, primarily due to the decrease in customer demand for medical equipment in 2025.

The revenue generated from the others decreased by approximately 66.7% from RMB6.6 million for the year ended December 31, 2024 to RMB2.2 million for the year ended December 31, 2025, primarily due to the fact that large-scale industry forums and academic conferences were held during the year ended December 31, 2024, whereas no such events took place in the same period in 2025.

COST OF SALES

The cost of sales primarily consists of cost of pharmaceuticals, cost of medical instruments, staff cost, depreciation and amortization and others. Cost of sales of the Group decreased by approximately 5.3% from RMB980.6 million for the year ended December 31, 2024 to RMB929.0 million for the year ended December 31, 2025.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group recorded a gross profit of RMB190.8 million for the year ended December 31, 2025, representing a decrease from a gross profit of RMB208.2 million for the year ended December 31, 2024. Such decrease was primarily attributable to gross profit from our hospital operations decreased in the same year.

	For the year ended December 31,			
	2025		2024	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	**%**	RMB'000	%
Hospital business	**132,841**	**14.5**	144,879	15.2
Hospital management business	**24,076**	**70.8**	30,284	76.5
Supply of pharmaceuticals, medical equipment and consumables	**33,299**	**19.7**	31,211	16.4
Others	**596**	**26.9**	1,823	27.6
Total	**190,812**	**17.0**	208,197	17.5

The gross profit of hospital business amounted to RMB132.8 million for the year ended December 31, 2025, representing a gross profit margin of 14.5%, as compared to a gross profit of RMB144.9 million and a gross profit margin of 15.2% for the year ended December 31, 2024 respectively.

The gross profit of hospital management business amounted to RMB24.1 million for the year ended December 31, 2025, representing a gross profit margin of 70.8%, as compared to a gross profit of RMB30.3 million and a gross profit margin of 76.5% for the year ended December 31, 2024 respectively. Such decrease was primarily due to the reduction in revenue from our managed hospitals and community health service centers (particularly Huangshan Shoukang Hospital) during the year, while the cost of sales of our hospital management business remained relatively stable.

The gross profit of supply of pharmaceuticals, medical equipment and consumables amounted to RMB33.3 million for the year ended December 31, 2025, representing a gross profit margin of 19.7%, as compared to a gross profit of RMB31.2 million and a gross profit margin of 16.4% for the year ended December 31, 2024 respectively. The primary reasons include improvements in procurement and supply chain management efficiency, optimization of sales channel structure, and refinement of pricing strategies.

OTHER NET INCOME

Other net income is comprised of government grants, interest income, gains/losses on disposal of property, plant and equipment and intangible assets and others. Other net income of the Group increased by approximately 64.0% from RMB5.0 million for the year ended December 31, 2024 to RMB8.2 million the year ended December 31, 2025. Such increase was primarily due to the corresponding increase in interest income and net foreign exchange gain resulting from the rational coordination and efficient utilization of funds by the Group during the year.

SELLING EXPENSES

The selling expenses consist of marketing and promotion expenses, staff cost, office and travel expenses, depreciation and amortization and miscellaneous. The selling expenses decreased by approximately 9.3% from RMB11.8 million for the year ended December 31, 2024 to RMB10.7 million for the year ended December 31, 2025, primarily attributable to the reduction in corresponding marketing and promotional expenses, benefiting from the solid brand influence and favorable market reputation that the Group's owned hospitals have established locally.

GENERAL AND ADMINISTRATIVE EXPENSES

The general and administrative expenses consist of staff cost, depreciation and amortization, office and travel expenses, professional service fees, leasing and repair and maintenance expenses and others. The general and administrative expenses of the Group decreased by approximately 5.3% from RMB165.7 million for the year ended December 31, 2024 to RMB157.0 million for the year ended December 31, 2025, primarily attributable to the Group's effective reduction of non-core administrative expenses through optimization of manpower structure, enhancement of budget management and improvement in operational efficiency, thereby driving a steady decline in overall operating costs.

IMPAIRMENT LOSS ON TRADE AND BILLS RECEIVABLES

The Group recorded impairment loss on trade and bills receivables of RMB0.5 million for the year ended December 31, 2025, as compared to impairment loss on trade and bills receivables of RMB0.6 million for the year ended December 31, 2024, which remained stable.

FINANCE COSTS

The finance costs comprise the interest on interest-bearing borrowings, interest on lease liabilities and others. The Group recorded financial costs of RMB21.6 million for the year ended December 31, 2025, as compared to financial costs of RMB21.7 million for the year ended December 31, 2024, which remained stable.

INCOME TAX EXPENSE

The income tax expense consists of current tax and deferred tax. The Group recorded income tax expense of RMB18.0 million for the year ended December 31, 2025, as compared to income tax expense of RMB16.9 million for the year ended December 31, 2024.

LOSS FOR THE REPORTING PERIOD

As a result of the foregoing, the Group recorded a loss of RMB8.7 million for the year ended December 31, 2025, as compared to a loss of RMB3.6 million for the year ended December 31, 2024.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is comprised of leasehold improvement, medical equipment, office and other equipment, buildings, motor vehicles and construction in process. Property, plant and equipment of the Group decreased by approximately 4.4% from RMB364.0 million as of December 31, 2024 to RMB347.9 million as of December 31, 2025, primarily due to the continuous depreciation of our property, plant and equipment.

RIGHT-OF-USE ASSETS

The right-of-use assets is comprised of land use right and property leased. The Group recorded right-of-use assets of RMB184.9 million and RMB165.2 million as of December 31, 2024 and December 31, 2025, respectively. Such decrease was primarily due to the continuous depreciation of right-of-use assets.

INTANGIBLE ASSETS

The intangible assets comprise of management contracts, medical licenses, software, good supply practice licenses and cooperation relationship. The Group recorded the intangible assets of RMB236.4 million and RMB227.7 million as of December 31, 2024 and December 31, 2025, respectively. Such decrease was primarily due to the amortization of existing intangible assets.

GOODWILL

The Group recorded carrying amount of goodwill of RMB643.0 million and RMB643.0 million as of December 31, 2024 and December 31, 2025, respectively.

Goodwill is allocated to the Group's cash-generating units identified according to operation and operating segment as follows:

	2025 **RMB'000**	2024 RMB'000
Western Beijing	**323,465**	323,465
Wuzhi Jimin Hospital	**110,143**	110,143
Anhui Shoukang Investment	**98,340**	98,340
Hefei Bayway Hospital	**62,925**	62,925
Others	**48,176**	48,176
	643,049	643,049

The recoverable amounts of the cash-generating units were determined based on value in use calculations of the underlying assets with reference to valuation reports issued by an independent valuer. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. These cash flow projections adopted annual sales growth rates, which are based on the Group's historical experience with these operations and adjusted for other factors that are specific to each cash-generating unit. Cash flows beyond the five-year period are extrapolated using an estimated growth rate. The discount rates used are pre-taxed and reflect specific risks relating to the respective cash generating units.

The key assumptions used in the value-in-use calculations for the above cash-generating units are as follows:

	Revenue growth rate during the forecast period		**Discount rate**	
	2025	2024	**2025**	2024
Western Beijing Cancer Hospital	**8.91%**	9.27%	**18.72%**	18.25%
Anhui Shoukang Investment	**9.52%**	7.64%	**19.43%**	19.30%
Hefei Bayway Hospital	**17.95%**	15.78%	**20.35%**	18.39%
Wuzhi Jimin Hospital	**10.04%**	15.39%	**18.61%**	18.70%

The growth rate beyond the forecast period is estimated to be 2% (2024: 2%).

As a result of the impairment tests, management is of the view that there was no impairment of goodwill as of December 31, 2025 and 2024. Reasonably possible changes in key assumptions would not lead to impairment as of December 31, 2025 and 2024.

The headroom calculated by deducting the carrying amount from the recoverable amount of each of cash-generating units is as follows:

	31 December 2025	31 December 2024
	RMB'000	RMB'000
Western Beijing Cancer Hospital	**92,326**	91,299
Anhui Shoukang Investment	**76,933**	148,820
Hefei Bayway Hospital	**17,604**	50,670
Wuzhi Jimin Hospital	**17,879**	28,304

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to revenue growth rate and pre-tax discount rate that would, in isolation, have removed the headroom respectively as at December 31, 2025 and 2024:

	31 December 2025	31 December 2024
Western Beijing Cancer Hospital		
Decrease in revenue growth rate	**3.71%**	4.26%
Increase in pre-tax discount rate	**3.18%**	2.79%
Anhui Shoukang Investment		
Decrease in revenue growth rate	**6.40%**	10.42%
Increase in pre-tax discount rate	**4.96%**	8.89%
Hefei Bayway Hospital		
Decrease in revenue growth rate	**2.02%**	7.96%
Increase in pre-tax discount rate	**1.82%**	4.52%
Wuzhi Jimin Hospital		
Decrease in revenue growth rate	**1.13%**	1.89%
Increase in pre-tax discount rate	**1.01%**	1.38%

INVENTORIES

The inventories primarily consist of pharmaceuticals, medical equipment and consumables. The inventories decreased by approximately 4.6% from RMB62.8 million as of December 31, 2024 to RMB59.9 million as of December 31, 2025, primarily attributable to the optimization of inventory management at certain hospitals within the Group, which reduced inventory levels.

The inventory turnover days remained consistent at 23 days for the year ended December 31, 2024 and 2025.

TRADE AND BILLS RECEIVABLES

The trade receivables mainly represent the balances due from the public medical insurance programs for healthcare services provided by the private for-profit hospitals in the In-network Hospitals and the trade-nature receivables for the pharmaceuticals, medical equipment and consumables delivered. The bills receivables primarily represent bank acceptance bills receivable from the customers for purchasing the pharmaceuticals, medical equipment and consumables.

The trade and bills receivables decreased by approximately 9.0% from RMB262.1 million as of December 31, 2024 to RMB238.6 million as of December 31, 2025, primarily attributable to the completion of medical insurance settlement for 2024 at certain hospitals and the corresponding payments of deposits by medical insurance funds.

PREPAYMENTS AND OTHER RECEIVABLES

The prepayments and other receivables primarily consist of prepayments for inventories and services, receivables from related parties, deposits and amount due from staffs in relation to share-based payments. The prepayments and other receivables increased by approximately 97.3% from RMB120.6 million as of December 31, 2024 to RMB237.9 million as of December 31, 2025, primarily attributable to the increase in receivables from related parties.

TRADE AND BILLS PAYABLES

The trade and bills payables primarily relate to the purchase of pharmaceuticals, medical equipment and consumables from the suppliers, which are non-interest bearing. The trade and bills payables decreased by approximately 28.5% from RMB313.9 million as of December 31, 2024 to RMB224.3 million as of December 31, 2025, primarily attributable to the settlement of procurement payables according to the relevant payment terms.

OTHER PAYABLES

The other payables consist of salary and welfare payables, other taxes payable, advances from related parties, payables for purchase of property, plant and equipment and others. The other payables decreased by approximately 13.8% from RMB115.2 million as of December 31, 2024 to RMB99.3 million as of December 31, 2025, primarily attributable to the decrease in salaries and welfare payables.

CONTRACT LIABILITIES

The contract liabilities represent considerations received from the customers before the Group satisfying performance obligations. As of December 31, 2024 and December 31, 2025, the contract liabilities were RMB30.7 million and RMB12.6 million, respectively. Such decrease was primarily due to the delivery of pharmaceuticals and consumables, with corresponding amounts recognized as revenue.

LEASE LIABILITIES

The lease liabilities of the Group decreased by approximately 10.6% from RMB160.1 million as of December 31, 2024 to RMB143.2 million as of December 31, 2025, primarily attributable to the settlement of rental payments for those leases.

CAPITAL STRUCTURE

The total assets of the Group increased from RMB2,203.1 million as of December 31, 2024 to RMB2,556.1 million as of December 31, 2025. The total liabilities of the Group decreased from RMB1,033.0 million as of December 31, 2024 to RMB935.6 million as of December 31, 2025. Gearing ratio decreased from approximately 46.9% as of December 31, 2024 to approximately 36.6% as of December 31, 2025.

LIQUIDITY AND CAPITAL RESOURCES

The cash and cash equivalents of the Group increased by approximately 109.4% from RMB294.2 million as of December 31, 2024 to RMB616.0 million as of December 31, 2025, primarily attributable to the net proceeds from the Global Offering (after deduction of underwriting fees and commissions and relevant expenses incurred).

The business operations and expansion plans require a significant amount of capital, including upgrading the existing hospitals in the network, establishing and acquiring new hospitals and other working capital requirements. For the Reporting Period, the Group financed the capital expenditure and working capital requirements mainly through cash generated from operations, bank and other borrowings, capital contributions from Shareholders, and net proceeds from the global offering of the Shares, details of which were disclosed in the Prospectus.

The Group manages and monitors the exposure of liquidity risk to ensure appropriate measures are implemented on a timely and effective manner. The Group regularly monitors the liquidity requirements and the compliance with lending covenants, to ensure that the Group maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet the liquidity requirements in the short and longer term. During the Reporting Period, the Group did not use any financial instrument for hedging purposes, did not have any outstanding hedging instruments and did not consider necessary to hedge in order to manage the liquidity and capital resources.

BORROWINGS AND INDEBTEDNESS

The indebtedness mainly consisted of interest-bearing borrowings and lease liabilities. As of December 31, 2025, the Group had indebtedness of RMB544.5 million, representing an increase of 5.3% as compared to RMB517.3 million as of December 31, 2024, primarily due to the increase in bank borrowings guaranteed by subsidiaries of the Group.

The following table sets forth a breakdown of the indebtedness of the Group:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Interest-bearing borrowings	**401,186**	357,190
Lease liabilities	**143,212**	160,068
Advances from a related party	**85**	0
Total	**544,483**	517,258

Except as disclosed above and the guarantees issued by the Group to certain banks in respect of the credit facilities granted to Huangshan Shoukang Hospital, among which, the total amount of guarantees was approximately RMB260 million, and the outstanding balance of guarantees was approximately RMB144.2 million. As of December 31, 2025 and save as disclosed above, the Group did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantee or other material contingent liabilities.

The following table sets forth the maturity profile of the interest-bearing borrowings:

	December 31, 2025		December 31, 2024	
	Balance	**Percentage**	Balance	Percentage
	RMB'000	**%**	RMB'000	%
Within one year or on demand	**327,186**	**81.5**	292,000	81.8
1 to 2 years	**26,000**	**6.5**	20,500	5.7
2 to 5 years	**48,000**	**12.0**	44,600	12.5
	401,186	**100.0**	357,190	100.0

GEARING RATIO

Gearing ratio is calculated using the sum of interest-bearing debt and lease liabilities divided by total equity attributable to the Company's owners. The gearing ratio of the Group decreased from approximately 46.9% as of December 31, 2024 to approximately 36.6% as of December 31, 2025, which was primarily due to an increase in the Group's assets resulting from the net proceeds from the Global Offering (after deducting underwriting fees and commissions and relevant expenses).

DISCLOSURE PURSUANT TO RULES 13.13 AND 13.20 OF THE LISTING RULES

As disclosed in the prospectus of the Company dated June 13, 2025, under the Hospital Management Agreement between Huangshan Shoukang Hospital and Anhui Shoukang Medical Investment Company Limited* (安徽首康醫療投資有限公司), a non-wholly owned subsidiary of the Company, the Company will provide financial assistance to Huangshan Shoukang Hospital from time to time, including the grant of loan (the "**Loan**") and acting as its corporate guarantee for its credit facilities. The total loan balance for a Class III Hospital (including Huangshan Shoukang Hospital) shall not exceed RMB200.0 million at any time.

As at March 27, 2026, the balance of loan provided by the Group and corporate guarantees provided by the Group in favour of Huangshan Shoukang Hospital is in aggregate approximately RMB188.0 million.

As the borrower of the Loan, Huangshan Shoukang Hospital is the same as that under the credit facilities which were entered into with the several banks completed within 12 months prior to March 2026, the transactions under the Loan and the credit facilities shall be aggregated as a series of transactions under Rule 14.22 of the Listing Rules. In addition, as the assets ratio as defined under Rule 14.07(1) of the Listing Rules in respect of the transactions contemplated under the guarantee agreements when aggregated with the Loan exceeds 8%, the transactions contemplated under the guarantee agreements and the Loan will together give rise to a general disclosure obligation of the Company under Rules 13.13 and 13.15 of the Listing Rules.

For details of the Loan and guarantee agreements in relation to Huangshan Shoukang Hospital, please see the Company's announcement dated March 27, 2026.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios of the Group:

	As of/for the year ended December 31,	
	2025	2024
Profitability:		
Revenue growth rate	**-5.8%**	10.9%
Gross profit growth rate	**-8.4%**	16.9%
Gross profit margin(1)	**17.0%**	17.5%
Adjusted net profit margin (non-IFRS measure)(2)	**1.6%**	1.1%
Adjusted EBITDA margin (non-IFRS measure)(3)	**12.9%**	11.4%
Liquidity:		
Current ratio(4)	**1.7 times**	1.0 times
Quick ratio(5)	**1.6 times**	0.9 times

Notes:

(1) The calculation of gross profit margin is based on gross profit for the year divided by revenue for the respective year and multiplied by 100.0%;

(2) The calculation of adjusted net profit margin (non-IFRS measure) is based on adjusted net profit after taxation (non-IFRS measure) for the year divided by revenue for the respective year and multiplied by 100.0%;

(3) The calculation of adjusted EBITDA margin (non-IFRS measure) is based on adjusted EBITDA (non-IFRS measure) for the year divided by revenue for the respective year and multiplied by 100.0%;

(4) The calculation of current ratio is based on current assets divided by current liabilities as of year-end; and

(5) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of year-end.

Non-IFRS Measure

To supplement our financial information, which is presented in accordance with IFRS Accounting Standards, we also provide adjusted net profit as a non-IFRS measure, which is not required by, or presented in accordance with, the IFRS Accounting Standards. We believe that this non-IFRS measure facilitates comparisons of results of operations from period to period, aiming to provide useful information to investors in understanding and evaluating our results of operations in the same manner it helped our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The application of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit (non-IFRS measure) as loss for the year adjusted by adding back listing expenses. Listing expenses are expenses relating to the Listing.

The following tables reconcile our non-IFRS financial measures with their corresponding figures presented in accordance with IFRS Accounting Standards for the years indicated.

	31 December 2025	31 December 2024
	RMB'000	RMB'000
Loss for the year	**(8,678)**	(3,557)
– Listing expenses	**26,621**	16,053
Adjusted net profit (non-IFRS measure)	**17,943**	12,496

CONTINGENT LIABILITIES

As of December 31, 2025, the Group did not have any material contingent liabilities, guarantees any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the business, financial condition or results of operations.

PLEDGE OF ASSETS

As at December 31, 2025, approximately RMB18.9 million of trade receivables were pledged as security for Interest-bearing borrowings to the Group.

CASH FLOW FROM OPERATING ACTIVITIES

During the Reporting Period, the Group primarily generated cash inflows through the provision of medical services. Cash outflows from operating activities mainly comprised payments for purchases of pharmaceuticals and medical consumables, employee benefit expenses, and other operating expenses. For the year ended December 31, 2025, the Group's net cash generated from operating activities amounted to RMB222.3 million, representing an increase of 31.9% compared with the same period in 2024.

CASH FLOW FROM FINANCING ACTIVITIES

During the Reporting Period, cash inflows from financing activities mainly consisted of proceeds from the Company's initial public offering and bank borrowings. Cash outflows from the Group's financing activities primarily comprised repayment of bank borrowings and payments on interest on bank borrowings. For the year ended December 31, 2025, the Group's net cash generated from financing activities amounted to RMB267.7 million, representing an increase of 258.9% compared with the same period in 2024.

CAPITAL EXPENDITURES

The capital expenditures consist of expenditures on (i) property, plant and equipment, mainly comprising leasehold improvement, construction in progress and medical equipment; and (ii) intangible assets. The capital expenditures decreased by approximately 21.8% from RMB50.0 million for the year ended December 31, 2024 to RMB39.1 million for the year ended in December 31, 2025, primarily due to a decrease in demand for the purchase of new medical equipment, as such equipment typically has a useful life of 5 to 10 years and does not require annual replacement or upgrading.

FOREIGN EXCHANGE RISK AND HEDGING

As the Group's operations are conducted by the subsidiaries of the Group in Chinese mainland, the Group's presentation currency is RMB. The Company has its functional currency in USD. The proceeds from the Global Offering was received in HKD. As a result, the Group faces risks resulting from currency exchange rate fluctuations, particularly, the RMB against the HKD and the USD.

