



# Jinxin Fertility Group Limited 錦欣生殖醫療集團有限公司\*

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

Stock Code: 01951



## Annual Report 2025



\* For identification purposes only

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The Group is a leading ARS provider in China and the United States. Leveraging the Group's existing market leadership in China and the United States, the Group is uniquely positioned to capture unmet demand of ARS patients in China and the United States as well as growth opportunities in markets with growth potential. The Group endeavors to provide patients with personalized solutions to fulfill their dreams of becoming parents.

The Group has established a competitive advantage on branding, technology, medical staff and management in a market with significant entry barriers. All hospitals established in the Group's network are recognized as top-notch in their respective regional market, including but not limited to Sichuan Province, the Greater Bay Area, Yunnan Province and the Western United States, which contributes to the Group's leading position in the ARS markets in China and the United States.

In 2021, the Group acquired the Sichuan Jinxin Xinan Hospital (Jingxiu Campus), RHC (brand name: Gratia Medical Center) and ARC to expand its footprint in Sichuan Province and the Greater Bay Area and diversified its service offerings to provide a full lifecycle of fertility services covering pregnancy preparation, IVF, prenatal, childbirth and postpartum. The Group acquired a new property in February 2022, which will be officially put into operation in 2025 for our Shenzhen Zhongshan Hospital, with a view to capture the anticipated growth and increasing demand for ARS in Shenzhen and within the Greater Bay Area and expand its capacity by enhancing spatial and environmental factors, as well as to expand the VIP service to satisfy the multi-dimensional needs of our patients. The Group also completed the acquisition of controlling interests in Jiuzhou Hospital and Hewanjia Hospital, thereby, further expanding the Company's market share and influence in Southwest China.

In late 2022, the Group conducted an internal restructuring to enable Sichuan Jinxin Xinan Hospital (Jingxiu Campus) to further expand its scope of offerings and provide medical services involving Molecular Genetics Services, being the cutting-edge technology for pre-natal examination in accordance with the applicable PRC laws. In April 2023, Chengdu Xinan Clinic and Sichuan Jinxin Xinan Hospital (Jingxiu Campus) merged their ARS-related medical licenses to Sichuan Jinxin Xinan Hospital, building a strong reputation and enhanced its market influence in ARS, obstetrics, gynecology and pediatrics business, respectively with to their excellent medical quality and superior service experiences. We expect to further promote the synergistic effects of the two hospitals and strengthen the Group's competitiveness and reputation.

As part of our growth strategies, HRC Medical has sought to expand its business by way of recruiting physicians and constructing clinics by itself. In 2024, HRC Medical has seen significant results in physician recruitment, with five new physicians joining HRC Medical this year. The Group has also entered into contracts with an additional 12 doctors, who are expected to join within the next two years. In July 2024, HRC Medical's satellite centre in Beverly Hills has officially begun operations. In December 2024, a new business development hub was established in San Francisco.



The Group expects the penetration rate and market size for assisted reproductive services in China to significantly increase as the PRC government implements supportive policies and supportive measures to encourage fertility. In July 2021, the Central Committee of the Communist Party of China and the State Council issued the “Decision on Optimizing Fertility Policies to Promote Long-term and Balanced Population Development” (《關於優化生育政策促進人口長期均衡發展的決定》), pursuant to which couples are allowed to have up to three children, and supportive measures are being introduced covering various aspects to encourage births. Since then, there are more provinces and cities in China introducing incentive policies to encourage childbirth, such as setting up childcare subsidy. In August 2022, 17 governmental authorities including the National Health Commission issued the “Guidelines on Further Improving and Implementing Supportive Measures for Active Fertility” (《關於進一步完善和落實積極生育支持措施的指導意見》) to guide local governments to consider the affordability of medical insurance (including maternity insurance) funds, relevant technical standards and other factors as a whole, and in accordance with the procedures, gradually list the labor analgesia and assisted reproductive technology programs in the coverage of such medical insurance funds.