As of the date of this report, the Group has not hedged its foreign currency exchange risks but has closely managed its foreign currency risk by performing regular reviews of its net foreign currency exposures and may enter into currency forward contracts, when necessary, to manage its foreign exchange exposure.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the year ended December 31, 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures. As of December 31, 2025, the Group did not hold any significant investment.

EMPLOYEE AND REMUNERATION POLICIES

As of December 31, 2025, the Group had 1,998 employees, as compared with 2,080 employees as of December 31, 2024. The total staff cost (salaries, wages and other benefits and contributions to defined contribution retirement plan) were RMB318.4 million for the year ended December 31, 2025, as compared to RMB318.0 million for the year ended December 31, 2024, which generally remained stable.

The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered discretionary bonus, cash awards and share awards based on individual performance.

The Group provides both in-house and external training periodically and across operational functions, including introductory training for new employees, technical training, product training, management training and work safety training, with a view to fostering the basic skills of new employees to perform their duties and improving the relevant skills of the existing employees as well.

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

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

In compliance with PRC regulations, the Group participates in various employee social insurance plans that are organized by applicable local municipal and provincial governments, including maternity, pension, medical, work-related injury and unemployment benefit plans, as well as housing provident funds. The Group is required under PRC laws to make contributions to employee benefit plans.

For the purposes of (i) motivating the eligible participants to optimize their performance efficiency for the benefit of the Group; and (ii) attracting and retaining the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group, the Company conditionally approved and adopted Post-IPO Share Option Scheme (as defined in the Prospectus) on August 8, 2023 and amended by the Board on June 9, 2025.

As no share options had been granted or agreed to be granted since the adoption of the Post-IPO Share Option Scheme, (i) no share options under the Post-IPO Share Option Scheme were outstanding as of December 31, 2025; (ii) no share options had been exercised, vested, cancelled or lapsed under the Post-IPO Share Option Scheme during the Reporting Period; and (iii) as of December 31, 2025, the Post-IPO Share Option Scheme Limit (as defined in the Prospectus) was 98,130,435 ordinary Shares. Further details of the Post-IPO Share Option Scheme are set out in the sections headed "Statutory and General Information – Share Option Scheme" in Appendix IV to the Prospectus.

EVENTS AFTER THE REPORTING PERIOD

Save for the above, there was no significant event which could have a material impact on the operating and financial performance of the Group from the end of the Reporting Period to the date of this report that is required to be disclosed by the Company.

To the best knowledge of the Company, no Director has any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director or any key executive.

DIRECTORS

Chairman and Executive Director

Dr. CHEN Haoyang (陳昊陽), aged 54, is the Chairman and executive Director. He was appointed as an executive Director on July 1, 2023. On April 24, 2024, he was appointed as the president. With effect from September 26, 2025, he was appointed as the Chairman. Dr. Chen is chairman of the Nomination Committee and member of the Remuneration Committee.

Dr. Chen has over 30 years of work experience in the medical industry. From April 2000 to March 2019, he served at the Fifth Medical Center of the Chinese People's Liberation Army General Hospital* (中國人民解放軍總醫院第五醫學中心) (Class-IIIA specialist hospital) and was assigned to various positions, such as a researcher and vice researcher in the hospital. From March 2019 to March 2021, he served as a researcher at the Sixth Medical Center of the Chinese People's Liberation Army General Hospital* (中國人民解放軍總醫院第六醫學中心) (Class-IIIA comprehensive hospital).

Dr. Chen joined the Group in August 2021. After joining the Group and as of the date of this annual report, he has assumed various positions in the Group, which include, among others, serving as the chairman of the board at one of the Group's subsidiaries and director at seven of the Group's subsidiaries.

Dr. Chen obtained his master's degree in pedagogy from Southwest University* (西南師範大學) in June 2000. Subsequently, in June 2007, he obtained his doctor's degree in management at the Third Military Medical University of Chinese People's Liberation Army (中國人民解放軍第三軍醫大學) (currently known as Army Medical University of Chinese People's Liberation Army (中國人民解放軍陸軍軍醫大學)). Since January 2016, he has obtained the qualification of postgraduate tutor of the Third Military Medical University of Chinese People's Liberation Army (currently known as Army Medical University of Chinese People's Liberation Army). In December 2018, Dr. Chen was one of the members of the first prize of the Military Science and Technology Progress Award* (軍隊科技進步一等獎).

Dr. Chen has not held directorship in any other listed company in the three years immediately preceding the date of this annual report.

Executive Directors

Mr. ZHAO Yongkai (趙永凱), aged 55, is the executive Director. He was appointed as an Director on December 9, 2021. On July 1, 2023, he was re-designated as an executive Director and was appointed as chairman of the Board. With effect from September 26, 2025, due to his adjustment of personal work focus and business development needs, he voluntarily resigned from the position of Chairman. He remained as an executive Director.

Mr. Zhao has over 30 years of working experience and 20 years of experience in the medical, pharmaceutical and healthcare sectors, and is highly experienced in the financial management and strategic planning as well as the operation, management, and development of medical, pharmaceutical and healthcare institutions.

From November 2000 to August 2005, Mr. Zhao served at CITIC Guoan Information Industry Co., Ltd (中信國安信息產業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000839). After that, from October 2005 to August 2017, he pivoted to the medical, pharmaceutical and healthcare sectors, and from April 2012 to August 2017, he was a director and he served as the chairman from May 2015 to August 2017 of PKU HealthCare Corp., Ltd (北大醫藥股份有限公司), a company principally engaged in the research and development, manufacturing and sales of pharmaceuticals, which is listed on the Shenzhen Stock Exchange (stock code: 000788) and several companies, where he gained substantial experience in the operation, management, and development of medical, pharmaceutical and healthcare institutions, which among others, include:

Period of service	Name of the company	Principal business activities	Position	Responsibilities
From November 2013 to October 2017	PKUCare Industrial Park Technology Co., Ltd.* (北大醫療產業園科技有限公司)	Development and operation of PKUCare Industrial Park	Chairman	Responsible for overall strategy and daily operation management
From January 2014 to April 2016	PKUCare Medical Rehabilitation Hospital Management Co., Ltd. (北大醫療康復醫院管理有限公司)	Consultation, management and training of rehabilitation institutions, wholesale of medical devices	Chairman	Responsible for overall strategy and daily operation management
From April 2015 to October 2016	PKU Healthcare Industry Group Co., Ltd.* (北大醫療產業集團有限公司)	Hospital operation management	Director	Responsible for overall daily operation management

Mr. Zhao joined the Group in January 2018. After joining the Group and as of the date of this annual report, he has assumed various positions in the Group, which include, among others, serving as chairman of the board at six of the Group's subsidiaries and director at six of the Group's subsidiaries.

Mr. Zhao obtained his bachelor's degree in engineering from the China Agricultural University (中國農業大學), which was formerly known as the Beijing Agricultural Engineering University (北京農業工程大學), in Beijing, the PRC in July 1995 and his bachelor's degree in financial accounting from the Renmin University of China (中國人民大學) in Beijing, the PRC in January 2000. Mr. Zhao obtained his master's degree in senior management business management (高級管理人員工商管理) from the Chongqing University (重慶大學) in Chongqing, the PRC in June 2015.

Mr. Zhao has been a non-practicing certified public accountant (非執業註冊會計師) of the Beijing Institute of Certified Public Accountants (北京註冊會計師協會) since 2000.

Mr. Zhao has not held directorship in any other listed company in the three years immediately preceding the date of this annual report.

Ms. XU Xu (徐旭), aged 46, is the executive Director and senior vice president. She was appointed as an Director on December 9, 2021. On July 1, 2023, she was re-designated as an executive Director. On April 24, 2024, she was appointed as the senior vice president. She is also a Controlling Shareholder.

Ms. Xu has over 22 years of experience in medical operation and management. She is highly experienced in modernized hospital operation and management.

Ms. Xu has taken up a variety of senior management positions at PKU Healthcare Industry Group Co., Ltd.* (北大醫療產業集團有限公司) and its subsidiaries from February 2005 to December 2015, and several other companies from February 2016 to July 2017, the positions she has taken up include:

Period of service	Name of the company	Principal business activities	Position	Responsibilities
From February 2005 to December 2012	PKU Healthcare Industry Group Co., Ltd.* (北大醫療產業集團有限公司) (formerly known as Peking University International Hospital Group Co., Ltd.* (北大國際醫院集團有限公司))	A comprehensive hospital integrating medical treatment, teaching and research	Vice president and board secretary	Hospital management and industrial resource integration; participating in the discussion of the company's development plan, business operation plan and major decisions, and assisting the chairman of the board and president to convene important meeting
From December 2012 to December 2015	Peking University International Hospital	Class-III comprehensive hospital	General manager/ deputy leader of the project operation management department, vice president of operations	Responsible for leading the construction, preparatory management and operational management of the international hospital
From February 2016 to July 2017	Western Beijing Cancer Hospital Company (formerly known as Beijing New Mileage Cancer Hospital* (北京新里程腫瘤醫院))	Oncology specialist hospital	General manager	Responsible for overall daily operation and management of the hospital
From February 2016 to July 2017	Beijing New Journey Healthcare Group Co., Limited* (北京新里程健康產業集團有限公司)	Medical and health industry operation	Chief operating officer (COO) of its company	Daily operation and management of the hospital

Ms. Xu joined the Group in December 2017. After joining the Group and as of the date of this annual report, she has assumed various positions in the Group, which include, among others, serving as chairwoman of the board at two of the Group's subsidiaries and director at eight of the Group's subsidiaries.

Ms. Xu obtained her bachelor's degree in law from the Southwest University of Political Science and Law (西南政法大學) in Chongqing, the PRC in July 2003. She later obtained her master's degree in business administration from the China Europe International Business School (中歐國際工商學院) in Beijing, the PRC in November 2019.

As of the date of this annual report, Ms. Xu is deemed to control approximately 63.05% of the issued share capital of the Company, within the meaning of Part XV of the SFO. She has not held directorship in any other listed company in the three years immediately preceding the date of this annual report.

Mr. LU Jizhong (盧繼忠), aged 58, is the executive Director and vice president. He was appointed as the executive Director on July 1, 2023. On April 24, 2024, he was appointed as the vice president.

Mr. Lu has over 34 years of working experience and over 20 years of experience in hospital management and operation. From July 1991 to May 2000, Mr. Lu was the attending physician engaged in clinical work at Huainan Xinhua Medical Group Xinhua Hospital* (淮南新華醫療集團新華醫院). He joined Shanghai Yodak Cardiothoracic Hospital as an executive vice president of hospital in January 2005, in which he was responsible for the daily management and operation of the hospital, and stayed until April 2009. After that, he joined Shanghai HyGet Medical Management Co., Ltd* (上海海格醫院管理有限公司) in May 2009 and served as the managing director until December 2018, and was responsible for its overall operation and management. Mr. Lu has been appointed as a council member of the China Anti-Cancer Association, a standing committee member of the Private Hospital Branch of the Chinese Hospital Association, a standing committee member of the Health Management Branch of the Chinese Association for Health Promotion and Education, a standing committee member of the Professional Committee on Rehabilitation Medicine of the Chinese Non-Public Medical Institutions Association, and a committee member of the Rehabilitation Institution Management Professional Committee of the Chinese Association of Rehabilitation Medicine.

Mr. Lu joined the Group in April 2019. After joining the Group and as of the date of this annual report, he has assumed various positions in the Group, which include, among others, serving as executive partner (appointed representative) at one of the Group's subsidiaries, chairman of the board at two of the Group's subsidiaries and director at four of the Group's subsidiaries.

Mr. Lu obtained his bachelor's degree in clinical medicine at the North China University of Science and Technology (華北理工大學), which was formerly known as Hebei Polytechnic University (河北理工大學), North China Coal Medical University (華北煤炭醫學院) and Hebei United University (河北聯合大學), in Tangshan of Hebei Province, the PRC in July 1991. He later obtained his master's degree in surgery at the Second Military Medical University (第二軍醫大學) in Shanghai, the PRC in June 2004.

Mr. Lu obtained his Attending Physician Qualification Certificate* (主治醫師資格證) from the Health Technical Position Evaluation Committee of the Huainan Bureau of Mine* (淮南礦務局衛生技術中級職務評審委員會) in December 1997.

Mr. Lu has not held directorship in any other listed company in the three years immediately preceding the date of this annual report.

Mr. Feng Yu (馮宇), aged 44, is the executive Director, vice president and chief medical officer (首席醫療官). He was appointed as the executive Director on July 1, 2023. On April 24, 2024, he was appointed as the chief medical officer and vice president.

Mr. Feng has over 19 years of working experience and 15 years of experience in the medical operation and management, and healthcare sectors. He joined the 5th Medical Centre of the Military General Hospital of China* (解放軍總醫院第五醫學中心) (Class-IIIA specialist hospital), which was formerly known as the 302 Military Hospital of China (中國人民解放軍第302醫院), in June 2007 and served as a clinician until December 2019, and was responsible for the medical diagnosis and treatment of patients and medical management of the hospital, including but not limited to medical quality and safety management, hospital and discipline development, administration management, information management, disease prevention and control. After that, he served as the medical director (醫學總監) at Beijing Dashu Yida Technology Co., Ltd.* (北京大數醫達科技有限公司) from February 2021 to July 2021, where he was responsible for managing the medical department.

Mr. Feng joined the Group in September 2021. After joining the Group and as of the date of this annual report, he serves as a vice president, chief medical officer and general manager of medical management department of the Group, and various other positions in the Group, which include, among others, being executive partner (appointed representative) at one of the Group's subsidiaries, chairman of the board at two of the Group's subsidiaries and director at three of the Group's subsidiaries.

Mr. Feng obtained his master's degree in clinical medicine from the Second Military Medical University* (中國人民解放軍第二軍醫大學) in Shanghai, the PRC in June 2007. Mr. Feng then obtained his practicing physician qualification (執業醫師資格) from the Department of Health, Chinese People's Liberation Army General Logistics Department (中國人民解放軍總後勤部衛生部) in December 2011.

Mr. Feng has not held directorship in any other listed company in the three years immediately preceding the date of this annual report.

Independent Non-executive Directors

Mr. CHAN Hok Leung (陳學良), aged 63, is the independent non-executive Director. He was appointed as the independent non-executive Director on June 9, 2025. Mr. Chan is the chairman of the Audit Committee and members of the Remuneration Committee and Nomination Committee.

Mr. Chan has over 30 years of working experience in the corporate finance sector. From June 1994 to November 2007, he worked in the corporate finance division (mergers and acquisitions department) as manager, senior manager, associate director and director at the SFC and was responsible for securities regulation. He worked in Platinum Securities Company Limited between December 2007 and October 2009 and was responsible for advising on corporate finance. He joined Neutral Financial Holding Company Limited (中和金控有限公司), which was formerly known as Asian Capital (Corporate Finance) Limited (卓亞融資有限公司), in November 2009. He served as an executive director until October 2016 and was responsible for advising on corporate finance. During the same period, from June 2010 to June 2016, he served as an executive director at Kingwisoft Technology Group Company Limited (金慧科技集團股份有限公司), which was formerly known as Asian Capital Holdings Limited (卓亞資本有限公司) and is a corporate financial advisory and consulting company listed on GEM of the Stock Exchange (stock code: 8295). He was responsible for general management and operation, formulating investment strategies and business development. From January 2017 to January 2019, he was the Managing Director at First Prosperous Capital Company Limited (瀚盛資本有限公司), which was formerly known as Cypress House Capital Limited (柏坊資本有限公司), and was responsible for advising on corporate finance. Then from January 2019 to May 2024, he was the Managing Director at China Sunrise Capital Limited (華升資本有限公司), which was formerly known as First Capital International Finance Limited (首控國際金融有限公司), and was responsible for advising on corporate finance. Since March 2019, he has also been serving as a non-executive director of Numans Health Food Holdings Company Limited (紐曼思健康食品控股有限公司), which engages in the marketing, sales and distribution of health supplements in the PRC, and the shares of which are listed on the Hong Kong Stock Exchange (stock code: 2530.HK). Since August 2024, he has been serving as a managing director of corporate finance department, the principal under the sponsor regime and responsible officer for regulated activity 1 and regulated activity 6 of Asian Capital Limited (卓亞融資有限公司).

Mr. Chan obtained his bachelor's degree in business and management from the Victoria University of Wellington, New Zealand in April 1988. He later obtained his master's degree in business management from the University of Warwick in the United Kingdom in July 2000. In October 2009, he also obtained his master's degree in hotel and tourism management from the Hong Kong Polytechnic University (香港理工大學). Mr. Chan obtained his membership and fellow membership of the Hong Kong Institute of Certified Public Accountants in January 1993 and September 1997 respectively.

Save as disclosed above, Mr. Chan has not held directorship in any other listed company in the three years immediately preceding the date of this annual report.

Ms. LIU Shuang (劉爽), aged 54, is the independent non-executive Director. She was appointed as the independent non-executive Director on June 9, 2025. Ms. Liu is the chairman of the Remuneration Committee and members of the Audit Committee and Nomination Committee.

Ms. Liu has more than 23 years of working experience in the legal industry. From December 2003 to September 2007, she served as a lawyer and a partner at Hills and Co.* (廣東君道律師事務所) where she provides legal services. After that, she joined DeHeng Law Offices (Shenzhen) (北京德恒(深圳)律師事務所) as a lawyer in October 2007 and has been serving as a partner since July 2015.

Ms. Liu obtained her bachelor's degree in law and economics from Beijing Business School* (北京商學院) in Beijing, the PRC in June 1993. She later obtained her master's degree in law from the Northwest University of Political Science and Law (西北政法大學) in Xi'an, the PRC in July 2001. Ms. Liu obtained her lawyer qualification certificate (律師資格證書) from the Department of Justice of Inner Mongolia Autonomous Region* (內蒙古自治區司法廳) in April 1994.

Ms. Liu has not held directorship in any other listed company in the three years immediately preceding the date of this annual report.

Dr. GUO Wei (郭衛), aged 68, is the independent non-executive Director. He was appointed as the independent non-executive Director on June 9, 2025. Dr. Guo is a member of the Audit Committee.

Dr. Guo has more than 40 years of working experience in the medical industry. From 1993 to 1995, he was the chief physician and deputy director at the orthopedics department of Peking University People's Hospital (北京大學人民醫院) (previously known Beijing Medical University People's Hospital* (北京醫科大學附屬人民醫院)) and was responsible for providing medical services. From 1998 to 2002, he was the deputy director of the bone tumor department, director of the bone disease and bone tumor research laboratory and chief physician at Peking University People's Hospital. Since 2002, he has been working at Peking University People's Hospital as the director of the orthopedic oncology department and the director of the orthopedic oncology research laboratory, dealing with the daily management of the department business and providing medical services. In August 2022, he obtained "Top Ten Health Guards in the Capital* (首都十大健康衛士)" issued by the Beijing Municipal Health Commission.

Dr. Guo obtained his bachelor's degree in medicine from Qingdao Medical College (青島醫學院), the PRC (currently known as Qingdao University's Qingdao Medical College (青島大學醫學部)) in August 1984 and later his master's degree in surgery from Sun Yat-sen University of Medical Sciences (中山醫科大學), the PRC (currently known as Zhongshan School of Medicine, SYSU (中山大學中山醫學院)) in July 1989. In June 1993, he obtained a doctoral degree in medicine from Beijing Medical University (北京醫科大學), the PRC (currently known as Peking University Health Science Center (北京大學醫學部)).

Dr. Guo has not held directorship in any other listed company in the three years immediately preceding the date of this annual report.

SENIOR MANAGEMENT

Dr. CHEN Haoyang (陳昊陽) is the Chairman and executive Director. See "– Directors – Chairman and Executive Director" for details of his biography.

Mr. ZHAO Yongkai (趙永凱) is the executive Director. See "– Directors – Executive Directors" for details of his biography.

Ms. XU Xu (徐旭) is the executive Director and senior vice president. See "– Directors – Executive Directors" for details of her biography.

Mr. LU Jizhong (盧繼忠) is the executive Director and vice president. See "– Directors – Executive Directors" for details of his biography.

Mr. Feng Yu (馮宇) is the executive Director, vice president and chief medical officer (首席醫療官). See "– Directors – Executive Directors" for details of his biography.

Mr. YAO Le (姚樂), aged 39, is the vice president, chief financial officer, secretary to the Board and joint company secretary.

Mr. Yao has over 15 years of working experience in financial management of large enterprises, capital markets and the healthcare industry. He worked as an officer of the financial management department (財務管理部門職員) at the Founder Group (北大方正集團有限公司) from July 2010 to June 2012, and as a finance manager (財務經理) from November 2013 to February 2016, in which he was responsible for a variety of financial management matters. He then joined Founder Financing Services LLC* (方正證券承銷保薦有限責任公司) in March 2016 as a vice president of the investment banking division, in which he was responsible for the initial public offering, restructuring, and merger and acquisition projects, and he stayed in the position until December 2017. From December 2017 to December 2018, Mr. Yao served as the general manager of the investment department of Beijing Baicheng Baixin Technology Limited* (北京佰誠佰欣科技有限公司).

Mr. Yao joined the Group in January 2019. From January 2019 to March 2020, he served as the assistant president of the Company, responsible for the Group's investment management matters. From April 2020 to March 2022, he served as the vice president of the Company and the general manager of Anhui Shoukang Medical Investment Company Limited (安徽首康醫療投資有限公司), responsible for its investment and the operation and management of its subsidiaries. Since April 2022, he has served as the vice president and chief financial officer of Bayzed Medical Investment Group Company Limited* (佰澤醫療投資集團有限公司), and various positions in the Group, which include, among others, being director at seven of the Group's subsidiaries. Mr. Yao was appointed as the joint company secretary of the Company on October 14, 2025.

Mr. Yao obtained his bachelor's degree in accountancy from the Zhengzhou University of Aeronautics (鄭州航空工業管理學院) in Zhengzhou, China in July 2010. He later obtained his master's degree in accounting and financial management from the University of York (約克大學) in York, the United Kingdom in January 2014. He also obtained his executive master's degree of business administration from Peking University in Beijing, China in July 2024.

Ms. LIU Yan (劉燕), aged 54, is the vice president and general manager of the operations management department of the Company, responsible for overseeing the operations management of the Group's headquarters.

Ms. Liu has over 30 years of work experience in healthcare management. Ms. Liu joined the Group in February 2025. From July 2024 to February 2025, she served as assistant president of New Journey Health Technology Group Co., Ltd. (SZSE stock code: 002219). From February 2023 to July 2024, she served as assistant president of New Journey Health Group. From June 2019 to February 2023, she served as vice president and chief financial officer of Beijing Hongci Healthcare Group (北京弘慈醫療集團). From September 2017 to June 2019, she served as chief financial officer and head of the operations department of Beijing Hongci Healthcare Group. From March 2017 to September 2017, she served as financial controller of Beijing Hongci Healthcare Group. From July 1995 to March 2017, she served as director of the Management Section of the Fifth Medical Center of the Chinese PLA General Hospital (解放軍總醫院第五醫學中心經管科主任).

Ms. Liu obtained a bachelor's degree in financial management from the Chinese People's Liberation Army Logistics College (中國人民解放軍後勤指揮學院) in July 1999. She subsequently obtained a master's degree in military finance from the Military Economic Academy of the Chinese People's Liberation Army (中國人民解放軍軍事經濟學院) in September 2003. Ms. Liu obtained the qualification of Senior Accountant in September 2012.

Dr. DU Hongwei (杜宏偉), aged 60, is the vice president of the Group and concurrently holds the positions of the general manager and president of Wuzhi Jimin Hospital, a subsidiary of the Group, responsible for the overall management of the hospital.

Dr. Du has over 36 years of work experience in hospital management. Dr. Du joined the Group in March 2022. From November 2019 to March 2022, he served as executive dean of Wenzhou Safety Emergency Institute of Tianjin University (天津大學溫州安全應急研究院), responsible for and completed the preparation, operation and other work of the institute. From September 2018 to September 2019, he served as deputy general manager of Tianjin Datong Investment Group (天津大通投資集團), responsible for hospital management. From August 2017 to August 2018, he served as professor and doctoral supervisor at the School of Medicine, Nankai University, and concurrently held the positions of president of the Affiliated Hospital of Nankai University (南開大學附屬醫院) and president of the Campus Hospital of Nankai University, responsible for the overall management of the hospitals. From August 1990 to August 2017, he served as deputy director of the Medical Department at the Military Region General Hospital under the Joint Logistics Department of the Beijing Military Region (北京軍區聯勤部), president of PLA Hospital 254 (解放軍254醫院), general surgeon at PLA Hospital 464 (解放軍464醫院), and director of the Medical Affairs Office, among other positions.

Lyu Chao (呂超), aged 41, was appointed as the president of the Company on December 29, 2025 and he was also the assistant to the chairman of the Board since September 22, 2025.

Mr. Lyu has over 16 years of extensive experience in corporate strategic management, investment and financing operations, financial system development, and the development of the healthcare industry. He has served in senior positions at a number of large-scale state owned enterprises, listed companies, and international institutions, possessing profound industry expertise and outstanding comprehensive management capabilities.

Prior to joining the Group, Lyu served as a co-president and general manager of the asset management department of Fosun Hive, where he held positions including co-president and chief financial officer and chief investment officer. He oversaw the investment and financing center, planning & finance department, and subsidiary operations, and was fully involved in the integrated management of investment, financing, asset management, and divestment within the health and wellness and various commercial asset sectors.

Mr. Lyu obtained a bachelor's degree in Accounting from Guangdong University of Foreign Studies in the People's Republic of China in 2008 and a master degree in business administration from the University of California, USA in 2014. Mr. Lyu holds several professional qualifications including senior accountant and senior financial manager. He is a member of the Institute of Public Accountants (MIPA) and the International Federation of Accountants (IFAC). He is also a U.S. Certified Forensic Public Accountant (FCPA), a Personal Member of the Chinese Institute of Chief Financial Officers, a China Tax Accountant, a China Certified Risk Manager (CRM), and a Member of the National Society of Tax Professionals (NSTP).

JOINT COMPANY SECRETARIES

Mr. YAO Le (姚樂) is the vice president, chief financial officer, secretary to the Board and joint company secretary. See "Directors and Senior Management – Senior Management" for his biographical details.

Ms. FONG Christine Haiman (方希琳) is a joint company secretary of the Company. She is currently a manager of company secretarial services of Tricor Services Limited, a member of Vistra Group and an integrated provider offering business, corporate and investor services. She has over nine years of experience in the corporate services field and has been providing professional corporate services to Hong Kong listed companies as well as private and offshore companies.

Ms. Fong is a Chartered Secretary, a Chartered Governance Professional and an associate member of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in United Kingdom. Ms. Fong obtained a bachelor's degree in law from Queensland University of Technology in Australia in December 2016 and a master's degree in corporate governance from the Hong Kong Polytechnic University in September 2022.

DIRECTORS' REPORT

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability on December 9, 2021. The Group is an oncology healthcare group that principally engages in the investment in, and provision of, medical and healthcare related services in the PRC. The Company was listed on the Main Board of the Stock Exchange on June 23, 2025 with stock code 2609.

The activities and particulars of the Company' s principal subsidiaries are set out in Note 15 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year ended December 31, 2025 by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report. There were no significant changes in the nature of the Company's principal activities during the Reporting Period.

BUSINESS REVIEW AND RESULTS AND FUTURE DEVELOPMENT

A review of the business of the Group during the Reporting Period is provided in the section headed "Management Discussion and Analysis – Business Overview" of this annual report. An analysis of the Group's performance during the Reporting Period is provided in the section headed "Management Discussion and Analysis – Financial Review" of this annual report.

The results of the Group for the Reporting Period are set out in the consolidated financial statements in this annual report.

The future development in the Company's business is provided in the sections headed "Management Discussion and Analysis – Business Overview" and "Management Discussion and Analysis – Outlook" of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The Group's results of operations are subject to various factors with the key risks summarized below:

- China's healthcare services industry is currently undergoing regulatory reforms, and its development remains unpredictable. Changes in China's healthcare reform policies, particularly those concerning the regulation of non-public medical institutions, could have a significant adverse impact on the Group's business operations and future development.

- A substantial portion of the revenue generated by the Group's hospitals comes from providing medical services to patients covered by public medical insurance. Delays in payments or adjustments to reimbursement ratios under China's public medical insurance schemes could affect the Group's operational performance and cash flow.

- The Chinese government's pricing control policies for medical services and pharmaceuticals may directly affect the service pricing of the Group's hospitals and their overall profitability.

- The Group operates in a highly regulated healthcare industry and must comply with numerous laws and regulations. As regulatory requirements continue to tighten, the Group may face increasing compliance costs.

- The Group's hospitals may encounter patient complaints, claims, and legal proceedings during their operations. This could not only result in additional legal and compensation costs but also adversely affect the Group's brand reputation and operational performance.

- Any negative news regarding the Group, its hospitals, or the healthcare services industry could undermine public trust in the Group's medical services, thereby impacting its business prospects and operational performance.

- The Group is actively expanding its healthcare network through strategic acquisitions. If the operational performance of acquired businesses fails to meet expectations, it may lead to significant goodwill impairment, adversely affecting the Group's financial position.

- The Group is continuously upgrading its information technology systems to support business growth. System failures, cyberattacks, or data breaches could result in business disruptions or regulatory penalties, further impacting the Group's reputation and operations.

Since the above is not an exhaustive list, investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

For more details of other risks and uncertainties faced by the Group, please refer to the section headed "Risk Factors" of the Prospectus.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended December 31, 2025, the Group's sales to its five largest customers accounted for 15.2% (2024: 15.8%) of the Group's total revenue, and the Group's sales to its single largest customer accounted for 11.4% (2024: 12.6%) of the Group's total revenue. Huangshan Shoukang Hospital was the largest customer of the Group. For the year ended 31 December 2025, the aggregate sales to the Group's top five customers accounted for less than 30% of the Group's total revenue.

Major Suppliers

For the year ended December 31, 2025, the Group's purchases from its five largest suppliers accounted for 40.5% (2024: 46.6%) of the Group's total purchases, and the Group's purchases from its single largest supplier accounted for 14.9% (2024: 15.3%) of the Group's total purchases.

For the year ended December 31, 2025, there was no significant and material dispute between the Group and its customers and suppliers. As of the date of this annual report, all of the Group's five largest customers and suppliers during the Reporting Period were Independent Third Parties, and to the best of the knowledge of the Directors, none of the Directors, their respective close associates or any Shareholder who owned more than 5% of the Company's issued shares (excluding treasury shares) had any interest in any of the Group's five largest customers and suppliers.

KEY RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

For details of relationships with the employees, customers and suppliers, please refer to "Major Customers and Suppliers" and "Employee, Training and Remuneration Policies" in this annual report and the 2025 Environmental, Social and Governance Report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 11 to the consolidated financial statements.

SHARE CAPITAL

On June 23, 2025, the Company issued 133,105,800 Shares at the offer price of HKD4.22 per Share by the Global Offering.

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 24 to the consolidated financial statements.

DEBENTURES

The Group did not issue any debentures during the Reporting Period.

RESERVES

Details of the changes in the Group's reserves for the year ended December 31, 2025 are set out in Note 24(a) to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution, factoring in the share premium, exchange reserve and accumulated losses of the Company, amounted to approximately RMB555.4 million.

BANK AND OTHER BORROWINGS

Details of the bank and other borrowings of the Company during the Reporting Period are set out in Note 21 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save for the Post-IPO Share Option Scheme (as defined in the Prospectus) and as disclosed in the Prospectus and this annual report, there was no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management during the Reporting Period and up to the date of this annual report are:

Executive Directors

Dr. Chen Haoyang *(Chairman) (Appointed as the Chairman with effect from September 26, 2025)*
Mr. Zhao Yongkai *(Resigned as the Chairman with effect from September 26, 2025)*
Ms. Xu Xu
Mr. Lu Jizhong
Mr. Feng Yu

Independent Non-executive Directors

Mr. Chan Hok Leung
Ms. Liu Shuang
Dr. Guo Wei

Senior Management

Dr. Chen Haoyang
Mr. Zhao Yongkai
Ms. Xu Xu
Mr. Lu Jizhong
Mr. Feng Yu
Mr. Yao Le
Dr. Jiang Zheng *(Resigned with effect from December 29, 2025)*
Ms. Liu Yan *(Appointed with effect from September 26, 2025)*
Dr. Du Hongwei *(Appointed with effect from September 26, 2025)*
Mr. Lyu Chao *(Appointed with effect from December 29, 2025)*

Biographical details of Directors and senior management are set out in "Directors and Senior Management" of this annual report.

CHANGES TO THE INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

With effect from September 26, 2025, Ms. Liu Yan and Dr. Du Hongwei were appointed as vice presidents of the Company, respectively and Mr. Yao Le, the vice president and chief financial officer of the Company, was appointed as the secretary to the Board. For details, please refer to the announcement of the Company dated September 26, 2025.

With effect from September 26, 2025, Mr. Zhao Yong Kai ("**Mr. Zhao**"), due to his adjustment of personal work focus and business development needs, voluntarily resigned from the position of Chairman and Dr. Chen Haoyang ("**Dr. Chen**") was appointed as the Chairman. Mr. Zhao also voluntarily resigned as the chairman of the Nomination Committee and the member of the Remuneration Committee and Dr. Chen was appointed as the chairman of the Nomination Committee and the member of the Remuneration Committee. Mr. Zhao Yong Kai remains as an executive Director. For details, please refer to the announcement of the Company dated September 26, 2025.

With effect from December 29, 2025, Mr. Lyu Chao was appointed as the president of the Company and Dr. Jiang Zheng, due to his desire to devote more time on family matters, resigned as an assistant president of the Company. For details, please refer to the announcement of the Company dated December 29, 2025.

Save as disclosed above, there was no changes to information which are required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules during the Relevant Period.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the Directors has entered into a service contract or an appointment letter with the Company, under which they agreed to act as Directors for an initial term of three years commencing from the Listing Date, subject to retirement and re-election in accordance with the Articles of Association. The service contracts or letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of the Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' INTEREST IN COMPETING BUSINESS

To the best knowledge of the Directors, as of the date of this annual report, none of the Directors and their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly with the Group's business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the Relevant Period.

SIGNIFICANT CONTRACTS

None of the Directors or their respective connected entities (as defined in the Listing Rules) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group subsisting during or at the end of the Reporting Period to which the Company or any of its subsidiaries was a party.

During the Reporting Period, the Group has not entered into any contract of significance with the Controlling Shareholders or any of their respective close associates.

LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

As of the date of this annual report, the Company has not entered into any loan agreement which contains covenants requiring Controlling Shareholders to pledge Shares or fulfill specific performance obligations.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered discretionary bonus, cash awards and share awards based on individual performance. The Company has established the Remuneration Committee to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

Details of the emoluments of the Directors and five highest paid individuals are set out in Note 8 and Note 9 to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors or other individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

EMPLOYEE, TRAINING AND REMUNERATION POLICIES

As of December 31, 2025, the Group had 1,998 employees, as compared with 2,080 employees as of December 31, 2024.

The total staff cost (salaries, wages and other benefits and contributions to defined contribution retirement plan) were RMB318.4 million for the year ended December 31, 2025, representing a relatively stable level as compared with RMB318.0 million for the year ended December 31, 2024.

The Group provides both in-house and external training periodically and across operational functions, including introductory training for new employees, technical training, product training, management training and work safety training, with a view to fostering the basic skills of new employees to perform their duties and improving the relevant skills of the existing employees as well.

Remuneration packages for the employees mainly comprise base salary and performance-related bonus. We set performance targets for the employees primarily based on their position and department and periodically review their performance. The results of such reviews are used in their salary determinations, bonus awards and promotion appraisals.

The employees of the Group typically enter into standard employment contracts with the Group. Each in-network hospital independently recruits and enters into employment contracts with its own employees. In compliance with PRC regulations, the Group participates in various employee social insurance plans that are organized by applicable local municipal and provincial governments, including maternity, pension, medical, work-related injury and unemployment benefit plans, as well as housing provident funds. The Group is required under PRC laws to make contributions to employee benefit plans.

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is subject to various PRC laws, rules and regulations with regard to environmental matters, including hospital sanitation, disease control, disposal of medical waste, and discharge of wastewater, pollutants and radioactive substances. The Group has implemented internal policies and procedures concerning environmental protection and engaged qualified service providers to dispose of medical waste and radioactive substances.

During the Reporting Period, the businesses of the Group were in compliance with all the relevant laws and regulations with regard to environmental protection in all material aspects. The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment, giving back to the community and achieving sustainable growth.

For more details, please refer to the Environmental, Social and Governance Report prepared in accordance with Appendix C2 of the Listing Rules.

THE GROUP'S SUBSIDIARIES

A summary of the corporate information and the particulars of the Group's subsidiaries are set out in Note 15 to the consolidated financial statements.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of December 31, 2025, to the best knowledge of the Directors, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of the Company's associated corporations (within the meaning of Part XV of the SFO), which were required (a) 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 were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Interests in the Company

Name of Director/ chief executive officer	Nature of interest	Number of Shares interested(1)	Approximate percentage of shareholding in the total share capital of the Company (2)
Xu Xu	Interest in controlled corporations	831,227,272 (L)	63.04%

Notes:

(1) The letter "L" denotes long position in the Shares.

(2) The percentages were calculated based on the total number of 1,318,466,823 issued Shares as of December 31, 2025.

(ii) Interests in the shares of associated corporations

Name of Director/ chief executive officer	Nature of interest	Associated corporations	Amount of Registered Capital (approximately RMB)	Approximate percentage of shareholding
Xu Xu (徐旭)	Beneficial interest	Tianjin Yizhong Junan Hospital Management Partnership (Limited Partnership)* (天津醫眾君安醫院管理合夥企業(有限合夥)	5,392,000	14.54%

Save as disclosed above, as of December 31, 2025, so far as the Directors are aware, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be 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 were taken or deemed to have taken under such provisions of the SFO); or which would be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2025, to the best of knowledge of the Directors, the following persons, other than Directors or chief executive of the Company, had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares[1]	Approximate percentage of shareholding in the Company[2]
Bayway Fund L.P.[3]	Beneficial interest	682,266,228 (L)	51.75%
	Persons acting in concert	95,915,590 (L)	7.27%
Xuxi Holding[3]	Persons acting in concert	95,915,590 (L)	7.27%
	Beneficial interest	682,266,228 (L)	51.75%
Relevant Shareholders of Bayway Fund L.P.[3]	Interest in controlled corporation	778,181,818 (L)	59.02%
Relevant Shareholders of Xuxi Holding[3]	Interest in controlled corporation	95,915,590 (L)	7.27%
Zhu Hongbing (朱紅兵)[3]	Interest in controlled corporation	831,227,272 (L)	63.04%
Cui Yifan (崔一帆)[3]	Interest in controlled corporation	831,227,272 (L)	63.04%
Shanghai Zhenghesheng Enterprise Management Partnership (Limited Partnership)* (上海正闔盛企業管理合夥企業(有限合夥)) ("**Shanghai Zhenghesheng**")[4]	Beneficial interest	109,090,909 (L)	8.27%
Relevant Shareholders of Shanghai Zhenghesheng[4]	Interest in controlled corporation	109,090,909 (L)	8.27%
Shanghai Shengren Enterprise Management Partnership (Limited Partnership)* (上海晟荏企業管理合夥企業(有限合夥)) ("**Shanghai Shengren**")[5]	Beneficial interest	90,666,667	6.88%
Relevant Shareholder of Shanghai Shengren[5]	Interest in controlled corporation	90,666,667	6.88%
Relevant Shareholders of Shanghai Shengren and Shanghai Xinlun[5]	Interest in controlled corporation	97,437,667	7.39%

Notes:

(1) The letter "L" denotes long position in Shares.

(2) The percentages were calculated based on the total number of 1,318,466,823 issued Shares as of December 31, 2025.

(3) Bayway Fund L.P. is an exempted limited partnership registered in the Cayman Islands with Rose Violet X Limited ("**Rose Violet X**") as its sole general partner. Rose Violet X is a wholly-owned subsidiary of Wineberry X Limited ("**Wineberry X**"), which in turn is owned as to 80% by Crimson X Limited ("**Crimson X**"), the sole shareholder of which is Ms. Xu Xu (徐旭) ("**Ms. Xu**"). In respect of the limited partners of Bayway Fund L.P., each of (i) Verdancy C Limited (a company incorporated in the British Virgin Islands and is owned as to 90% by Best Power SG Capital Pte. Ltd., a Singapore incorporated private company limited by shares, which in turn is wholly owned by Marine Green C Limited, a company incorporated in the British Virgin Islands and wholly-owned by Chen Hua (陳樺), the sister of the executive Director Chen Haoyang (陳昊陽)) and (ii) Lavender J Limited (a company incorporated in the British Virgin Islands and is owned as to 90% by Ultramarine H Limited, which is a company incorporated in the British Virgin Islands and wholly-owned by Huang Zhuguang (黃柱光)), is interested in more than one-third of the partnership interests in Bayway Fund L.P.. Moreover, the remaining 10% of the shareholding interests in Lavender J Limited is owned by Amethyst J Limited, a company incorporated in the British Virgin Islands and wholly-owned by Jiang Yanrong (蔣豔榮), who is the spouse of Huang Zhuguang. By virtue of SFO, Rose Violet X, Wineberry X, Crimson X, Verdancy C Limited, Best Power SG Capital Pte. Ltd., Marine Green C Limited, Chen Hua, Lavender J Limited, Ultramarine H Limited, Huang Zhuguang, Amethyst J Limited and Jiang Yanrong (together, the "**Relevant Shareholders of Bayway Fund L.P.**") are deemed to be interested in the Shares held by Bayway Fund L.P..