As at the date of this report, a total of 31 provinces/municipalities in China and Xinjiang Production and Construction Corps have officially included ARS treatment in the scope of national medical insurance payment, and geographically the coverage has been expanded across mainland China. The “Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization” (the “**Resolution**”) adopted at the Third Plenary Session of the 20th Central Committee of the Communist Party of China in July 2024 set forth a strategic plan for improving the systems that support population development and provide related services. The Resolution has instituted a series of major measures to provide full life-cycle population services to all in order to effectively bringing down the “Trio Nurture Costs” (i.e., the costs of childbirth, parenting and education). These measures are intended to raise the public share of expenses relating to childbirth, parenting and education, improve the standard of public services for childbirth and pediatric medical services, enhance the capabilities of basic medical and healthcare services in the childbirth cycle, expand assisted reproductive technology resources, and improve the healthcare systems for maternal and infant health, productivity and pediatrics.

In 2024, the central government, as well as local governments, intensively issued relevant policies to promote the development of private hospitals and “Sanming Healthcare Reform” (三明醫改). Further in 2025, the Report of the Work of the Government delivered at the Third Session of the 14th National People’s Congress of the People’s Republic of China proposed for the first time the establishment of a specialized fund covering the full cycle of “childbirth, parenting, and education,” focusing on measures such as the distribution of childcare subsidies and increasing affordable childcare services. This marks a new height in childbirth support policies.

Coupled with the broader context of the “Sanming Healthcare Reform” (三明醫改), with the national guiding principle of integrating public and private healthcare to provide differentiated medical services for the public, adjustments in the public’s current perception on childbirth and the refinement of government’s childbirth policies have created structural, long-term development opportunities for private medical institutions. These institutions, which provide group-based, standardized, and high-quality services for assisted reproduction and even the full lifecycle, are set to benefit significantly from these changes.

## BOARD OF DIRECTORS

### *Executive Directors*

Mr. Dong Yang (*Chief Executive Officer and Acting Chief Financial Officer*)

Dr. Lyu Rong (*Co-chief Executive Officer*)

Dr. Geng Lihong

### *Non-executive Directors*

Mr. Zhong Yong (*Chairman*)

Ms. Hu Zhe

Ms. Yan Xiaoqing

Mr. Chen Shuyun

### *Independent Non-executive Directors*

Dr. Chong Yat Keung

Dr. Li Jianwei

Mr. Wang Xiaobo

Mr. Ye Changqing

## AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Ye Changqing (*Chairman*)

Dr. Chong Yat Keung

Ms. Hu Zhe

Mr. Wang Xiaobo

Mr. Chen Shuyun

## REMUNERATION COMMITTEE

Dr. Chong Yat Keung (*Chairman*)

Mr. Dong Yang

Mr. Wang Xiaobo

Mr. Ye Changqing

Mr. Chen Shuyun

## NOMINATION COMMITTEE

Mr. Wang Xiaobo (*Chairman*)

Dr. Lyu Rong

Dr. Chong Yat Keung

Mr. Ye Changqing

## STRATEGIC DECISIONS COMMITTEE

Mr. Zhong Yong (*Chairman*)

Mr. Dong Yang

Dr. Li Jianwei

Mr. Chen Shuyun

## MEDICAL QUALITY CONTROL AND R&D COMMITTEE

Dr. Geng Lihong (*Chairman*)

Dr. Chong Yat Keung

## COMPANY SECRETARY

Ms. Zhai Yangyang (*resigned on October 31, 2025*)

Ms. Ng Sau Mei (*resigned on October 31, 2025*)

Ms. Chung Man Nar Mona

(*appointed on October 31, 2025*)

## AUTHORIZED REPRESENTATIVES

Mr. Dong Yang

Ms. Ng Sau Mei (*resigned on October 31, 2025*)

Ms. Chung Man Nar Mona

(*appointed on October 31, 2025*)