Sugar Berry Limited ("**Sugar Berry**") holds 33,090,909 Shares in the Company, representing approximately 2.51% of the shareholding interest in the Company as of December 31, 2025. Sugar Berry is a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of Shanghai Huijin Enterprise Management Partnership (Limited Partnership)* (上海琿金企業管理合夥企業(有限合夥)), a limited partnership established in the PRC with Beijing Baihui Investment Fund Management Company Limited* (北京佰惠投資基金管理有限公司) ("**Baihui Investment Fund**") being the sole general partner and Anhui Beiyi Huijin Equity Investment Partnership (Limited Partnership)* (安徽北醫匯金股權投資合夥企業(有限合夥)) ("**Anhui Beiyi Huijin**") being the limited partner. Anhui Beiyi Huijin is a limited partnership established in the PRC with Baihui Investment Fund being the sole general partner. Baihui Investment Fund in turn is owned as to 80% by Ms. Xu. To the best knowledge of the Directors, Gongqingcheng Yusheng Investment Management Partnership (Limited Partnership)* (共青城鈺晟投資管理合夥企業(有限合夥)), a limited partnership established in the PRC, is the only limited partner and is interested in one-third or more of the partnership interests in Anhui Beiyi Huijin. Gongqingcheng Yusheng Investment Management Partnership (Limited Partnership)* (共青城鈺晟投資管理合夥企業(有限合夥)) in turn is owned as to 98.33% by an individual who is the father of a substantial shareholder of Henan Baihui Medical Investment Management Co., Ltd.* (河南佰惠醫療投資管理有限公司), one of the Group's subsidiaries.

Cheery Smiley Limited ("**Cheery Smiley**") holds 13,454,545 Shares in the Company, representing approximately 1.02% of the shareholding interest in the Company as of December 31, 2025. Cheery Smiley is a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of Shanghai Huifang Enterprise Management Partnership (Limited Partnership)* (上海琿方企業管理合夥企業(有限合夥)) ("**Shanghai Huifang**"), a limited partnership established in the PRC with Baihui Investment Fund being the sole general partner and Anhui Beiyi Huifang being the limited partner. Anhui Beiyi Huifang is a limited partnership established in the PRC with Baihui Investment Fund being the sole general partner. Baihui Investment Fund in turn is owned as to 80% by Ms. Xu. To the best knowledge of the Directors, Beijing Hopson Jiaye Property Management Company Limited* (北京合生嘉業物業管理有限公司), a limited company established in the PRC, is the only limited partner and is interested in one-third or more of the partnership interests in Anhui Beiyi Huifang. Beijing Hopson Jiaye Property Management Company Limited* (北京合生嘉業物業管理有限公司) in turn is owned as to 97.79% by an individual who is an Independent Third Party.

Backspace Limited ("**Backspace**") holds 6,500,000 Shares in the Company, representing approximately 0.49% of the shareholding interest in the Company as of December 31, 2025. Backspace is a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of Shanghai Huitong Enterprise Management Partnership (Limited Partnership)* (上海琿通企業管理合夥企業(有限合夥)) ("**Shanghai Huitong**"), a limited partnership established in the PRC with Baihui Investment Fund being the sole general partner and Anhui Beiyi Huitong being the limited partner. Anhui Beiyi Huitong is a limited partnership established in the PRC with Baihui Investment Fund being the sole general partner. Baihui Investment Fund in turn is owned as to 80% by Ms. Xu. To the best knowledge of the Directors, Shanghai Yuzheng Zerong Enterprise Management Company Limited* (上海毓正澤榮企業管理有限公司), a limited company established in the PRC, is the only limited partner and is interested in one-third or more of the partnership interests in Anhui Beiyi Huitong. Shanghai Yuzheng Zerong Enterprise Management Company Limited* (上海毓正澤榮企業管理有限公司) in turn is owned as to 80% by an individual who is an Independent Third Party. As a result of her control in Baihui Investment Fund, which in turn indirectly controls each of Sugar Berry, Cheery Smiley and Backspace, by virtue of the SFO, Ms. Xu are deemed to be interested in the total Shares directly held by each of Sugar Berry, Cheery Smiley and Backspace.

Xuxi Holding Ltd. ("**Xuxi Holding**") is a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of Shanghai Xuxi Enterprise Management Partnership (Limited Partnership)* (上海栩西企業管理合夥企業(有限合夥)) ("**Shanghai Xuxi Management**"), a limited partnership established in the PRC with Cui Yifan (崔一帆) being the sole general partner and Shanghai Xukun Enterprise Management Co., Ltd.* (上海栩琨企業管理有限公司) ("**Shanghai Xukun Management**") being the limited partner. Shanghai Xukun Management is a company established in the PRC which in turn is owned as to 67% by Zhu Hongbing (朱紅兵) and as to 33% by Cui Yifan (崔一帆). Cui Yifan (崔一帆) is a director of subsidiaries of the Group, and the son of Zhu Hongbing (朱紅兵). By virtue of the SFO, each of Shanghai Xuxi Management and Shanghai Xukun Management (together, "**Relevant Shareholders of Xuxi Holding**") are deemed to be interested in the total Shares directly held by Xuxi Holding. Pursuant to the arrangement under the Concert Party Agreements, Bayway Fund L.P. and Xuxi Holding has agreed to, among others, vote unanimously at all shareholders' meetings and directors' meetings, discuss and reach consensus with each other before proposing to shareholders' meetings and directors' meetings, and act in concert, in respect of all key operations and development matters of the Company. By virtue of the SFO, each of Ms. Xu, Zhu Hongbing (朱紅兵) and Cui Yifan (崔一帆), are deemed to be interested in the total Shares directly held by Bayway Fund L.P., Xuxi Holding, Sugar Berry, Cheery Smiley and Backspace.

(4) To the best knowledge of the Directors, Zhengqi (Beijing) Asset Management Co., Ltd.* (正奇(北京)資產管理有限公司) ("**Zhengqi (Beijing)**"), a limited liability company established in the PRC, is the general partner of Shanghai Zhenghesheng. Zhengqi (Beijing) is wholly-owned by Zhengqi Holdings Corporation* (正奇控股股份有限公司) ("**Zhengqi Holdings**"), which is in turn owned as to 94.62% by Legend Holdings Corporation* (聯想控股股份有限公司), a joint stock limited liability company established under the laws of PRC and its overseas listed shares are listed on the Main Board of the Stock Exchange (Stock Code: 03396). Zhengqi Holdings is the sole limited partner of Shanghai Zhenghesheng and is interested in one-third or more of the partnership interests in Shanghai Zhenghesheng. By virtue of the SFO, Zhengqi (Beijing), Zhengqi Holdings, and Legend Holdings Corporation* (聯想控股股份有限公司) (together "**Shanghai Zhenghesheng Shareholders**") are deemed to be interested in the Shares held by Shanghai Zhenghesheng.

(5) To the best knowledge of the Directors, Shenzhen Huaxin Capital Management Co., Ltd.* (深圳市華信資本管理有限公司) ("**SZ Huaxin Capital Management**"), a limited liability company established in the PRC, is the general partner of Shanghai Shengren. Shenzhen Huaxin Capital Management Co., Ltd.* (深圳市華信資本管理有限公司) ("**SZ Huaxin Capital Management**") is owned as to 37% by Chuhou (Shenzhen) Management Center (Limited Partnership)* (處厚(深圳)管理中心(有限合夥)) ("**Chuhou SZ**"), the general partner of which is an individual who is an Independent Third Party. Chuhou SZ has a limited partner (being an individual) who is interested in one-third of the partnership interests in Chuhou SZ and is also an Independent Third Party (the said two individuals as "**Chuhou SZ Individual Shareholders**"). In addition, Luxin Venture Capital Group Co., Ltd* (魯信創業投資集團股份有限公司) ("**Luxin Venture**"), a joint stock limited liability company established under the laws of PRC, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600783), has directly and indirectly through corporations controlled by it interested in 47% partnership interests in SZ Huaxin Capital Management in aggregate. In respect of the limited partners of Shanghai Shengren, (i) Shenzhen Zexin Management Center Partnership Enterprise (Limited Partnership)* (深圳市澤信管理中心合夥企業(有限合夥)) ("**SZ Zexin Management**"), a limited partnership established in the PRC whose general partner being Chuhou SZ, is interested in more than one-third of the partnership interests in Shanghai Shengren. SZ Zexin Management does not have any limited partners being interested in one-third or more of the partnership interests in SZ Zexin Management; (ii) three other limited partners of Shanghai Shengren, namely, Chengdu Luxin Jingrong Phase II Venture Capital Center (Limited Partnership)* (成都魯信菁蓉貳期創業投資中心(有限合夥)) ("**CD Luxin Phase II**"), Shandong Luxin New and Old Momentum Conversion Venture Capital Fund of Funds Partnership (Limited Partnership)* (山東省魯信新舊動能轉換創投母基金合夥企業(有限合夥)) ("**SD Luxin Momentum**") and Wuxi Jintou Luxin Venture Capital Partnership (Limited Partnership)* (無錫金投魯信創業投資合夥企業(有限合夥)) ("**WX Jintou Luxin**"), each being a limited partnership established in the PRC, individually are not interested in one-third or more of the partnership interests in Shanghai Shengren, but each of CD Luxin Phase II, SD Luxin Momentum and WX Jintou Luxin is having Shandong High-tech Venture Capital Co., Ltd.* (山東省高新技術創業投資有限公司) ("**SD High-tech Venture**"), a limited company established in the PRC which is wholly owned by Luxin Venture, as general partner and/or their respective largest limited partner.

Shanghai Xinlun Enterprise Management Partnership (Limited Partnership)* (上海信倫企業管理合夥企業(有限合夥)) ("**Shanghai Xinlun**"), a limited partnership established in the PRC, holds 6,771,000 Shares in the Company, representing approximately 0.51% of the shareholding interest in the Company as of December 31, 2025. To the best knowledge of the Directors, SZ Huaxin Capital Management is the general partner of Shanghai Xinlun. Shanghai Xinlun has a limited partner, Wuxi Luxin Third Venture Investment Partnership (Limited Partnership)* (無錫魯信叁期創業投資合夥企業(有限合夥)) ("**Luxin Third Venture**"), which is interested in more than one-third of the partnership interests in Shanghai Xinlun. Luxin Third Venture is a limited partnership established in the PRC and whose general partner is also SZ Huaxin Capital Management, and its largest limited partner being entities ultimately controlled and/or owned by Luxin Venture as to more than one-third of the equity interests.

By virtue of SFO, (i) each of SZ Huaxin Capital Management, Chuhou SZ, Chuhou SZ Individual Shareholders, SD High-tech Venture and Luxin Venture (together, the "**Relevant Shareholders of Shanghai Shengren and Shanghai Xinlun**") are deemed to be interests in the Shares held by Shanghai Shengren and Shanghai Xinlun, and SZ Zexin Management is deemed to be interested in the Shares held by Shanghai Shengren (the "**Relevant Shareholder of Shanghai Shengren**").

Save as disclosed above, as of December 31, 2025, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Post-IPO Share Option Scheme as disclosed in the section headed "Pre-IPO Share Option Scheme" of this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

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

Neither the Company nor its subsidiary had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the Reporting Period. As of December 31, 2025, the Company did not hold any treasury shares.

MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS

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

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares of the Company were listed on the Main Board of the Stock Exchange on June 23, 2025. The net proceeds from the Global Offering amounted to approximately HKD473.1 million. The Company intends to use the net proceeds in the same matter and proportion as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus and there has been no change in the intended use of the net proceeds and the expected timeline. The following table sets forth the status of the use of the net proceeds from the Global Offering as of December 31, 2025:

Intended use of net proceeds	Percentage of intended use of net proceeds (%)	Net proceeds from the Global Offering (In HKD millions)	Amount utilized during the year ended and up to December 31, 2025 (In HKD millions)	Amount unutilized as of December 31, 2025 (In HKD millions)	Expected timeline of full utilization of the net proceeds
To continuously strengthen the full-cycle oncology healthcare services	**35.7**	**169**	**18.2**	**150.8**	**By the end of 2027**
Strengthening capabilities of screening and early detection of cancer services	10.5	49.8	2.4	47.4	By the end of 2027
Strengthening oncology treatment services capabilities	16.3	77.3	11.7	65.6	By the end of 2027
Strengthening rehabilitation services capabilities	2.8	13.0	4.1	8.9	By the end of 2027
Construction of the Oncology Center Building for Wuzhi Jimin Hospital	6.1	28.9	–	28.9	By the end of 2027
To acquire hospitals when appropriate opportunities arise	**30.6**	**144.9**	**–**	**144.9**	**By the end of 2027**
To expand the hospital management business	**15.3**	**72.4**	**–**	**72.4**	**By the end of 2027**
To upgrade the IT infrastructure and/or systems	**10.2**	**48.3**	**8.7**	**39.6**	**By the end of 2027**
Working capital and other general corporate purposes	**8.1**	**38.5**	**6.8**	**31.7**	**By the end of 2027**
Total	**100.0**	**473.1**	**33.7**	**439.4**	

The current expected timeframe for utilizing the remaining unused net proceeds in full are based on the best estimation by the Directors barring any unforeseen circumstances and may be subject to change based on the Group's operating conditions and prevailing and future development of market conditions. The Directors will assess the plans for the use of the unutilized net proceeds on an ongoing basis and may revise or modify such plans where necessary to respond to the changing market conditions with a view to promoting a better growth and development of the Group. The Group will continue to evaluate the use of the unutilized net proceeds cautiously and monitor the market conditions closely to adjust the use of the unutilized net proceeds from the fund raising activities by the Group where necessary for the long-term development of the Group. The Company will make appropriate announcement(s) in due course in accordance with and if required under the Listing Rules should there be any material change in the intended use of the unutilized net proceeds.

LITIGATION AND COMPLIANCE

During the Reporting Period, the Group did not commit any material non-compliance of the laws and regulations, and did not experience any non-compliance incident, which taken as a whole, in the opinion of the Directors, is likely to have a material and adverse effect on the Group's business, financial condition or results of operations.

RELATED PARTY TRANSACTIONS

For the year ended December 31, 2025, there is no related party transaction or continuing related party transaction which constitutes connected transaction or continuing connected transaction and is subject to disclosure requirements under Chapter 14A of the Listing Rules.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

ANNUAL GENERAL MEETING

The AGM will be held on June 16, 2026. A notice convening the AGM will be published on the HKEXnews website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.bayzedhealthcare.com) and will be dispatched to the Shareholders who have requested corporate communications in printed copy in accordance with the requirement of the Listing Rules in due course.

FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the year ended December 31, 2025. (For the year ended December 31, 2024: Nil)

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

TAXATION

Tax position of the Company for the year ended December 31, 2025 is set out in Note 7 to the consolidated financial statements.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities. If any of the Shareholders is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, he or she is advised to consult an expert.

BANK AND OTHER BORROWINGS

Particulars of bank and other borrowings of the Company for the year ended December 31, 2025 are set out in Note 21 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

In accordance with Article 44 of the Articles of Association, the Directors and other officers shall be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default.

The Company has maintained directors' liability insurance to protect the Directors of the Company against any potential losses arising from his/her actual or alleged misconduct during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2025 and as at the date of this Annual Report, 36.96% of the Company's total number of issued shares (excluding treasury shares) were held by the public. Details of the Company's remaining ownership of its shares are set out under the paragraph headed "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares" in this annual report.

As at December 31, 2025, the Company had 1,318,466,823 issued ordinary shares. Details of the share capital are set out in Note 24 to the financial statements.

AUDIT COMMITTEE

As of the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Hok Leung, Ms. Liu Shuang and Dr. Guo Wei. Mr. Chan Hok Leung is the chairperson of the Audit Committee who possesses appropriate professional qualifications as required by Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2025 and has recommended for the Board's approval thereof.

The Audit Committee has reviewed, together with the Company's management, the accounting principles and policies adopted by the Group and the consolidated financial statements of the Group for the year ended December 31, 2025. The Audit Committee considered that the annual results of the Group are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

FINANCIAL SUMMARY

A summary of the Group' s financial results, assets and liabilities for the last four financial years are set out on page 140 of this annual report. This summary does not form part of the audited consolidated financial statements.

DONATION

During the year ended December 31, 2025, the Group made a total of charitable donations of approximately RMB0.6 million.

COMPLIANCE WITH NON-COMPETITION UNDERTAKING

As disclosed in the Prospectus, the Group's Controlling Shareholders entered into a non-competition undertaking ("**Non-competition Undertaking**") in favour of the Company on June 9, 2025.

Pursuant to the Non-competition Undertaking, each of the Controlling Shareholders has undertaken, during the Relevant Period (as defined under the Prospectus), that they shall not and shall procure their respective close associates and/or companies controlled by them (other than the Group) not, directly or indirectly, be interested or involved or engaged in or carry out or concern with or acquire or hold any right or interest in any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by the Group in the PRC and any other country or jurisdiction in which the Group carries on such business and/or in which any member of the Group carries on business mentioned above currently and from time to time. For details of the Non-competition Undertaking, please refer to the section headed "Relationship with our Controlling Shareholders – Non-Competition Undertaking" in the Prospectus.

Each of them has confirmed in writing to the Company of their compliance with the Non-competition Undertaking for disclosure in this annual report during the year ended December 31, 2025. No new business opportunity was informed by them as of December 31, 2025.

The independent non-executive Directors have reviewed the implementation of the Non-competition Undertaking and are of the view that the Non-competition Undertaking has been complied with for the year ended December 31, 2025.

CORPORATE GOVERNANCE

Details of the corporate governance of the Group are set out in the section headed "Corporate Governance Report" in this annual report.

POST-IPO SHARE OPTION SCHEME

On August 8, 2023, the Post-IPO Share Option Scheme was conditionally approved and adopted pursuant to written resolutions passed by the Shareholders and subsequently amended on June 9, 2025. The Post-IPO Share Option Scheme is effective for a period of 10 years commencing from June 23, 2025. The remaining life of the Share Option Scheme is approximately nine years and two months. The Post-IPO Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules. The principal terms of the Post-IPO Share Option Scheme are summarised as follows:

The purpose of the Post-IPO Share Option Scheme is to (i) motivate the eligible participants to optimize their performance efficiency for the benefit of the Group; and (ii) attract and retain the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

The Board may, at its discretion, offer to grant an option to any eligible participants, which includes any director and employee of the Company or any of the subsidiaries (including persons who are granted options under the Post-IPO Share Option Scheme as an inducement to enter into employment contracts with the Company and/or any of the subsidiaries) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with the rules of the Post-IPO Share Option Scheme.

The maximum number of Shares in respect of which options and awards may be granted under the Post-IPO Share Option Scheme and any other share schemes of the Company must not in aggregate exceed 98,130,435 ordinary Shares in the share capital of the Company which shall not in aggregate exceed 10% of the total number of Shares in issue immediately following the completion of the Global Offering (i.e. 131,846,682 Shares) (the "**Scheme Limit**"). The Company may issue new Shares to the relevant grantee to satisfy the awards upon exercise of the options granted under the Post-IPO Share Option Scheme.

The maximum number of Shares issued and to be issued upon exercise of the share options granted to any one eligible participant (including exercised and outstanding share options) in any 12-month period shall not exceed 1% of the Shares in issue from time to time.

The subscription price in respect of any particular share option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant share option (and shall be stated in the letter containing the offer of the grant of the share option), but the subscription price shall be the highest of: (a) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the offer date; and (b) the average of the closing prices of Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date. The subscription price shall also be subject to adjustment in accordance with the rankings of share.

Subject to the approval of the Shareholders in general meeting in compliance with the relevant Listing Rules, the Scheme Limit may be refreshed by ordinary resolution of the Shareholders in general meeting from time to time. Any refreshment within any three-year period from the date of the Shareholders' approval for the last refreshment (or from the effective date of the Post-IPO Share Option Scheme, being the Listing Date) must be approved by the Shareholders subject to certain provisions.

As of December 31, 2025 and up to the date of this annual report, no options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Post-IPO Share Option Scheme and therefore the total number of options available for grant under the Scheme Limit was 131,846,682 Shares, representing 10% of the issued Shares.

During the Reporting Period, there were no options granted under the Post-IPO Share Option Scheme. Therefore, the number of shares that may be issued in respect of options granted under the Post-IPO Share Option Scheme, divided by the weighted average number of Shares (excluding treasury shares, if any) as of December 31, 2025, is nil.

As no options had been granted or agreed to be granted since the adoption of the Post-IPO Share Option Scheme, (i) no share options under the Post-IPO Share Option Scheme were outstanding as of December 31, 2025; and (ii) no share options had been exercised, vested, cancelled or lapsed under the Post-IPO Share Option Scheme during the Reporting Period.

The Board shall, subject to and in accordance with the provisions of the Post-IPO Share Option Scheme and the Listing Rules, be entitled to but shall not be bound, at any time on any business day during the Post-IPO Share Option Scheme period offer to grant an option to any eligible participant whom the Board may in its absolute discretion select and subject to such conditions (including, without limitation, the vesting period and/or any performance targets) as it may think fit.

An option may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. No option may be granted more than ten years after the Listing Date. Subject to earlier termination by the Company in general meeting or by the Board, the Post-IPO Share Option Scheme shall be valid and effective for a period of ten years from the Listing Date.

APPRECIATION

On behalf of the Board, I would like to express the sincere gratitude to medical professions, patients and business partners for their trust in the Company, the staff and management team for their diligence, dedication, loyalty and integrity, and the Shareholders for their continuous support.

By order of the Board
Bayzed Health Group Inc
(佰澤醫療集團)
Dr. Chen Haoyang
Chairman and Executive Director

Hong Kong, March 31, 2026

CORPORATE GOVERNANCE REPORT

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to report to the shareholders of the Company (the "**Shareholders**") on the corporate governance of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE CULTURE AND VALUE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

– satisfactory and sustainable returns to Shareholders;

– that the interests of those who deal with the Company are safeguarded;

– that overall business risk is understood and managed appropriately;

– the delivery of high-quality products and services to the satisfaction of customers; and

– that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the basis of the Company's corporate governance practices.

The Board is of the view that the Company has complied with all the applicable code provisions set out in Part 2 of the CG Code from the Listing Date to the date of this report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code from the Listing Date to 31 December 2025.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

BOARD COMPOSITION

The Board comprises the following during the Relevant Period and up to the date of this annual report:

Executive Directors

Mr. Zhao Yongkai (趙永凱)
Ms. Xu Xu (徐旭)
Dr. Chen Haoyang (陳昊陽)
Mr. Lu Jizhong (盧繼忠)
Mr. Feng Yu (馮宇)

Independent Non-executive Directors

Mr. Chan Hok Leung (陳學良)
Ms. Liu Shuang (劉爽)
Dr. Guo Wei (郭衛)

The biographical information of the Directors including the relationships among the members of the Board are set out in the section headed "Directors Biographies" of this Annual Report.

Each Director has confirmed that (i) he/she has obtained legal advice as referred to in rule 3.09D of the Listing Rules on 31 October 2023, and (ii) he/she understands his/her obligations as a Director of a listed issuer under the Listing Rules.

To the best knowledge of the Company, no Director has any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director or any key executive.

BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

Pursuant to code provision C.5.1 of the CG Code, regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors. As the Shares were only listed on 23 June 2025, the code provision C.5.1 is not applicable to the Company throughout the year. Since the Listing Date to 31 December 2025, three Board meetings were held.

From 1 January 2026 onwards, the Board will meet regularly and schedule to meet at least four times every year at approximately quarterly intervals in accordance with the CG Code.

The Company adopts the practice of holding Board meetings regularly, at least four times a year, either in person or through electronic means of communication, and at approximately quarterly intervals. Directors may participate in meeting either in person or through electronic means of communication. All Directors are given not less than 14 days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

The agenda and the accompanying meeting papers are sent in full to all Directors or relevant committee members at least three working days before the date of meetings (or such other period as the members may agree). The Directors are allowed to include into the draft agenda any additional matters that they wish to discuss and resolve at this meeting.

Minutes of each Board and Board committees' meeting record in sufficient details the matters considered, and decisions made, including any concerns or views of the Directors or the relevant committee members or dissenting views expressed. Final version of minutes is circulated to all Directors or committee members for their perusal prior to confirmation of the minutes at the subsequent Board or Board committees' meeting. The Directors or committee members may request for clarification or raise comments before the minutes are tabled for confirmation. Upon receiving confirmation from the Directors or committee members, the minutes will be signed by the chairman of the meeting as a correct record of the proceedings of the meeting and kept by the accounts department of the Company, and are open for inspection at any reasonable time on reasonable notice given by any Director or committee member.

A summary of the attendance records of the Directors at the Board meetings held during the period from the Listing Date to 31 December 2025 is set out below:

	Attendance/Number of Meetings				
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Annual General Meeting**
Executive Directors					
Dr, Chen Haoyang	3/3	N/A	N/A	N/A	N/A
Mr. Zhao Yongkai	3/3	N/A	1/1	1/1	N/A
Ms. Xu Xu	3/3	N/A	N/A	N/A	N/A
Mr. Lu Jizhong	3/3	N/A	N/A	N/A	N/A
Mr. Feng Yu	3/3	N/A	N/A	N/A	N/A
Independent non-executive Directors					
Mr. Chan Hok Leung	3/3	3/3	1/1	1/1	N/A
Ms. Liu Shuang	3/3	3/3	1/1	1/1	N/A
Dr. Guo Wei	3/3	3/3	N/A	N/A	N/A

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board assumes the responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

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. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

CHAIRMAN AND PRESIDENT

With effect from September 26, 2025, Mr. Zhao Yong Kai resigned from the position of Chairman and Dr. Chen Haoyang was appointed as the Chairman.

With effect from December 29, 2025, Mr. Lyu Chao was appointed as the president of the Company.

Code provision C.2.1. of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The positions of Chairman and President are held by Dr. Chen Haoyang and Mr. Lyu Chao, respectively, thus we have complied with code provision C.2.1. The division of responsibilities between the Chairman and the President has been clearly established.

INDEPENDENT NON-EXECUTIVE DIRECTORS

From the Listing Date to the date of this report, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has also complied with the requirement under rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company has received a written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

BOARD INDEPENDENCE EVALUATION

The Company has established a Board Independence Evaluation Mechanism during the year which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

Up to the date of this report, all Directors has completed the independence evaluation individually. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

Up to the date of this report, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The non-executive Directors (including independent non-executive Directors) are appointed for a specific term of 3 years, subject to renewal after the expiry of the then current term.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association of the Company and the nomination policy of the Company. The Nomination Committee is responsible for reviewing the Board composition, assessing the independence of independent non-executive Directors and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

Under Article 26.4 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Article 26.3 of the Articles of Association also provides that any Director appointed by the Board to fill a casual vacancy shall be subject to re-election by shareholders at the first annual general meeting after appointment and any Director appointed by the Board as an addition to the Board shall be eligible for re-election at the next following annual general meeting. Dr. Chen Haoyang, Ms. Xu Xu, Mr. Lu Jizhong, Mr. Feng Yu, Mr. Chan Hok Leung and Ms. Liu Shuang are subject to retirement by rotation and re-election at the AGM. The retiring Directors shall be eligible for re-election.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Pursuant to the applicable code provisions as set out in the CG Code, all Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 December 2025 and prior to the Listing, all Directors have participated in continuous professional development by attending training course or external seminars to develop and refresh their knowledge and skills in relation to their contribution to the Board.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

The training records of the Directors for the year ended 31 December 2025 are summarized as follows:

Directors	Type of Training[Note]
Executive Directors	
Mr. Zhao Yongkai (趙永凱)	*A
Ms. Xu Xu (徐旭)	*A
Dr. Chen Haoyang (陳昊陽)	*A
Mr. Lu Jizhong (盧繼忠)	*A
Mr. Feng Yu (馮宇)	*A
Independent Non-Executive Directors	
Mr. Chan Hok Leung (陳學良)	*A
Ms. Liu Shuang (劉爽)	*A
Dr. Guo Wei (郭衛)	*A

Notes:

Types of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

C: Reading documents on various topics, including directors' duties, notifiable and connected transactions, conflict of interests and the latest requirements under the Corporate Governance Code

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee (collectively, the "**Board Committees**"), for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

The list of the chairperson and members of each Board committee is set out under "Corporate Information" on page 2.

Audit Committee

The Audit Committee comprises three members, namely Mr. Chan Hok Leung (independent non-executive Director), Ms. Liu Shuang (independent non-executive Director) and Dr. Guo Wei (independent non-executive Director). Mr. Chan Hok Leung is the chairman of the Audit Committee, and he has the appropriate professional experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The term of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee are to assist the Board in reviewing the financial results and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee had reviewed, together with the management of the Company, the accounting principles and policies adopted by the Group and discussed internal controls and financial reporting matters including a review of the audited consolidated financial statements and annual results of the Group for the year ended 31 December 2025.

During the period from the Listing Date to 31 December 2025, the Audit Committee held three meetings to, among others, review the Company's unaudited consolidated interim results for the six months ended 30 June 2025 and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also reviewed and discussed the risk management and internal control measures and systems of the Company, financial reporting and the appointment of the auditor. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the Auditor.

Remuneration Committee

The Remuneration Committee comprises three members, namely Ms. Liu Shuang (independent non-executive Director), Mr. Chan Hok Leung (independent non-executive Director) and Dr. Chen Haoyang (executive Director) (appointed on September 26, 2025). Mr. Zhao Yongkai has ceased as a member of the Remuneration Committee with effect from September 26, 2025. Ms. Liu Shuang is the chairlady of the Remuneration Committee.

The term of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG code. The primary duties of the Remuneration Committee are to review and make recommendation to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration and to assess the performance of executive director.

During the period from the Listing Date to 31 December 2025, the Remuneration Committee held one meeting, during which the Remuneration Committee has, among others, reviewed the remuneration policy and structure of the Company, assessed performance of the executive Directors and the senior management of the Company, approved the terms of service contracts of the executive Directors and senior management of the Company and other related matters of the Company.

The remuneration of the senior management (excluding Directors), whose biographical details are included in the section headed "Directors and Senior Management" of this Annual Report, during the year falls within the following bands:

Annual remuneration (HKD)	Number of Individuals(Note)
HKD0 to HKD500,000	3
HKD500,001 to HKD1,000,000	2

Note: During the year ended December 31, 2025, the Company had 5 members of the senior management, among which, Dr. Jiang Zheng resigned as a member of the senior management of the Company with effect from December 29, 2025.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary, pensions, performance/discretionary bonus and/or share incentives. The remuneration policy for independent non-executive Directors is to ensure that independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Individual Directors and senior management have not been involved in deciding their own remuneration.

The Remuneration Committee also made recommendations to the Board on the terms of service contracts or letters of appointment of the new executive/independent non-executive Directors appointed during the year.

No material matters relating to share schemes (as defined under Chapter 17 of the Listing Rules) were required to be reviewed or approved by the Remuneration Committee during the Reporting Period.

Nomination Committee

The Nomination Committee comprises three members, namely Dr. Chen Haoyang (executive Director) (appointed on September 26, 2025), Mr. Chan Hok Leung (independent non-executive Director) and Ms. Liu Shuang (independent non-executive Director). Mr. Zhao Yongkai has ceased as a chairman of the Nomination Committee with effect from September 26, 2025. Dr. Chen Haoyang is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, reviewing the Board Diversity Policy and the Director Nomination Policy and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the period from the Listing Date to 31 December 2025, the Nomination Committee held one meeting, during which the Nomination Committee has, among others, assessed the independence of independent non-executive Directors, reviewed the backgrounds of proposed Director and senior management and reviewed the structure, number, composition and diversity of the Board. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained and has not set any measurable objective implementing the Board diversity policy.

The Nomination Committee is to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for re-election at the Annual General Meeting, to review the Board Diversity Policy and Director Nomination Policy and to consider and recommend to the Board on the appointment of executive/independent non-executive Directors. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained and has not set any measurable objective implementing the Board Diversity Policy.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of the Board in order to enhance the effectiveness of our Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee reviews regularly the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

As at the date of this report, the Board consists of six male directors and currently has two female directors, namely Ms. Xu Xu and Ms. Liu Shuang, which brings diversity to the Board and the Board will continue to maintain the current level. The Board is also characterized by significant diversity, in particular, in term of professional expertise and experience, age, culture and ethnicity. An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender	
Male:	6 Directors
Female:	2 Directors
Age Group	
41–50:	2 Directors
51–60:	4 Directors
61–70:	2 Directors
Designation	
Executive Directors:	5 Directors
Independent non-executive Directors:	3 Directors
Educational Background	
Medicine	3
Business & Economics	2
Law	2
Others	1
Nationality	
Chinese:	8 Directors

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this Annual Report:

	Female	Male
Board	25.0% (2)	75.0% (6)
Senior Management	31% (8)	69% (18)
Other employees	73% (1,430)	27% (534)
Overall workforce	72% (1,440)	28% (558)

Our Company values gender diversity at all levels of the Group. Among the 1,998 workforce of the Group as at the date of this Annual Report, 558 are males (28%) and 1,440 are females (72%) The Board believes that our Company has achieved gender diversity among its employees and considers such gender diversity is satisfactory at the current stage. In order to continue to achieve gender diversity among our employees, we are committed to creating favourable conditions in our working environment to continuously attract employees of different genders to the Group, thereby maintaining our position as a gender-balanced company. In this process, we may face challenges in matching the availability of gender-specific personnel in the human resources market with the education, experience and skills required for positions of the Group. Despite these challenges, we are committed to maintaining a gender-balanced workforce.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process set out in the Director Nomination Policy is as follows:

Nomination Procedures

(i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.

(ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

(iii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

(iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

(v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

Re-election of Director at General Meeting

(i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.

(ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.

(iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Director Nomination Policy sets out the criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all 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;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Board composition remained unchanged as of the date of this annual report.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

From the Listing Date up to the date of this report, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and Senior Management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's compliance with the CG Code and disclosure in this corporate governance report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assist the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

Risk Management

We have adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. The Audit Committee, and ultimately our Directors, supervise the implementation of our risk management policies. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated by us and reported to our Directors.

- Our governance committee which is comprised of senior management and functional heads will oversee and manage the overall risks associated with our business operations, including (i) reviewing and approving our risk management policy to ensure that it is consistent with our corporate objectives; (ii) reviewing and approving our corporate risk tolerance; (iii) monitoring the most significant risks associated with our business operation and our management's handling of such risks; (iv) reviewing our corporate risk in the light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management framework across our Company.

- Our President is responsible for (i) formulating and updating our risk management policy and target; (ii) reviewing and approving major risk management issues of our Company; (iii) promulgating risk management measures; (iv) providing guidance on our risk management approach to the relevant departments in our Company; (v) reviewing the relevant departments' reporting on key risks and providing feedback; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competences are in place across our Company; and (viii) reporting to our Directors on our material risks.

- The relevant departments in our Company, including without limitation the finance department, the legal and compliance department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to formalize risk management across our Company and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) prepare a risk management report annually for our Chief Executive Officer's review; (iv) continuously monitor the key risks relating to their operation or function; (v) implement appropriate risk responses where necessary; and (vi) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

Internal Control

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our business operation, such as contract management policy, risk management and protection of intellectual property. We provide periodic training about these measures and procedures to our employees as part of our employee training program. In addition, we monitor the implementation of these measures and procedures.

- Our Directors (who are responsible for monitoring the corporate governance of our Company) with help from our legal advisers, will also periodically review our compliance status with all relevant laws and regulations after the Listing.

- We have established an audit committee effective upon the Listing which (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect of financial reporting as well as oversees internal control procedures of our Company.

- We maintain strict anti-corruption policies among our employees and we believe we will therefore be less affected by the increasingly stringent measures taken by the PRC government to correct corruptive practices in the pharmaceutical industry. We strictly prohibit bribery or other improper payments in any of our business operations. This prohibition applies to all business activities, anywhere in the world, whether involving government officials or healthcare professionals. Improper payments prohibited by this policy include bribes, kickbacks, excessive gifts or entertainment, or any other payment made or offered to obtain an undue business advantage. We keep accurate books and records that reflect transactions and asset dispositions in reasonable detail. Requests for false invoices or payment of expenses that are unusual, excessive or inadequately described are rejected and promptly reported. Misleading, incomplete or false entries in our books and records are never acceptable. We will also ensure that any future commercialization team personnel comply with applicable legal requirements, which include restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.

- We have established procedures to protect the confidentiality of personal information of stakeholders, including but not limited, employees and healthcare professionals. In general, we do not have access to patients' personal data. We maintain policies which require our personnel to be trained on collecting, processing and safeguarding personal information and require our CROs to have data protection measures in place and related clauses in our agreements with them under which they are responsible for safeguarding data in their possession. Access to clinical trial data has been strictly limited to authorized personnel only according to the GCP and relevant regulations. Additionally, we require external parties and internal employees involved in clinical trials to comply with confidentiality requirements. Data are to be used only for the intended use, as agreed by the patients and consistent with the consent form and no use of data falls outside the scope of the consent form will be permitted without obtaining consent from patients.

- We have engaged several PRC law firms to advise us on and keep us abreast with PRC laws and regulations. We will continue to arrange various training to be provided by external legal advisers from time to time when necessary and/or any appropriate accredited institution to update our Directors, senior management, and relevant employees on the latest PRC laws and regulations.

- Our Directors believe that compliance creates sustainable value for us and are dedicated to cultivating a compliance culture among all of our employees. To ensure such compliance culture is embedded into everyday workflow and set the expectations for individual behavior across the organization, we regularly conduct internal compliance checks and inspections, adopt strict accountability internally and conduct compliance training.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Group does not have an internal audit function. During the Reporting Period, the Board has reviewed the effectiveness of the internal control system of the Group and there were no major issues but areas for improvement have been identified by the Audit Committee and appropriate measures taken. In addition, the Board is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed from time to time.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, conducted an annual review of the risk management and internal control systems, including the financial, operational and compliance controls, for the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

Whistleblowing Policy

The Company has in place the Whistleblowing Policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company. The Whistleblowing Policy is available on the website of the Company.

Anti-Corruption Policy

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal anti-corruption department/internal audit function, which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery. The Anti-Corruption Policy is available on the website of the Company.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

The Directors have acknowledged their responsibilities for preparing the financial statements of the Group for the year ended 31 December 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The Directors have prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report of this Annual Report.

AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

Service Category	Fees Paid/Payable RMB'000
Audit Services	2,480
Non-audit Services including: annual tax filing	90
Total	2,570

JOINT COMPANY SECRETARIES

Mr. Yao Le and Ms. Fong Christine Haiman acted as joint company secretaries of the Company. For their respective biography, please refer to the section headed "Directors and Senior Management" of this annual report.

Ms. Fong Christine Haiman, the manager of the company secretarial division of Tricor Services Limited (a member of Vistra Group), was appointed as one of the joint company secretaries of the Company. The key contact person between Ms. Fong Christine Haiman and the Company is Mr. Yao Le. During the Reporting Period, Ms. Fong Christine Haiman and Mr. Yao Le have both complied with Rule 3.29 of the Hong Kong Listing Rules by taking no less than 15 hours of the relevant professional training.

All Directors have access to the advice and services of the Company Secretary on corporate governance and board practices and matters.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting and Putting Forward Proposals at General Meetings

Pursuant to Article 17 of the Articles of Association of the Company, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Any one or more members holding as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights, on a one vote per share basis, in the share capital of the Company, shall at all times have the right, by written requisition signed by the requisitionist(s) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office, to require an extraordinary general meeting to be called for the transaction of any business specified in such requisition and/or add resolutions to the meeting agenda (if any). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves may convene the physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Shareholders should follow the requirements and procedures as set out in the Articles of Association for convening a general meeting.

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her proposal with his/her detailed contact information at the Company's principal place of business in Hong Kong at Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the proposal in the agenda for the general meeting.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may also make enquiries to the Board at general meetings of the Company. In addition, Shareholders can contact Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlement to dividend.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong (For the attention of the Board of Directors)
Email:	yaole@bayzedhealthcare.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general 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 of the Stock Exchange after each general meeting.

Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and given the communication channels were properly implemented, the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.bayzedhealthcare.com). Other corporate information about the Company's business developments, goals and strategies, corporate governance and risk management will also be available on the Company's website.

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairperson of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar, Tricor Investor Services Limited, call its hotline at (852) 2980 1333, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: yaole@bayzedhealthcare.com or by post to Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

(f) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a regular/required basis.

COMPANY'S CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents from the Listing Date up to the date of this report.

DIVIDEND POLICY

The Company has adopted a Dividend Policy on payment of dividends. The Company do not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval. The Board has resolved not to declare any final dividend for the year ended December 31, 2025. As at the date of this annual report, no arrangement has been entered into to enable the Shareholders to waive or agree to waive any dividends (including future dividends).

INDEPENDENT AUDITOR'S REPORT

KPMG

Independent auditor's report to the shareholders of Bayzed Health Group Inc

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Bayzed Health Group Inc ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 86 to 139, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**") 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**") as issued by the Hong Kong Institute of Certified Public Accountants ("**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 also 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.