## REGISTERED OFFICE

Vistra (Cayman) Limited

P.O. Box 31119 Grand Pavilion

Hibiscus Way, 802 West Bay Road,

Grand Cayman

KY1-1205

Cayman Islands



### **HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC**

No. 301, North Jingsha Road  
Jinjiang District, Chengdu  
Sichuan, China

### **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Unit No. 1907B  
Level 19, International Commerce Centre,  
1 Austin Road West, Kowloon  
Hong Kong

### **CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE**

Vistra (Cayman) Limited  
P.O. Box 31119 Grand Pavilion  
Hibiscus Way, 802 West Bay Road,  
Grand Cayman  
KY1-1205  
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### **HONG KONG SHARE REGISTRAR**

Computershare Hong Kong Investor Services  
Limited  
Shops 1712-1716  
17/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### **HONG KONG LEGAL ADVISOR**

Fangda Partners  
26/F, One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

### **AUDITOR**

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditors*  
35/F One Pacific Place  
88 Queensway  
Hong Kong

### **STOCK CODE**

1951

### **COMPANY'S WEBSITE**

[www.jxr-fertility.com](http://www.jxr-fertility.com)

# Financial Summary

	For the year ended December 31,				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
<b>Operating results</b>					
Revenue	1,838,826	2,364,479	2,788,910	2,811,596	<b>2,649,073</b>
Gross profit	771,482	874,319	1,175,445	1,099,454	<b>886,541</b>
(Loss) Profit before taxation	457,927	154,324	464,268	391,887	<b>(982,961)</b>
Net (loss) profit	353,697	117,949	346,983	273,467	<b>(983,885)</b>
Adjusted net profit	455,276	274,136	471,451	416,345	<b>209,307</b>
<b>Profitability</b>					
Gross profit margin	42.0%	37.0%	42.1%	39.1%	<b>33.5%</b>
Net profit margin	19.2%	5.0%	12.4%	9.7%	<b>-37.1%</b>
Adjusted net profit margin	24.8%	11.6%	16.9%	14.8%	<b>7.9%</b>
	As at December 31,				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
<b>Financial position</b>					
Total assets	12,825,390	15,232,037	14,896,177	14,981,794	<b>13,963,131</b>
Total equity	8,752,701	8,735,128	10,186,812	10,354,187	<b>9,198,821</b>
Total liabilities	4,072,689	6,496,909	4,709,365	4,627,607	<b>4,764,310</b>
Bank balances and cash	862,325	1,316,549	624,280	546,196	<b>905,782</b>



## Statement of Chief Executive Officer

To All Shareholders:

The year 2025 marked a **pivotal year of transition, recovery, and strategic focus** in Jinxin's development journey.

Over the past year, the Group achieved a total of 28,039 treatment cycles; operating cash flow remained robust, reaching RMB588 million; compared to the first half of the year, the second half saw a 3.1% increase in cycle numbers, a 3.8% increase in management revenue, an 18.6% increase in adjusted EBITDA, and a 54.3% increase in adjusted net profit. This operational recovery is not a short-term bounce, but the result of the combined effects of structural optimization, efficiency enhancements, and strategic focus.

With the accelerated adjustments to fertility policies in China and the US, and profound changes in the industry landscape, the Company navigated phased operational pressures, optimized historical assets, reshaped its organizational capabilities, and recalibrated its strategic direction. Facing these challenges, we neither evaded them nor adopted a wait-and-see approach. **By frankly confronting problems, decisively clearing risks, resolutely focusing on our core business, and strengthening long-term capabilities**, we have embarked on a critical five-year period transitioning from “dispersed expansion” to “intensive growth,” and from “scale first” to “prioritizing quality and cash flow.”

Standing at the juncture of the year's end and the beginning of a new journey, on behalf of the Company's management, I would like to extend my deepest gratitude to our long-term shareholders for their unwavering trust, to our partners for their support, to the patient families who have entrusted us with their hopes, and to all Jinxin colleagues who have steadfastly held the frontline. Let us review the reflections and adjustments made during this process.