Impairment assessment of goodwill

Refer to note 14 to the consolidated financial statements and the accounting policies on note 2(e).

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2025, the Group recorded goodwill of RMB643 million in relation to business acquisitions, which represented 25% of the Group's consolidated assets. Goodwill was allocated to respective cash-generating units (CGUs). Impairment test is performed by management on the CGU to which goodwill has been allocated at least annually by comparing the carrying value with the recoverable amount of the CGU, which is the higher of value in use and fair value less costs of disposal of the CGU. The recoverable amount of the CGU is determined by management based on the value in use of the CGU using the discounted cash flow forecasts. The key assumptions of the discounted cash flow forecasts included revenue growth rates and discount rates. An impairment loss is recognised when the recoverable amount is lower than the carrying value of the relevant CGU. We identified impairment assessment of goodwill as a key audit matter due to high degree of judgement required in determining the key assumptions used in estimating the value in use of the CGUs. The determination of these assumptions could be subject to management bias.	Our audit procedures in relation to impairment assessment of goodwill included the following: • understanding and evaluating the design and implementation of management's key internal control in respect of the goodwill impairment assessment; • assessing management's identification of CGUs and the allocation of assets and liabilities to each CGU with reference to the requirements of the prevailing accounting standards; • comparing the actual performance of the CGUs for the current year with the forecasts prepared by management in the prior year, making enquiries of management for any significant variances identified; and considering if there were any indications of management bias; • with the assistance of our internal valuation specialists, on sample basis, evaluating the appropriateness of methodology adopted by management in preparing the discounted cash flow forecasts with reference to the requirements of the prevailing accounting standards and the reasonableness of discount rates used in the discounted cash flow forecasts by benchmarking against those of the comparable companies and external market data if available;

KEY AUDIT MATTERS (CONTINUED)

Impairment assessment of goodwill (Continued)

Refer to note 14 to the consolidated financial statements and the accounting policies on note 2(e).

The Key Audit Matter	How the matter was addressed in our audit
	• evaluating the reasonableness of key assumptions used in the discounted cash flow forecasts by comparing with historical financial performance of the CGUs and management budgets approved by the board of directors; • evaluating the sensitivity analysis prepared by management for the key assumptions adopted in the discounted cash flow forecasts and considering the possibility of management bias; and • assessing the reasonableness of the disclosures in the consolidated financial statements in respect of the impairment assessments of goodwill with reference to the requirements of the prevailing accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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 when it becomes available 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.

RESPONSIBILITIES OF THE DIRECTORS 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 IFRS Accounting Standards 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 assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the Audit Committee, 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.

The engagement partner on the audit resulting in this independent auditor's report is Yu Wai Sum (practising certificate number: P05307).

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025
(Expressed in Renminbi ("RMB"))

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	**1,119,849**	1,188,846
Cost of sales		**(929,037)**	(980,649)
Gross profit		**190,812**	208,197
Other net income	5	**8,241**	4,971
Selling expenses		**(10,729)**	(11,834)
General and administrative expenses		**(156,973)**	(165,696)
Impairment loss on trade and bills receivables	26	**(479)**	(649)
Profit from operations		**30,872**	34,989
Finance costs	6(a)	**(21,580)**	(21,677)
Profit before taxation	7	**9,292**	13,312
Income tax	7(a)	**(17,970)**	(16,869)
Loss for the year		**(8,678)**	(3,557)
Other comprehensive income for the year that may be reclassified subsequently to profit or loss (after tax and reclassification adjustments)			
Exchange differences on translation of financial statements of foreign operations		**(12,706)**	1,270
Total comprehensive income for the year		**(21,384)**	(2,287)
Loss for the year attributable to:			
Equity shareholders of the Company		**(12,957)**	(13,457)
Non-controlling interests		**4,279**	9,900
		(8,678)	(3,557)
Total comprehensive income attributable to:			
Equity shareholders of the Company		**(25,663)**	(12,187)
Non-controlling interests		**4,279**	9,900
		(21,384)	(2,287)
Loss per share	10		
Basic and diluted (RMB)		**0.01**	0.01

The notes on pages 90 to 139 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in RMB)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	11	**347,891**	364,021
Right-of-use assets	12	**165,166**	184,887
Intangible assets	13	**227,740**	236,395
Goodwill	14	**643,049**	643,049
Deferred tax assets	23(b)	**6,454**	6,765
Other non-current assets		**4,863**	9,977
		1,395,163	1,445,094
Current assets			
Inventories	16	**59,867**	62,758
Trade and bill receivables	17(a)	**238,626**	262,087
Prepayments and other receivables	17(b)	**237,885**	120,637
Restricted cash	18(a)	**8,615**	18,270
Cash and cash equivalents	18(a)	**615,972**	294,240
		1,160,965	757,992
Current liabilities			
Trade and bill payables	19(a)	**224,261**	313,880
Other payables	19(b)	**99,342**	115,177
Contract liabilities	20	**12,568**	30,739
Interest-bearing borrowings	21	**327,186**	292,090
Lease liabilities	22	**18,933**	22,908
Current taxation	23(a)	**6,604**	6,979
		688,894	781,773
Net current assets/(liabilities)		**472,071**	(23,781)
Total assets less current liabilities		**1,867,234**	1,421,313
Non-current liabilities			
Interest-bearing borrowings	21	**74,000**	65,100
Lease liabilities	22	**124,279**	137,160
Deferred tax liabilities	23(b)	**48,442**	48,987
		246,721	251,247
NET ASSETS		**1,620,513**	1,170,066
CAPITAL AND RESERVES			
Share capital	24(b)	**87**	78
Reserves		**1,520,280**	1,069,162
Total equity attributable to equity shareholders of the Company		**1,520,367**	1,069,240
Non-controlling interests		**100,146**	100,826
TOTAL EQUITY		**1,620,513**	1,170,066

Approved and authorised for issue by the board of directors on 31 March 2026.

Chen Haoyang	**Xu Xu**
Director	*Director*

The notes on pages 90 to 139 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025
(Expressed in RMB)

		Attributable to equity shareholders of the Company								
	Note	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024		78	135,175	1,293,888	(1,689)	(50,582)	(292,746)	1,084,124	91,394	1,175,518
Changes in equity for 2024:										
(Loss)/Profit for the year		–	–	–	–	–	(13,457)	(13,457)	9,900	(3,557)
Other comprehensive income		–	–	–	1,270	–	–	1,270	–	1,270
Total comprehensive income		–	–	–	1,270	–	(13,457)	(12,187)	9,900	(2,287)
Acquisition of non-controlling interests ("**NCI**")	25(a)	–	–	–	–	(2,697)	–	(2,697)	(468)	(3,165)
Balance at 31 December 2024 and 1 January 2025		**78**	**135,175**	**1,293,888**	**(419)**	**(53,279)**	**(306,203)**	**1,069,240**	**100,826**	**1,170,066**
Changes in equity for 2025:										
(Loss)/Profit for the year		**–**	**–**	**–**	**–**	**–**	**(12,957)**	**(12,957)**	**4,279**	**(8,678)**
Other comprehensive income		**–**	**–**	**–**	**(12,706)**	**–**	**–**	**(12,706)**	**–**	**(12,706)**
Total comprehensive income		**–**	**–**	**–**	**(12,706)**	**–**	**(12,957)**	**(25,663)**	**4,279**	**(21,384)**
Issuance of shares upon listing, net of issuance expenses		**9**	**489,070**	**–**	**–**	**–**	**–**	**489,079**	**–**	**489,079**
Acquisition of NCI	25(b)	**–**	**–**	**–**	**–**	**(12,289)**	**–**	**(12,289)**	**(4,959)**	**(17,248)**
Balance at 31 December 2025		**87**	**624,245**	**1,293,888**	**(13,125)**	**(65,568)**	**(319,160)**	**1,520,367**	**100,146**	**1,620,513**

The notes on pages 90 to 139 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Cash generated from operations	18(b)	**240,923**	195,835
Income tax paid	23(a)	**(18,579)**	(27,295)
Net cash generated from operating activities		**222,344**	168,540
Investing activities			
Payment for the purchase of property, plant and equipment		**(33,442)**	(43,874)
Payment for purchase of intangible assets		**(4,469)**	(2,580)
Loans to related parties, net of repayment		**(128,828)**	98,620
Net cash (used in)/generated from investing activities		**(166,739)**	52,166
Financing activities			
Proceeds from interest-bearing borrowings	18(c)	**265,659**	206,808
Repayment of interest-bearing borrowings	18(c)	**(429,401)**	(350,849)
Capital element of lease rentals paid	18(c)	**(24,229)**	(19,001)
Interest element of lease rentals paid	18(c)	**(7,101)**	(8,038)
Interest expense paid	18(c)	**(14,429)**	(13,462)
Increase in deposits with banks		**–**	(20)
Withdrawal of deposits with banks		**–**	20,641
Acquisition of non-controlling Interests	18(c)	**(17,248)**	(3,771)
Advances from/(repayment to) related parties	18(c)	**85**	(1,498)
Issuance of shares upon shares listing		**513,130**	–
Proceeds from equity-settled share-based payment		**–**	3,600
Expenses paid in connection with the proposed issuance of new shares		**(18,727)**	(2,867)
Net cash generated from/(used in) financing activities		**267,739**	(168,457)
Net increase in cash and cash equivalents		**323,344**	52,249
Cash and cash equivalents at 1 January	18(a)	**294,240**	241,991
Effect of foreign exchange rate changes		**(1,612)**	–
Cash and cash equivalents at 31 December	18(a)	**615,972**	294,240

The notes on pages 90 to 139 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

Bayzed Health Group Inc (the "**Company**") was incorporated in the Cayman Islands on 9 December 2021 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, "**the Group**") primarily focused on hospital business and hospital management business, the revenue of the Group generated from (i) operating six private for-profit hospitals and providing healthcare services including full-cycle oncology healthcare services and other medical services, (ii) managing and operating, and receiving management fees from two private not-for-profit hospitals and (iii) supply of pharmaceuticals, medical equipment and consumables in the People's Republic of China (the "**PRC**").

On 23 June 2025, the Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new or amended standard that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("**NCI**") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(n) and 2(o) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(i)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(e) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses (see note 2(i)).

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses (see note 2(i)).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment (Continued)

The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvement	Shorter of the lease term and 20 years
Buildings	8–50 years
Medical equipment	5–10 years
Motor vehicles	5–10 years
Office and other equipment	5 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Intangible assets

Intangible assets that are acquired by the Group are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(i)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Software	5 to 10 years
– Management contracts	40 years
– Medical licenses	20 years
– GSP Certificate	5 years
– Cooperation relationship	6 years

Amortisation methods and useful lives are reviewed annually and adjusted if appropriate.

Software

Costs incurred to acquire and bring the computer software into use are capitalised. Costs associated with maintaining computer software are recognised as expense as incurred.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(g) Intangible assets (Continued)

Management contracts

Management contracts are the contractual rights to provide management services to hospitals. These contractual rights acquired in a business combination are recognised at fair value at the acquisition date. Management determined the useful life of management contracts based on the service periods agreed in the contractual agreements.

Medical licences

Medical licences acquired in a business combination are recognised at fair value at the acquisition date. In considering the estimated useful lives, renewal periods are considered only if there is evidence to support renewal by the Group without significant cost. Management estimated useful life of the medical licences based on industry practice and regulatory landscapes.

The Good Supply Practices for Pharmaceutical Products Certificate ("GSP certificate")

GSP certificate acquired in a business combination is recognised at fair value at the acquisition date. Management estimated useful life of the GSP certificate based on industry practice and regulatory landscapes.

Cooperation relationship

Cooperation relationship acquired in a business combination are recognised at fair value at the acquisition date. The estimated useful life of the cooperation relationship is based on an analysis of the relationships with the business partner.

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(h) Leased assets (Continued)

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(f) and 2(i))

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("**ECL**"s) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the effective interest rate determined at initial recognition or an approximation thereof if the effect is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

2 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Credit-impaired financial assets (Continued)

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGU**"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets (Continued)

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Inventories

Inventories are measured at the lower of cost and net realisable value as follows:

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 2(i)).

(l) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(r)).

2 MATERIAL ACCOUNTING POLICIES (Continued)

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(t).

(p) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(q) Income tax (Continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Inpatient services and outpatient services

For inpatient service, the customers normally receive inpatient treatment which contains various treatment components that are all highly relevant and regarded as one performance obligation. Relevant revenue of inpatient treatment is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The progress towards the complete satisfaction of performance obligation is measured by direct measurements of the value of the goods or services transferred by the Group to the customer.

For outpatient services, revenue from the provision of outpatient services is recognised at a point in time when the services are provided. Revenue is recognised when the customer obtains the control of the completed services and the Group has satisfied its performance obligations with present right to payment and the collection of the consideration is probable.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(r) Revenue and other income (Continued)

(ii) Hospital management service

The Group provides the management related services to private not-for-profit hospitals over the service period. The hospital receives and consumes the benefits provided by the Group's performance as the Group performs. The Group uses a time-based measure of progress. Revenue from provision of managed hospital management services is recognised over the period in which the services are rendered. For revenue from hospital management services, service fee is calculated based on pre-set formulas set out in the arrangements, which primarily relating to the managed hospital's revenue.

(iii) Supply of pharmaceuticals, medical equipment and consumables

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

(iv) Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(v) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(s) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(u) 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 Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group 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 employees of either 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 the 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 Group or to the Group'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.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group determined that it only has one operating segment during the year. The Group's operations are mainly located in the PRC with all of the Group's revenue generated in the PRC and all of the Group's non-current assets located in the PRC.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Information about assumptions and estimation uncertainties is as follows:

(a) Impairment of non-current assets

If circumstances indicate that the carrying amount of a non-current asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of non-current assets as described in Note 2(i)(ii). These assets are tested for impairment whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be fully recoverable.

When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future periods.

4 REVENUE

The Group is principally engaged in hospital business, hospital management services, supply of pharmaceuticals, medical equipment and consumables and other business.

Disaggregation of revenue from contracts with customers within the scope of IFRS 15.

	2025	2024
	RMB'000	RMB'000
Over time:		
– Inpatient services	**526,149**	544,428
– Hospital management services	**33,998**	39,567
	560,147	583,995
At point in time:		
– Outpatient services	**385,679**	400,737
– Supply of pharmaceuticals, medical equipment and consumables	**169,062**	190,686
– Other business	**4,961**	13,428
	559,702	604,851
Revenue from contracts with customers	**1,119,849**	1,188,846

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 and therefore the information about remaining performance obligations is not disclosed for contracts that have an expected duration of one year or less.

During the year ended 31 December 2025, there is one single customer with whom transactions has exceeded 10% of the Group's revenue (2024: one customer). In 2025, revenues from sales of goods and provision of hospital management services to this customer amounted to RMB127,842,000 (2024: RMB149,368,000).

5 OTHER NET INCOME

	2025	2024
	RMB'000	RMB'000
Government grants	**845**	1,219
Interest income	**4,027**	2,840
(Loss)/gain on disposal of property, plant and equipment and intangible assets	**(7)**	2
Net foreign exchange gain	**1,612**	–
Others	**1,764**	910
	8,241	4,971

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

		2025 RMB'000	2024 RMB'000
(a)	**Finance costs**		
	Interest on interest-bearing borrowings	**14,429**	13,462
	Interest on lease liabilities	**7,101**	8,038
	Others	**50**	177
		21,580	21,677

		2025 RMB'000	2024 RMB'000
(b)	**Staff costs**		
	Salaries, wages and other benefits	**289,185**	291,411
	Contributions to defined contribution retirement plan	**29,170**	26,615
		318,355	318,026

The employees of the subsidiaries of the Group established in the Chinese mainland participate in defined contribution retirement benefit plans managed by the local government authorities, whereby these subsidiaries are required to contribute funds which are calculated based on certain percentages of the average employee salary as agreed by the local municipal governments to the scheme to fund the retirement benefits of the employees.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions. Contributions to the plans vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contributions.

		2025 RMB'000	2024 RMB'000
(c)	**Other items**		
	Amortisation cost of intangible assets (note 13)	**11,510**	11,053
	Depreciation charge		
	– owned property, plant and equipment (note 11)	**52,312**	49,997
	– right-of-use assets (note 12)	**27,094**	26,346
	Auditors' remuneration	**2,480**	189
	Cost of inventories (note 16(a))	**589,868**	660,986

7 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 RMB'000	2024 RMB'000
Current tax – the PRC Enterprise Income Tax		
Provision for the year	18,204	18,529
Deferred tax		
Origination and reversal of temporary differences	(234)	(1,660)
	17,970	16,869

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	Note	2025 RMB'000	2024 RMB'000
Profit before taxation		9,292	13,312
Notional tax on profit before taxation, calculated at the rates applicable in the jurisdictions concerned	(i), (ii) (iii)	2,323	3,328
Tax effect of non-deductible expenses		1,784	699
Effect of PRC tax concessions	(iv)	(411)	(26)
Tax effect of unused tax losses and other temporary differences not recognised		20,855	17,859
Tax effect of utilisation of previously unrecognised tax losses		(6,581)	(4,991)
Actual tax expense		17,970	16,869

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) The subsidiaries of the Group established in the Chinese mainland are subject to PRC Enterprise Income Tax rate of 25% during the year ended 31 December 2025.

(iii) The provision for Hong Kong Profits Tax is subject to Hong Kong's two-tiered profits tax regime, under which the tax rate is 8.25% for assessable profits on the first HK$2 million and 16.50% for any assessable profits in excess of HK$2 million. The Group's subsidiary in Hong Kong SAR did not have any assessable profits during the year ended 31 December 2025.

(iv) Certain subsidiaries of the Group have been approved as Small Low-profit Enterprise ("**SLE**"). The entitled subsidiaries are subject to a preferential income tax rate from 5% during the year ended 31 December 2025.

8 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

	2025					
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Termination benefits RMB'000	Total RMB'000
Executive directors						
Chen Haoyang	–	576	384	–	–	960
Zhao Yongkai	–	570	–	52	1,181	1,803
Xu Xu	–	662	384	70	–	1,116
Lu Jizhong	–	641	360	72	–	1,073
Feng Yu	–	594	396	–	–	990
President						
Lyu Chao(ii)	–	16	3	6	–	25
Independent non-executive directors						
Chan Hok Leung(i)	94	–	–	–	–	94
Liu Shuang(i)	94	–	–	–	–	94
Guo Wei(i)	94	–	–	–	–	94
	282	3,059	1,527	200	1,181	6,249

	2024				
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive directors					
Chen Haoyang	–	708	553	–	1,261
Zhao Yongkai	–	918	647	68	1,633
Xu Xu	–	800	532	68	1,400
Lu Jizhong	–	681	477	70	1,228
Feng Yu	–	632	416	–	1,048
	–	3,739	2,625	206	6,570

(i) Chan Hok Leung, Liu Shuang and Guo Wei were appointed as independent non-executive directors of the Company on 9 June 2025.

(ii) Lyu Chao was appointed as president of the Company in December 2025.

(iii) During the Track Record Period, no director has waived or agreed to waive any emoluments.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, five (2024: four) are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the 1 individual in 2024 are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	–	659
Discretionary bonuses	–	349
Retirement scheme contributions	–	65
	–	1,073

The emoluments of the individual with the highest emoluments are within the following band:

	2025 Number of individuals	2024 Number of individuals
HK$1,000,001–1,500,000	–	1

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB12,957,000 (2024: RMB13,457,000) and the weighted average number of ordinary shares of 1,255,378,321 shares (2024: 1,185,361,023 shares) in issue during the year.

Weighted average number of ordinary shares:

	Year ended 31 December	
	2025 Number of shares	2024 Number of shares
Issued ordinary shares at 1 January	1,185,361,023	1,185,361,023
Effect of issuance of shares (Note 24 (b))	70,017,298	–
Weighted average number of ordinary shares at 31 December	1,255,378,321	1,185,361,023

(b) Diluted loss per share

The diluted loss per share is the same as the basic loss per share for the years ended 31 December 2025 and 2024 as there were no dilutive potential ordinary shares outstanding during both years.