### **LOOKING BACK AT 2025: RECOVERING THROUGH ADJUSTMENTS AND ADVANCING THROUGH RISK CLEARANCE**

In 2025, important changes occurred in the internal and external environments. Externally, in the Chinese market, medical insurance policies were fully implemented for the first time in the main regions where the Group operates. Although the reimbursement rate is still relatively low, it is a process of cognitive adaptation for patient families, hospitals, and the Group. In the US market, historic commercial insurance policies have fully covered assisted fertility expenses for the vast majority of working families in California. The policy was extended mid-year and postponed by half a year to take effect on January 1, 2026. In terms of demographic structure, the median age of users in the Chinese market has risen rapidly, and their understanding of assisted reproductive technology has continuously improved. Influenced by policy expectations, US users' interest and demand for consumer-oriented reproductive health products and services, such as fertility preservation, have significantly increased. Meanwhile, traditional fertility desires in China reached a historical low in 2025, following the multiple pressures of economic slowdown after three years of the pandemic, the impact of the real estate economic contraction on household wealth, and the employment uncertainty of the younger generation. In response to this series of factors, we needed to re-examine the core value propositions and efficiency requirements of providing reproductive services.

Faced with this complex historical environment, we recalibrated our understanding of the following points and adjusted our business strategy accordingly:

1. The medium- to long-term demand for assisted reproduction has not fundamentally changed. The three judgments we made at the time of our IPO remain valid.
  - a. **In the long cycle of population decline, the long-term upward trend in assisted reproductive demand remains unchanged.** Over the past three years, the superposition of multiple economic and consumption factors has caused the slope of the population downward curve to be overly distorted, making it difficult to see the inclination rate of the upward curve of the assisted reproductive business. We remain cautiously optimistic about a further cliff-like drop in the population slope and have estimated the business volume of assisted reproduction based on a lower population base, believing that the medium- and long-term market growth trend remains unchanged.
  - b. **The continuous increase in the median age of users imposes higher requirements on assisted reproductive cycles, technology, and success rates.** The age of the Group's users has increased by nearly 5 years compared to when we went public, and the phenomenon of delayed childbearing is obvious. This raises the overall demand for technical success rates, large-cycle stability, and comprehensive health services for women and children. We believe that mothers are the decision-makers for family health expenditures, and reproductive health services are the best products to establish this bond of health trust.
  - c. **Long-term policy dividends.** Whether in the Chinese or US markets, the rollout of policies has exceeded our expectations. However, the complexity, phasing, and timing of such population stimulus policies also exceeded our estimates. US policies have gone through multiple rounds of hearings, discussions, and delays, while Chinese policies have advanced in both support magnitude and regulatory magnitude. We need to optimistically look at the long river of history and see that our medium- and long-term judgments at the time of the IPO are still valid: no country or region with a declining population fails to comprehensively subsidize assisted reproduction—I prefer to view such public and private sector subsidies as an “investment.” We believe this is the wisest demographic dividend investment that policymakers will increasingly realize.
2. Jinxin's shareholder structure has undergone significant changes. At the beginning of our listing, over 50% of our investors came from overseas, and Jinxin became the world's first assisted reproductive group with both cycle volume and profit scale. Sitting on the largest US and Chinese markets once made us the darling of the capital market. As of 2025, about 50% of our shareholder structure consists of Hong Kong Stock Connect investors. Investors have different risk appetites, regional distributions, and revenue/profit growth expectations for different asset portfolios.