11 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

	Leasehold improvement RMB'000	Buildings RMB'000	Medical equipment RMB'000	Motor vehicles RMB'000	Office and other equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:							
At 1 January 2024	229,320	79,374	184,745	5,135	30,900	8,331	537,805
Additions	1,899	–	31,285	299	2,313	10,130	45,926
Transfer in/(out)	11,237	–	598	–	1,050	(12,885)	–
Disposals	–	–	(5,923)	–	(1,065)	–	(6,988)
At 31 December 2024 and 1 January 2025	242,456	79,374	210,705	5,434	33,198	5,576	576,743
Additions	6,232	–	24,728	202	2,627	2,410	36,199
Transfer in/(out)	2,250	–	82	–	–	(2,332)	–
Disposals	–	–	(250)	(495)	(79)	–	(824)
At 31 December 2025	250,938	79,374	235,265	5,141	35,746	5,654	612,118
Accumulated amortisation and depreciation:							
At 1 January 2024	(70,726)	(9,964)	(68,278)	(2,709)	(17,244)	–	(168,921)
Charge for the year	(16,935)	(5,693)	(22,781)	(535)	(4,053)	–	(49,997)
Written back on disposals	–	–	5,175	–	1,021	–	6,196
At 31 December 2024 and 1 January 2025	(87,661)	(15,657)	(85,884)	(3,244)	(20,276)	–	(212,722)
Charge for the year	(18,306)	(5,688)	(23,694)	(440)	(4,184)	–	(52,312)
Written back on disposals	–	–	210	530	67	–	807
At 31 December 2025	(105,967)	(21,345)	(109,368)	(3,154)	(24,393)	–	(264,227)
Net book value:							
At 31 December 2025	144,971	58,029	125,897	1,987	11,353	5,654	347,891
At 31 December 2024	154,795	63,717	124,821	2,190	12,922	5,576	364,021

12 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Property leased RMB'000	**Land use right** RMB'000	**Total** RMB'000
At 1 January 2024	183,627	27,429	211,056
Additions	1,847	–	1,847
Disposals	(1,670)	–	(1,670)
Charge for the year	(25,694)	(652)	(26,346)
At 31 December 2024 and 1 January 2025	**158,110**	**26,777**	**184,887**
Additions	**3,452**	**–**	**3,452**
Charge for the year	**(26,442)**	**(652)**	**(27,094)**
Lease modification	**3,921**	**–**	**3,921**
At 31 December 2025	**139,041**	**26,125**	**165,166**

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 **RMB'000**	2024 RMB'000
Depreciation charge of right-of-use assets	**27,094**	26,346
Interest on lease liabilities (note 6(a))	**7,101**	8,038
Expense relating to short-term leases	**810**	363

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Note 18(d) and Note 22 respectively.

The Group leases hospital buildings and office under leases expiring in no more than twenty years. None of the leases includes variable lease payments.

13 INTANGIBLE ASSETS

	Software	Management contracts	Medical licences	GSP certificate	Cooperation relationship	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:						
At 1 January 2024	22,478	190,400	61,200	2,700	1,989	278,767
Addition	4,033	–	–	–	–	4,033
At 31 December 2024 and 1 January 2025	**26,511**	**190,400**	**61,200**	**2,700**	**1,989**	**282,800**
Addition	**2,855**	**–**	**–**	**–**	**–**	**2,855**
At 31 December 2025	**29,366**	**190,400**	**61,200**	**2,700**	**1,989**	**285,655**
Accumulated amortisation:						
At 1 January 2024	(3,796)	(17,454)	(11,790)	(1,980)	(332)	(35,352)
Charge for the year	(2,361)	(4,760)	(3,060)	(540)	(332)	(11,053)
At 31 December 2024 and 1 January 2025	**(6,157)**	**(22,214)**	**(14,850)**	**(2,520)**	**(664)**	**(46,405)**
Charge for the year	**(3,178)**	**(4,760)**	**(3,060)**	**(180)**	**(332)**	**(11,510)**
At 31 December 2025	**(9,335)**	**(26,974)**	**(17,910)**	**(2,700)**	**(996)**	**(57,915)**
Net book value:						
At 31 December 2025	**20,031**	**163,426**	**43,290**	**–**	**993**	**227,740**
At 31 December 2024	20,354	168,186	46,350	180	1,325	236,395

The amortisation charge is included in "cost of sales", "selling expenses" and "general and administrative expenses" according to the function of amortisation charge.

14 GOODWILL

	RMB'000
Cost:	
At 1 January 2024, 31 December 2024 and 2025	667,040
Accumulated impairment losses:	
At 1 January 2024, 31 December 2024 and 2025	(23,991)
Carrying amount:	
At 31 December 2025 and 2024	643,049

14 GOODWILL (Continued)

Goodwill is allocated to the Group's cash-generating units identified according to operation and operating segment as follows:

	2025	2024
	RMB'000	RMB'000
Western Beijing Cancer Hospital Company Limited ("**Western Beijing Cancer Hospital**")	**323,465**	323,465
Wuzhi Jimin Hospital Company Limited ("**Wuzhi Jimin Hospital**")	**110,143**	110,143
Anhui Shoukang Medical Investment Company Limited ("**Anhui Shoukang Investment**")	**98,340**	98,340
Hefei Bayway Hospital Company Limited ("**Hefei Bayway Hospital**")	**62,925**	62,925
Others	**48,176**	48,176
	643,049	643,049

The recoverable amounts of the cash-generating units were determined based on value in use calculations of the underlying assets with reference to valuation reports issued by an independent valuer. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. These cash flow projections adopted annual sales growth rates, which are based on the Group's historical experience with these operations and adjusted for other factors that are specific to each cash-generating unit. Cash flows beyond the five-year period are extrapolated using an estimated growth rate. The discount rates used are pre-taxed and reflect specific risks relating to the respective cash generating units.

The key assumptions used in the value-in-use calculations for the above cash-generating units are as follows:

	Revenue growth rate during the forecast period		**Discount rate**	
	2025	2024	**2025**	2024
Western Beijing Cancer Hospital	**8.91%**	9.27%	**18.72%**	18.25%
Anhui Shoukang Investment	**9.52%**	7.64%	**19.43%**	19.30%
Hefei Bayway Hospital	**17.95%**	15.78%	**20.35%**	18.39%
Wuzhi Jimin Hospital	**10.04%**	15.39%	**18.61%**	18.70%

The growth rate beyond the forecast period is estimated to be 2% (2024: 2%).

As a result of the impairment tests, management is of the view that there was no impairment of goodwill as of 31 December 2025 and 2024.

(Expressed in RMB unless otherwise indicated)

15 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. All these entities are domestic limited liability companies.

Company name	Place of establishment and operation	Registered capital	Paid-up capital	Effective interest	Principal activities
Bayzed Medical Investment Group Company Limited. 佰澤醫療投資集團有限公司	The PRC	RMB1,334,216,046	RMB1,334,216,046	100.00%	Investment holding
Anhui Shoukang Investment 安徽首康醫療投資有限公司	The PRC	RMB104,109,329	RMB104,109,329	69.92%	Hospital management and Investment service
Hefei Bayway Hospital 合肥佰惠醫院有限公司	The PRC	RMB30,000,000	RMB30,000,000	67.00%	General healthcare services
Tianjin Nankai Jixing Hospital 天津南開濟興醫院有限責任公司	The PRC	RMB6,000,000	RMB6,000,000	70.00%	General healthcare services
Tianjin Shishi Hospital Company Limited. 天津石氏醫院有限公司	The PRC	RMB50,000,000	RMB50,000,000	56.00%	General healthcare services
Beijing Medical Creation 北京醫創聯合科技發展有限公司	The PRC	RMB72,000,000	RMB22,000,000	100.00%	Scientific research centre
Western Beijing Cancer Hospital 北京京西腫瘤醫院有限公司	The PRC	RMB50,000,000	RMB50,000,000	70.00%	General healthcare services
Taiyuan Peace Hospital Company Limited 太原和平醫院有限公司	The PRC	RMB5,000,000	RMB5,000,000	59.40%	General healthcare services
Wuzhi Jimin Hospital 武陟濟民醫院有限責任公司	The PRC	RMB40,000,000	RMB40,000,000	68.00%	General healthcare services
Huangshan Bokang Pharmacy Co., Ltd. 黃山博康大藥房有限公司	The PRC	RMB600,000	RMB600,000	69.92%	Supply of pharmaceuticals, medical equipment and consumables
Anhui Ruizhong Medical Technology Company Limited. 安徽省瑞眾醫療科技有限公司	The PRC	RMB10,000,000	RMB2,500,000	69.92%	Supply of medical equipment and consumables
Huangshan Bohong Pharmaceutical Sales Company Limited. 黃山博宏醫藥銷售有限公司	The PRC	RMB10,000,000	RMB10,000,000	69.92%	Supply of pharmaceuticals, medical equipment and consumables
Beiyi Baihui Medical Management (Shanghai) Co., Ltd. 北醫佰惠醫療管理(上海)有限公司	The PRC	RMB194,497,341	RMB194,497,341	100.00%	Investment holding

16 INVENTORIES

	2025 RMB'000	2024 RMB'000
Pharmaceuticals	44,300	45,499
Medical consumables	9,417	11,584
Medical equipment	4,712	4,410
Spare parts	1,438	1,265
	59,867	62,758

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	589,868	660,986

17 TRADE AND BILL RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

(a) Trade and bill receivables

	2025 RMB'000	2024 RMB'000
Trade receivables		
– Related parties	44,523	44,857
– Third parties	182,771	187,043
Less: loss allowance	(4,749)	(4,270)
	222,545	227,630
Bills receivables	16,081	34,457
	238,626	262,087

17 TRADE AND BILL RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

(a) Trade and bill receivables (Continued)

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	137,981	156,536
3 to 6 months	54,913	61,977
6 to 9 months	20,898	4,162
9 to 12 months	4,054	3,159
Over 1 year	4,699	1,796
	222,545	227,630

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 26(a).

(b) Prepayments and other receivables

The Group

	2025 RMB'000	2024 RMB'000
Prepayments for inventories and services	12,692	15,917
Prepayment for cost incurred in connection with the proposed issuance of the Company's shares	–	5,324
Receivables from related parties (i)	215,630	86,802
Deposits	5,005	6,864
Amounts due from staffs in relation to share-based payments	70	470
Others	4,488	5,260
	237,885	120,637

(i) Receivables from related parties represent the unsecured, interest-free loans due from hospitals managed by the Group, which expected to be settled within 1 year.

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents:

	2025 RMB'000	2024 RMB'000
Cash on hand	**899**	884
Cash at bank	**623,688**	311,626
Less: restricted deposits	**8,615**	18,270
Cash and cash equivalents	**615,972**	294,240

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2025 RMB'000	2024 RMB'000
Profit before taxation		**9,292**	13,312
Adjustments for:			
Depreciation and amortisation	6(c)	**90,916**	87,396
Finance costs	6(a)	**21,580**	21,677
Net loss/(gain) on disposal of property, plant and equipment	5	**7**	(2)
Impairment loss on trade and bills receivables, net	26	**479**	649
Changes in working capital:			
– inventories		**2,891**	(3,099)
– trade and bill receivables		**17,982**	(86,415)
– prepayments and other receivables		**7,878**	(4,624)
– trade and bills payables		**123,119**	232,530
– other payables		**(24,705)**	(2,477)
– contract liabilities		**(18,171)**	(44,842)
– restricted cash		**9,655**	(18,270)
Cash generated from operations		**240,923**	195,835

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Interest-bearing borrowings RMB'000 (Note 21)	Lease liabilities RMB'000 (Note 22)	Advances from related parties RMB'000 (Note 19)	Payable for acquisition of non-controlling interests RMB'000	Total RMB'000
At 1 January 2025	357,190	160,068	–	–	517,258
Changes from financing cash flows:					
Proceeds from interest-bearing borrowings	265,659	–	–	–	265,659
Repayment of interest-bearing borrowings	(429,401)	–	–	–	(429,401)
Interest expense paid	(14,429)	–	–	–	(14,429)
Advances from related parties	–	–	85	–	85
Payment for acquisition of non-controlling interests	–	–	–	(17,248)	(17,248)
Capital element of lease rentals paid	–	(24,229)	–	–	(24,229)
Interest element of lease rentals paid	–	(7,101)	–	–	(7,101)
Total changes from financing cash flows	(178,171)	(31,330)	85	(17,248)	(226,664)
Other changes:					
Interest-bearing borrowings arising from supplier finance arrangements	212,738	–	–	–	212,738
Acquisition of non-controlling interests	–	–	–	17,248	17,248
Increase in lease liabilities from entering into new leases during the year	–	3,452	–	–	3,452
Lease modification	–	3,921	–	–	3,921
Discounted bill receivables matured	(5,000)	–	–	–	(5,000)
Interest expenses	14,429	7,101	–	–	21,530
Total other changes	222,167	14,474	–	17,248	253,889
At 31 December 2025	401,186	143,212	85	–	544,483

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Interest-bearing borrowings RMB'000 (Note 21)	Lease liabilities RMB'000 (Note 22)	Advances from related parties RMB'000 (Note 19)	Payable for acquisition of non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	351,356	178,911	1,498	606	532,371
Changes from financing cash flows:					
Proceeds from interest-bearing borrowings	206,808	–	–	–	206,808
Repayment of interest-bearing borrowings	(350,849)	–	–	–	(350,849)
Interest expense paid	(13,462)	–	–	–	(13,462)
Repayment to related parties	–	–	(1,498)	–	(1,498)
Payment for acquisition of non-controlling interests	–	–	–	(3,771)	(3,771)
Capital element of lease rentals paid	–	(19,001)	–	–	(19,001)
Interest element of lease rentals paid	–	(8,038)	–	–	(8,038)
Total changes from financing cash flows	(157,503)	(27,039)	(1,498)	(3,771)	(189,811)
Other changes:					
Interest-bearing borrowings arising from supplier finance arrangements	169,875	–	–	–	169,875
Acquisition of non-controlling interests	–	–	–	3,165	3,165
Increase in lease liabilities from entering into new leases during the year	–	1,847	–	–	1,847
Lease disposals	–	(1,689)	–	–	(1,689)
Discounted bill receivables matured	(20,000)	–	–	–	(20,000)
Interest expenses	13,462	8,038	–	–	21,500
Total other changes	163,337	8,196	–	3,165	174,698
At 31 December 2024	357,190	160,068	–	–	517,258

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(d) Total cash outflow for leases

Amounts included in the cash flow statements for leases represented lease rentals paid and comprise the following:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	**810**	363
Within financing cash flows	**31,330**	27,039
	32,140	27,402

19 TRADE AND OTHER PAYABLES

(a) Trade and bills payables

	2025 RMB'000	2024 RMB'000
Trade payables	**189,009**	292,183
Bills payable	**35,252**	21,697
	224,261	313,880

All trade and bills payables are expected to be settled within one year or are repayable on demand.

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

	2025 RMB'000	2024 RMB'000
Within 3 months	**133,118**	163,593
3 to 6 months	**29,532**	74,983
6 to 12 months	**11,074**	33,401
Over 1 year	**15,285**	20,206
	189,009	292,183

19 TRADE AND OTHER PAYABLES (Continued)

(b) Other payables

	2025 RMB'000	2024 RMB'000
Salary and welfare payables	56,541	63,116
Other taxes payable	1,340	4,567
Advances from related parties	85	–
Payables for purchase of property, plant and equipment	14,360	18,331
Others	27,016	29,163
	99,342	115,177

All other payables and accrued expenses are expected to be settled within one year or are repayable on demand.

20 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Supply of pharmaceuticals, medical equipment and consumables	6,448	25,570
Providing services	6,120	5,169
	12,568	30,739

Contract liabilities primarily relate to the considerations received from customers before the Group satisfying performance obligations. It would be recognised as revenue upon the rendering of goods and services. The contract liabilities balance as at 1 January 2025 and 2024 has been substantially recognised as revenue during the respective years.

21 INTEREST-BEARING BORROWINGS

(a) The analysis of the carrying amount of interest-bearing borrowings is as follows:

	2025 RMB'000	2024 RMB'000
Bank borrowings		
Guaranteed by subsidiaries of the Group	389,808	335,190
Guaranteed by the Group and secured by the trade receivables	6,378	20,000
Unsecured and unguaranteed	5,000	2,000
	401,186	357,190

21 INTEREST-BEARING BORROWINGS (Continued)

(b) The Group's interest-bearing borrowings are repayable as follows:

	2025 **RMB'000**	2024 RMB'000
Within 1 year or on demand	**327,186**	292,090
After 1 year but within 2 years	**26,000**	20,500
After 2 years but within 5 years	**48,000**	44,600
	74,000	65,100
	401,186	357,190

(c) Interest-bearing borrowings arising from supplier finance arrangements

The Group has entered certain reverse factoring arrangements with banks, under which the Group obtained extended credit in respect of the invoice amounts owed to certain suppliers of pharmaceuticals, medical consumables and medical equipment.

Under these arrangements, the banks pay suppliers the amounts owed by the Group on the original due dates, which are normally 0–180 days after the invoice date. The Group then settles with the banks between 30–364 days after the original due dates with the suppliers.

In the consolidated statement of financial position, the Group has presented the payables to the banks under these arrangements as "interest-bearing borrowings", in view of the nature and function of such liabilities when compared with the Groups trade payables to suppliers. At 31 December 2025, the carrying amount of financial liabilities under these arrangements amounted to RMB158,565,000 (2024: RMB129,423,000), of which suppliers have received payments from the banks.

At 31 December 2025, in the consolidated cash flow statement, payments to the banks are included within financing cash flows based on the nature of the arrangements, and payments to the suppliers by the banks amounting to RMB212,738,000 (2024: RMB169,875,000), are non-cash transactions.

22 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	2025		2024	
	Present value of the minimum lease payments RMB'000	**Total minimum lease payments RMB'000**	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	**18,933**	**24,924**	22,908	29,746
After 1 year but within 2 years	**19,537**	**25,739**	18,130	23,697
After 2 years but within 5 years	**48,282**	**59,351**	59,059	73,659
After 5 years	**56,460**	**70,483**	59,971	77,359
	124,279	**155,573**	137,160	174,715
	143,212	**180,497**	160,068	204,461
Less: total future interest expenses		**(37,285)**		(44,393)
Present value of lease liabilities		**143,212**		160,068

23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	**6,979**	15,745
Provision for the year	**18,204**	18,529
Income tax paid	**(18,579)**	(27,295)
At the end of the year	**6,604**	6,979

23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Accelerated tax allowance for depreciation expenses	Fair value adjustments on intangible assets and related amortisation	Right-of-use assets	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	(3,772)	(45,702)	(39,136)	44,728	(43,882)
Charged/(credited) to profit or loss	(1,244)	1,884	4,981	(3,961)	1,660
At 31 December 2024 and 1 January 2025	**(5,016)**	**(43,818)**	**(34,155)**	**40,767**	**(42,222)**
Charged/(credited) to profit or loss	**(2,003)**	**1,794**	**4,658**	**(4,215)**	**234**
At 31 December 2025	**(7,019)**	**(42,024)**	**(29,497)**	**36,552**	**(41,988)**

(ii) Reconciliation to the consolidated statement of financial position:

	2025	2024
	RMB'000	RMB'000
Net deferred tax assets in the consolidated statement of financial position	**6,454**	6,765
Net deferred tax liabilities in the consolidated statement of financial position	**(48,442)**	(48,987)
	(41,988)	(42,222)

23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(c) Deferred tax assets not recognised

At 31 December 2025, the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB332,091,000 (2024: RMB333,630,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

Pursuant to the relevant laws and regulations in the PRC, the unrecognised tax losses at the end of the reporting period will expire in the following years:

	2025 **RMB'000**	2024 RMB'000
2025	**–**	63,752
2026	**60,824**	60,824
2027	**75,373**	75,373
2028	**62,978**	63,009
2029	**50,038**	70,672
2030	**82,878**	–
	332,091	333,630

24 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2024	78	135,175	(1,376)	(15,715)	118,162
Changes in equity for 2024:					
Loss for the year	–	–	–	(14,596)	(14,596)
Other comprehensive income	–	–	671	–	671
Total comprehensive income	–	–	671	(14,596)	(13,925)
Balance at 31 December 2024 and 1 January 2025	**78**	**135,175**	**(705)**	**(30,311)**	**104,237**
Changes in equity for 2025:					
Loss for the year	**–**	**–**	**–**	**(24,736)**	**(24,736)**
Other comprehensive income	**–**	**–**	**(13,108)**	**–**	**(13,108)**
Total comprehensive income	**–**	**–**	**(13,108)**	**(24,736)**	**(37,844)**
Issuance of shares upon listing, net of issuance expenses	**9**	**489,070**	**–**	**–**	**489,079**
Balance at 31 December 2025	**87**	**624,245**	**(13,813)**	**(55,047)**	**555,472**

24 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Share capital

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 9 December 2021, with an authorised share capital of US$50,000, divided into 5,000,000,000 shares with par value of US$0.00001 each.