3. The market opportunities Jinxin faces in China and the US, as well as the required team capabilities and focus, are different. In the Chinese market, where the birth rate is under short-term pressure and subsidy amounts are relatively low, despite the unchanged long-term development trend, the price inversion in the M&A market and sluggish demand have led shareholders to focus more on high-quality profit and cash flow levels. In the US market, with nearly 100% subsidies, capturing market share has become the top priority. After years of repeated attempts, the most effective way for medium- and long-term capital to capture market share remains building our own clinics and independently training doctors. Combining the two, the sluggish revenue growth in the Chinese market, coupled with the profit pressure brought by independent doctor training and clinic expansion in the US market, made it seem as though we could not see either a revenue growth story or a profit expansion story on our financial statements. The superimposed complexity of policies in both places turned Jinxin from the simplest story in the medical market to the hardest chapter to understand. We need to adjust our operating pace according to the current shareholder structure and do the right and meaningful things for our shareholders.

Based on the above macro background, reflecting on our business strategies in the Chinese and US markets, and drawing lessons from the short-term failure of some past capital allocations, we have summarized the following key adjustment strategies and will persist in executing them in 2025-2026:

### **1. *Proactive risk clearance and comprehensive balance sheet restoration***

Facing goodwill risks, we recognized impairment provisions for the intangible assets generated by the HRC M&A in the United States and certain non-core assets, shedding long-term historical burdens in a single stroke. This was a difficult but responsible decision aimed at more objectively reflecting asset values, optimizing our long-term capital structure, enhancing future operational certainty, and allowing the Company to move forward with a lighter burden.

Facing liquidity risks, we completed syndicated loan replacements and optimized our financing structure. The comprehensive financing cost for the year dropped to 4.36%, a decrease of more than three percentage points from the historical high, and is expected to further drop below 4% in 2026. By the end of 2025, Group's unused credit facility reached RMB1.1 billion, significantly bolstering our capital safety cushion and building a solid foundation for future growth and shareholder returns.

## 2. *Comprehensive Strategic Focus: Returning to the Essence of Healthcare and Doing the Right, Long-Term Things*

In 2025, our biggest transformation was **learning to focus**:

- we divested non-core, low-synergy, and non-long-term value projects, concentrating resources and energy on our core business;
- we centered on “reproductive health users,” returning our focus to success rates, patient experience, service efficiency, and medical quality; and
- we shifted from outward expansion to organic growth, and from chasing narratives to pursuing authentic performance and cash flow.

We have always believed that the core of medical services lies in clinical outcomes and patient trust. Only by mastering the fundamentals can we navigate through cycles and achieve steady, long-term progress.

Our regional operational focus can be simplified as:

- Chengdu: Integrated services, contributing to full-life-cycle operating cash flow
- Greater Bay Area: Completing relocation, increasing market share in the Greater Bay Area
- US: Strengthening operating cash flow and capital cash flow recovery

### 1) ***Chinese Business: Consolidating the foundation of the domestic core business, enhancing service and technological barriers, and focusing on core regions***

**The Chengdu hospital**—following its upgrade to a Grade III Level A hospital and the acquisition of the third-generation IVF license—has seen rapid growth in new businesses such as third-generation IVF, prenatal diagnosis and genetics, and integrated IVF-obstetrics services in 2025. It continues to consolidate its position as a regional leader and its profit contribution capability. The number of egg retrieval cycles for the year increased by 1.3% year-on-year despite a sharp decline in the first half of the year, and the VIP penetration rate rose to 21.2%. In 2026, we will continue to promote the integration of the three hospitals, strengthen cost scale advantages and team synergy advantages, and further enhance profitability and cash flow.

**In the Greater Bay Area**, the construction of the new Shenzhen hospital was completed and put into trial operation in February 2026, with a usable area of approximately 40,000 square meters. The cycle capacity has increased by at least three times, and the business will further extend to cover the entire Greater Bay Area, becoming the Group’s southern headquarters and second growth pole. In the second half of 2025, the number of egg retrieval cycles at the Shenzhen hospital increased by 15.1% half-over-half. Over the next ten years, this southern headquarters hospital of Jinxin will become the largest international women’s reproductive health hospital in the Greater Bay Area.



### **2) US Business: Actively slowing down expansion, enhancing operating cash flow, and improving capital cash flow recovery capabilities.**

In 2025, we completed a comprehensive review of the assets, liabilities, and operating models of our US business, and established a clear strategic direction of “slowing down expansion and recovering cash flow” to better match the current shareholders’ focus on cash flow quality.

Currently, the operations of our US business are stable. The physician team, operational capabilities, and compliance systems continue to strengthen. Coupled with the implementation of commercial insurance policies in California, the business is in an upward performance cycle. Driven by the dual effects of commercial insurance policies and early physician reserves, according to the disclosed figures for January to February, the US business has ushered in historic growth.

### **3) Strengthening Shareholder Returns: Putting Commitments into Practice**

Changes in the operating environment and adjustments to the shareholder structure have prompted us to make the above adjustments, which ultimately return to a key question: how do we reward our shareholders? We have always believed that **excellent medical services must be translated into healthy, sustainable cash flow and shareholder value.**

In 2025, we comprehensively strengthened capital discipline: strictly controlling capital expenditures. Excluding the Shenzhen project and final payments for certain projects, new capital investments in 2026 are expected to be less than RMB50 million, and free cash flow will improve significantly.

Hereby, we have **issued a 3-year shareholder return policy** to all shareholders:

1. 2025 Final Dividend: Distribute approximately RMB100 million in cash dividends, accounting for about 20% of the adjusted EBITDA for 2025.
2. 2026-2028 Shareholder Return Plan: 50%-80% of the annual adjusted EBITDA will be used for share repurchases and cash dividends; among them, the annual cash dividend will not be less than 20% of the adjusted EBITDA, and the remaining portion will be used for other returns conducive to earnings per share based on market conditions.
3. Share Repurchase: Within the next 12 months, implement a share repurchase of up to RMB300 million.

We will demonstrate a high degree of alignment between management and shareholder interests with stable, continuous, and predictable returns.

### **FINALLY: TO OUR LONG-TERM COMPANIONS — BELIEVE IN THE POWER OF TIME, AND STICK TO THE ORIGINAL INTENTION OF MEDICAL OPERATIONS**

The Jinxin brand began in 1951, with over seventy years of original intention in medical practice, and six years of transformation since going public. We have experienced the difficulties of integration, the pains of expansion, and the pressures of cycles, but we have also accumulated operational foundation, organizational resilience, and long-termism through these hardships. Every reflection, learning, and growth is the beginning of the next development. In 2026, we will open a new five-year chapter together.

Thank you to all shareholders for your companionship and trust and thank you to every Jinxin member for your perseverance and dedication.

**Dong Yang (Sunny)**

CEO

*Jinxin Fertility Group Limited*



## INDUSTRY TRENDS

Looking ahead at the global market, the assisted reproduction market demonstrates a sustainable growth trend that defies declining birth rates over the medium to long term. We believe that against the broader backdrop of falling global birth rates, assisted reproduction undoubtedly represents a highly certain medium- to long-term growth opportunity. According to data from SAC Insight, the global IVF market size is estimated at USD3.156 billion in 2025 and is projected to reach USD10.466 billion by 2032, representing a compound annual growth rate (CAGR) of 18.7% during this period. Such a high growth rate is truly rare among most industries.

From 2019 to 2025, the number of births in China continued to decline. Particularly post-pandemic, according to data from the National Bureau of Statistics of China, the number of births experienced an accelerated decline, dropping to approximately 8 million. This decline is the result of multiple compounding factors, primarily including the post-pandemic economic slowdown, tightened regulations in the real estate sector, and foundational impacts of the population structure. The intertwining of these factors has also distorted the short-term growth trajectory of the assisted reproduction market, leading to market skepticism regarding an overall mid-term decline in assisted reproduction cycles.