Issued share capital

	2025		2024	
	No. of shares	**RMB'000**	No. of shares	RMB'000
At 1 January	**1,185,361,023**	**78**	1,185,361,023	78
Issuance of shares (i)	**133,105,800**	**9**	–	–
At 31 December	**1,318,466,823**	**87**	1,185,361,023	78

(i) On 23 June 2025, the Company was listed on the Stock Exchange. 133,105,800 ordinary shares of par value of US$0.00001 each were issued at a price of HK$4.22 per ordinary share upon the listing of the shares of the Company. The proceeds of HK$10,448 (equivalent to approximately RMB9,000), representing the par value, were credited to the Company's share capital. The remaining proceeds, net of share issuance expenses (including issuance expenses of RMB5,324,000 paid prior to 2025), of approximately HK$535,368,000 (equivalent to approximately RMB489,070,000) were credited to the Company's share premium account.

(c) Nature and purpose of reserves

(i) Share premium

Share premium represents the difference between the consideration and the par value of the issued and paid-up shares of the Company.

(ii) Capital reserve

Capital reserve represents the balance arising from the reorganisation of the group entities for the purpose of the listing of the Company.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside the Chinese mainland. The reserve is dealt with in accordance with the accounting policies as set out in Note 2(s).

(iv) Other reserve

The balance of other reserve at the end of each reporting period represents the differences between consideration paid/received and non-controlling interests acquired/disposed; and accumulated fair value of equity-settled share-based payment.

24 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Dividend

The Company did not declare and pay any dividends for the year ended 31 December 2025 (2024: Nil).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

25 ACQUISITIONS OF NON-CONTROLLING INTERESTS

(a) In June 2024, the Group acquired 6.62% non-controlling interests of Yizhong Junan Hospital Management at the consideration of RMB3,165,000. As a result of the acquisition, the Group's shareholding in Yizhong Junan Hospital Management increased from 58.00% to 64.62%.

The decrease in equity attributable to equity shareholders of the Company is calculated as follows:

	RMB'000
Carrying amount of NCI acquired	468
Less: Cash consideration paid in 2024	3,165
A decrease in equity attributable to equity shareholders of the Company	(2,697)

25 ACQUISITIONS OF NON-CONTROLLING INTERESTS (Continued)

(b) In 2025, the Group acquired non-controlling interests of Yizhong Junan Hospital Management and Anhui Shoukang Investment of 35.38% and 0.13%, respectively, for consideration of RMB17,248,000. As a result of the acquisition, the Group's shareholding in Yizhong Junan Hospital Management and Anhui Shoukang Investment increased to 100.00% and 70.05%, respectively.

The decrease in equity attributable to equity shareholders of the Company is calculated as follows:

	RMB'000
Carrying amount of NCI acquired	**4,959**
Less: Cash consideration paid in 2025	**17,248**
A decrease in equity attributable to equity shareholders of the Company	**(12,289)**

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate risks arise in the normal course of the Group's business. The Group is not exposed to significant currency risk.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and prepayments, deposits and other receivables. The Group's exposure to credit risk arising from cash at bank is limited because the counterparties are banks with good credit standing, for which the Group considers having low credit risk. Except for the financial guarantee given by the Group as set out in note 27(c), the Group does not provide any other guarantees which would expose the Group to credit risk.

Trade receivables

The Group's trade receivables due from third parties mainly arose from providing hospital service to patients and supplying pharmaceuticals, medical equipment and consumables, without any single customer contributing material revenue.

For the receivables from hospital service, the Group has concentrated debtor's portfolio, as majority patients will claim their medical bill from public medical insurance program. The reimbursement from these organisations may take one to three months. The Group has policy in place to ensure the treatments and medicines prescribed and provided to such insured patients are in line with the policies of the respective organisations, and fulfilling all ethics and moral responsibilities as a healthcare provider. The carrying amount of receivables from public medical insurance programs is RMB160,657,000 at 31 December 2025 (2024: RMB160,006,000).

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

For the receivables from supplying pharmaceuticals, medical equipment and consumables, the Group has granted credit terms of one to three months and would follow up actively on the settlement with respective counterparties to avoid any overdue receivables.

The Group has performed an impairment analysis at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on aging of trade receivables for groupings of various debtor segments with similar loss patterns. The calculation reflects the historical credit losses experienced and reasonable and supportable information that is available at the year end date about past events, current conditions and forecasts of future economic conditions.

The following tables provides information about the Group's exposure to credit risk and ECLs for trade receivables mainly from supplying pharmaceuticals, medical equipment and consumables:

	2025		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	2.55%	15,500	(395)
0–3 months past due	19.99%	1,871	(374)
4–6 months past due	47.66%	1,347	(642)
7–9 months past due	57.35%	136	(78)
10–12 months past due	100.00%	614	(614)
More than 1 year past due	100.00%	2,646	(2,646)
		22,114	(4,749)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

	2024		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	1.65%	20,281	(334)
0–3 months past due	20.16%	3,045	(614)
4–6 months past due	35.91%	440	(158)
7–9 months past due	54.47%	235	(128)
10–12 months past due	100.00%	185	(185)
More than 1 year past due	100.00%	2,851	(2,851)
		27,037	(4,270)

Expected loss rates are based on actual loss experience over the past 12 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in the loss allowance account in respect of trade receivables from supplying pharmaceutical and medical equipment and consumables and providing hospital service during the year are as follows:

	2025 **RMB'000**	2024 RMB'000
Balance at 1 January	**4,270**	3,621
Impairment losses recognised	**479**	649
Balance at 31 December	**4,749**	4,270

Other receivables and balances due from related parties

In respect of trade receivables due from related parties, other receivables on behalf of deposits and prepayments, the Group has assessed that the expected credit loss for these receivables is immaterial.

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants and its relationship with finance providers, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the date the Group is contractually required to pay, or if the counterparty has the choice of when the amount should be paid (irrespective of the fulfilment of covenants), the earliest date the Group can be required to pay.

	2025 Undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount at 31 Dec RMB'000
Interest-bearing borrowings	338,343	27,118	50,064	–	415,525	401,186
Lease liabilities	24,924	25,739	59,351	70,483	180,497	143,212
Trade and bills payables	224,261	–	–	–	224,261	224,261
Other payables	99,342	–	–	–	99,342	99,342
	686,870	52,857	109,415	70,483	919,625	868,001

	2024 Undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount at 31 Dec RMB'000
Interest-bearing borrowings	303,014	21,367	46,665	–	371,046	357,190
Lease liabilities	29,746	23,697	73,659	77,359	204,461	160,068
Trade and bills payables	313,880	–	–	–	313,880	313,880
Other payables	115,177	–	–	–	115,177	115,177
	761,817	45,064	120,324	77,359	1,004,564	946,315

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from long-term borrowings. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group has a policy of ensuring that between 3.60% and 4.95% of its borrowings are effectively on a fixed rate basis through the contractual terms of the interest-bearing financial liabilities. The Group's interest rate risk profile as monitored by management is set out in (ii) below.

(i) Interest rate risk profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group's borrowings at the end of the reporting period:

	Notional amount	
	2025	2024
	RMB'000	RMB'000
Fixed rate borrowings:		
Interest-bearing borrowings	**344,809**	301,811
Lease liabilities	**143,212**	160,068
	488,021	461,879
Variable rate borrowings:		
Interest-bearing borrowings	**56,377**	55,379
Total	**544,398**	517,258

(ii) Sensitivity analysis

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately RMB423,000 (2024: RMB415,000). Other components of consolidated equity would have increased/decreased by approximately RMB423,000 (2024: RMB415,000) in response to the general increase/decrease in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's loss after tax (and accumulated losses) that would arise assuming that the change in interest rates had occurred at the end of the reporting period and the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's loss after tax (and accumulated losses) and other components of consolidated equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis as 2024.

27 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	2025 **RMB'000**	2024 RMB'000
Short-term employee benefits	**6,949**	8,351
Post-employment benefits	**1,538**	340
	8,487	8,691

Total remuneration is included in "staff costs" (see note 6(b)).

(b) Significant related party transactions

	2025 **RMB'000**	2024 RMB'000
Sale of goods to hospitals managed by the Group	**95,093**	111,595
Provision of service to hospitals managed by the Group	**33,998**	39,567
Provision of interest-free advances to related parties, net of repayment		
– hospitals managed by the Group	**128,828**	(96,820)
– entities that have significant influence over the Group	**–**	(1,800)
Provision of interest-free advances by hospital managed by the Group, net of repayment	**85**	(1,498)
Repayment of loans from entity that has significant influence over the Group	**–**	(16,194)
Interest expenses to entity that has significant influence over the Group	**–**	669

27 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

	2025 **RMB'000**	2024 RMB'000
Trade related:		
Trade receivables		
– hospitals managed by the Group	**44,523**	44,857
Contract liabilities		
– hospitals managed by the Group	**5,347**	25,360
Non-trade related:		
Other receivables		
– hospitals managed by the Group	**215,630**	86,802
Other payables		
– hospitals managed by the Group	**85**	–
Guarantees provided in respect of loans of		
– hospital managed by the Group (i)	**144,200**	177,615

Note:

(i) The Group has issued guarantees to certain banks in respect of the credit facilities of RMB260,000,000 granted to a hospital managed by the Group as at 31 December 2025 (2024: RMB288,000,000).

28 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets		
Investments in subsidiaries	*	*
Prepayments and other receivables	366,299	79,340
	366,299	79,340
Current assets		
Prepayments and other receivables	1	6,230
Cash and cash equivalents	244,695	55,825
	244,696	62,055
Current liabilities		
Other payables	55,523	37,158
	55,523	37,158
Net current assets	189,173	24,897
Total assets less current liabilities	555,472	104,237
NET ASSETS	555,472	104,237
CAPITAL AND RESERVES		
Share capital	87	78
Reserves	555,385	104,159
TOTAL EQUITY	555,472	104,237

* The balance represents an amount less than RMB500.

29 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events have occurred subsequent to 31 December 2025.

30 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2025, the directors consider the immediate parent and ultimate controlling party of the Group to be Bayway Fund L.P and Xu Xu, respectively. This entity does not produce financial statements available for public use.

(Expressed in RMB unless otherwise indicated)

31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	1 January 2026
Presentation and Disclosure in Financial Statements (IFRS 18)	1 January 2027
Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Optional

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss and other comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

FOUR-YEAR FINANCIAL SUMMARY

	For the year ended December 31,			
	2025	2024	2023	2022
	(RMB'000, except percentage)			
Operating Results				
Revenue	**1,119,849**	1,188,846	1,072,173	802,652
Gross profit	**190,812**	208,197	178,164	79,557
Profit/(loss) from operations	**30,872**	34,989	22,432	(38,087)
Profit/(loss) before taxation	**9,292**	13,312	(4,610)	(62,524)
Loss for the year	**(8,678)**	(3,557)	(24,406)	(75,515)
Total comprehensive income for the year	**(21,384)**	(2,287)	(26,063)	(75,547)
Profitability				
Gross profit margin	**17.0%**	17.5%	16.6%	9.9%
Adjusted EBITDA margin (non-IFRS measure)	**12.9%**	11.4%	11.4%	4.4%
Financial Position				
Total assets	**2,556,128**	2,203,086	2,211,406	2,110,951
Total liabilities	**935,615**	1,033,020	1,035,888	1,024,461
Total equity	**1,620,513**	1,170,066	1,175,518	1,086,490

"AGM"	the forthcoming annual general meeting of the Company to be held on or before June 30, 2026
"Anhui Beiyi Huifang"	Anhui Beiyi Huifang Equity Investment Partnership (Limited Partnership)* (安徽北醫惠方股權投資合夥企業(有限合夥)) is a limited partnership established in the PRC on January 8, 2020 with Baihui Investment Fund being the sole general partner (as to 4.7619% of the partnership interests) and Beijing Hopson Jiaye Property Management Company Limited* (北京合生嘉業物業管理有限公司) being the limited partner (as to 95.2381% of the partnership interests); Anhui Beiyi Huifang is a Controlling Shareholder
"Anhui Beiyi Huijin"	Anhui Beiyi Huijin Equity Investment Partnership (Limited Partnership)* (安徽北醫匯金股權投資合夥企業(有限合夥)) is a limited partnership established in the PRC on January 15, 2020 with Baihui Investment Fund being the sole general partner (as to 1.9608% of the partnership interests) and Gongqingcheng Yusheng Investment Management Partnership (Limited Partnership)* (共青城鈺晟投資管理合夥企業(有限合夥)) being the limited partner (as to 98.0392% of the partnership interests); Anhui Beiyi Huijin is a Controlling Shareholder
"Anhui Beiyi Huitong"	Anhui Beiyi Huitong Equity Investment Partnership (Limited Partnership)* (安徽北醫匯通股權投資合夥企業(有限合夥)) is a limited partnership established in the PRC on March 31, 2021 with Baihui Investment Fund being the sole general partner (as to 9.0909% of the partnership interests) and Shanghai Yuzheng Zerong Enterprise Management Company Limited* (上海毓正澤榮企業管理有限公司) being the limited partner (as to 90.9091% of the partnership interests); Anhui Beiyi Huitong is a Controlling Shareholder
"Articles of Association"	the amended and restated memorandum and articles of association of the Company adopted on June 9, 2025 which became effective on the Listing Date (as amended from time to time)
"associates"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Backspace"	Backspace Limited, a company incorporated in the British Virgin Islands as a company limited by shares on August 4, 2022, a wholly-owned subsidiary of Shanghai Huitong and a Controlling Shareholder
"Baihui Investment Fund"	Beijing Baihui Investment Fund Management Company Limited* (北京佰惠投資基金管理有限公司), a company established in the PRC with limited liability on October 9, 2015 and being owned as to 80% by Ms. Xu and is a Controlling Shareholder

"Bayway Fund L.P."	Bayway Fund L.P., an exempted limited partnership registered in the Cayman Islands on October 8, 2021 and controlled by Ms. Xu, and is a Controlling Shareholder
"Board"	the board of Directors of the Company
"Blue Crystal K"	Blue Crystal K Limited, a company incorporated in the British Virgin Islands as a company limited by shares on September 15, 2021, a wholly-owned subsidiary of Shanghai Minbei and a Controlling Shareholder
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China, but for the purpose of this annual report and for geographical reference only, references herein to "China" and the "PRC" do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
"Cheery Smiley"	Cheery Smiley Limited, a company incorporated in the British Virgin Islands as a company limited by shares on August 4, 2022, a wholly-owned subsidiary of Shanghai Huifang and a Controlling Shareholder
"Company"	Bayzed Health Group Inc (佰澤醫療集團), an exempted company incorporated under the laws of the Cayman Islands with limited liability on December 9, 2021
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Concert Party Agreements"	collectively, the original concert party agreement entered into between Suzhou Beiyi Baihui and Shanghai Xukun Management in March 2020, and the concert party agreement entered into between Bayway Fund L.P. and Xuxi Holding in May 2023
"Controlling Shareholder(s)"	include the shareholder(s) who is/are or is/are deemed as Controlling Shareholder(s) of the Company, which has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Ms. Xu and the entities controlled by her, namely, Bayway Fund L.P., Rose Violet X, Wineberry X, Crimson X, Blue Crystal K, Shanghai Minbei, Suzhou Beiyi Baihui, Baihui Investment Fund, Sugar Berry, Shanghai Huijin, Anhui Beiyi Huijin, Cheery Smiley, Shanghai Huifang, Anhui Beiyi Huifang, Backspace, Shanghai Huitong, Anhui Beiyi Huitong, and Xuxi Holding, Shanghai Xukun Management, Shanghai Xuxi Management, Zhu Hongbing (朱紅兵) and Cui Yifan (崔一帆) pursuant to the arrangement under the Concert Party Agreements

"Crimson X"	Crimson X Limited, a company incorporated in the British Virgin Islands as a company limited by shares on September 6, 2021, which is wholly-owned by Ms. Xu and is a Controlling Shareholder
"Director(s)"	the director(s) of the Company
"Global Offering"	has the meaning ascribed to it under the Prospectus
"Group"	the Company together with its subsidiaries
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRSs" or "IFRS Accounting Standards"	IFRS Accounting Standards as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected (within the meaning of the Listing Rules) with any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective Associates
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	June 23, 2025, on which the Shares of the Company are listed and from which dealings therein are permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Ms. Xu"	Ms. Xu Xu (徐旭), the executive Director, senior vice president and a Controlling Shareholder
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of the Company published on June 13, 2025
"Relevant Period"	from the Listing Date up to the end of the Reporting Period

"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	twelve months from January 1, 2025 to December 31, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"Rose Violet X"	Rose Violet X Limited, an exempted company incorporated in the Cayman Islands with limited liability on September 10, 2021, a wholly-owned subsidiary of Wineberry X and a Controlling Shareholder
"SFC"	the Securities and Futures Commission of Hong Kong
"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 Huifang"	Shanghai Huifang Enterprise Management Partnership (Limited Partnership)* (上海琿方企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on June 9, 2022, with Baihui Investment Fund being the sole general partner (as to 6.9182% of the partnership interests) and Anhui Beiyi Huifang as the limited partner (as to 93.0818% of the partnership interests), and is a Controlling Shareholder
"Shanghai Huijin"	Shanghai Huijin Enterprise Management Partnership (Limited Partnership)* (上海琿金企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on June 9, 2022, with Baihui Investment Fund being the sole general partner (as to 2.9333% of the partnership interests) and Anhui Beiyi Huijin as the limited partner (as to 97.0667% of the partnership interests), and is a Controlling Shareholder
"Shanghai Huitong"	Shanghai Huitong Enterprise Management Partnership (Limited Partnership)* (上海琿通企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on June 9, 2022, with Baihui Investment Fund being the sole general partner (as to 13.3333% of the partnership interests) and Anhui Beiyi Huitong as the limited partner (as to 86.6667% of the partnership interests), and is a Controlling Shareholder
"Shanghai Minbei"	Shanghai Minbei Enterprise Management Partnership (Limited Partnership)* (上海旻北企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on September 13, 2021, with Baihui Investment Fund being the sole general partner (as to 0.1464% of the partnership interests) and Suzhou Beiyi Baihui as the limited partner (as to 99.8536% of the partnership interests), and is a Controlling Shareholder

"Shanghai Xukun Management"	Shanghai Xukun Enterprise Management Co., Ltd.* (上海栩琨企業管理有限公司), a company established in the PRC with limited liability on March 3, 2020 and is owned as to 67% by Zhu Hongbing (朱紅兵) and as to 33% by Cui Yifan (崔一帆) (a director of our subsidiaries). It is one of our Controlling Shareholders
"Shanghai Xuxi Management"	Shanghai Xuxi Enterprise Management Partnership (Limited Partnership)* (上海栩西企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on June 9, 2022, with Cui Yifan (崔一帆) being the sole general partner (as to 1.0318% of the partnership interests) and Shanghai Xukun Management as the limited partner (as to 98.9682% of the partnership interests), and is a Controlling Shareholder
"Share(s)"	ordinary share(s) with a par value of USD0.00001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under section 15 of the Companies Ordinance
"Sugar Berry"	Sugar Berry Limited, a company incorporated in the British Virgin Islands as a company limited by shares on August 4, 2022, a wholly-owned subsidiary of Shanghai Huijin and a Controlling Shareholder
"Suzhou Beiyi Baihui"	Suzhou Beiyi Baihui Investment Partnership (Limited Partnership)* (蘇州北醫佰惠投資合夥企業(有限合夥)), is a limited partnership established in the PRC on April 9, 2018 and, immediately prior to the Reorganization, with (i) Baihui Investment Fund being the sole general partner (as to 1.2544% of the partnership interests) and (ii) Suzhou Baihui Tongxin Hospital Management Company Limited* (蘇州佰惠同欣醫院管理有限公司), Guangdong Guancheng Industrial Investment Company Limited* (廣東貫成實業投資有限公司), Dongguan Changshi Particle Investment Company Limited* (東莞市長實粒子投資有限公司), Shanghai Yu'an Investment Group Company Limited* (上海裕安投資集團有限公司), and Baicheng Baixin, each being a limited liability company established in the PRC, being the limited partners (as to 45.3167%, 38.3763%, 6.2719%, 6.2719%, and 2.5088% of the partnership interests, respectively). Suzhou Beiyi Baihui is a Controlling Shareholder
"USD"	U.S. dollar

"Wineberry X"	Wineberry X Limited, a company incorporated in the British Virgin Islands as a company limited by shares on September 9, 2021 being owned as to 80% by Crimson X and as to 20% by Gamboge C Limited (a company incorporated in the British Virgin Islands as a company limited by shares and is wholly owned by Cui Yong (崔勇)) and a Controlling Shareholder
"Xuxi Holding"	Xuxi Holding Ltd., a company incorporated in the British Virgin Islands as a company limited by shares on July 29, 2022, which is wholly-owned by Shanghai Xuxi Management and is a Controlling Shareholder
"%"	per cent

* *For identification purposes only*

佰泽医疗集团
BAYZED HEALTH GROUP