However, we firmly believe that our foundational assessment remains unchanged: in the medium to long term, the volume of assisted reproductive cycles will exhibit a sustainable growth trend that defies the overall decline in birth rates. This is primarily driven by multiple factors, including the continuously rising median age of childbearing, an increase in the number of cycles per patient, the application of new assisted reproductive technologies, and improved patient awareness and education regarding assisted reproduction. According to our statistical data, in 2025, the average patient age at our Chengdu and Shenzhen campuses has increased to 34 and 35.7 years old, respectively. Notably, among patients of advanced maternal age (over 35), an increasing number are choosing to utilize Preimplantation Genetic Testing (PGT) technologies and further opting for our integrated reproductive health and maternity care services.

We must view the short-term suppression of the willingness to have children—stemming from the impacts of the economic slowdown and real estate regulations on short-term per capita disposable income and household wealth—with greater rationality and patience. We are delighted to observe that, according to the latest marriage registration data released by the Ministry of Civil Affairs on February 11, 2026, the number of marriage registrations reached 6.763 million couples, representing a 10.76% increase compared to 2024.

According to the latest research report by Frost & Sullivan, the number of newborns in China is predicted to have hit the bottom in 2025, potentially marking an upcoming inflection point. Moving forward, the number of newborns is expected to gradually stabilize and slightly rebound. Concurrently, according to Frost & Sullivan, while the number of births dropped between 2016 and 2025, the number of couples experiencing infertility has continued to rise. The China Infertility Status Research Report indicates that China's infertility rate stood at approximately 18.2% in 2023. The number of infertile couples in China is increasing year by year, having grown from 54.8 million in 2020 to an estimated 60.6 million in 2025, and is projected to further rise to 67.4 million in 2030 and 74.4 million in 2035.

Overall, China's assisted reproductive service (ARS) penetration rate<sup>1</sup> remains significantly lower than that of developed countries. In 2025, China's ARS penetration rate was only about 10.5%, far below Europe (36.5%) and the U.S. (34.5%). With the intensive rollout of fertility subsidy policies across various regions in China and the inclusion of ARS treatment in the national medical reimbursement program, further recovery of China's birthrates and improvements in ARS penetration rates are expected.

## REGULATORY OVERVIEW

During the 2026 National "Two Sessions" (Lianghui), multiple delegates and committee members actively offered suggestions and proposals regarding the development of a fertility-friendly society and fertility preservation efforts:

- Establishing specialized clinics for fertility protection and preservation counseling, accelerating the improvement of the fertility support policy system, and establishing a national-level fertility protection and preservation center centered on ovarian tissue cryopreservation and transplantation. Currently, 47 medical institutions nationwide have carried out minimally invasive surgeries for ovarian tissue retrieval, initially establishing a national fertility protection network centered on ovarian tissue cryobanks, with related technologies gradually becoming standardized and scalable.
- Urging national policies to break through administrative bottlenecks, removing barriers for populations seeking egg freezing, while setting preconditions for the act of egg freezing. Enhancing fertility protection by including the costs of infertility examinations and assisted reproductive technologies into the scope of medical insurance pooling, continuously expanding the coverage of maternity insurance, and exploring the inclusion of urban and rural residents into the social security system.
- Formulating a unified national medical insurance payment catalog for assisted reproduction, promoting direct settlement for cross-provincial medical treatments, implementing multidisciplinary cooperation in reproductive medicine, and including psychological counseling costs in medical insurance. Simultaneously, it was suggested to allow single women to use assisted reproductive technologies and abolish discriminatory policies against out-of-wedlock births.
- Allowing single women to use assisted reproductive technologies and abolishing discriminatory policies against out-of-wedlock births to respond to the societal demand for fertility preservation. Previously, the National Health Commission stated that it is advancing the drafting of the "Regulations on the Administration of Assisted Reproductive Technology" and will prudently study issues such as egg freezing for single women, balancing medical, ethical, and social risks. As a reference for policy optimization in the mainland, Hong Kong officially abolished its time limit on egg freezing storage starting December 1, 2025, allowing eggs to be frozen indefinitely.

Most of the above suggestions remain under study or are currently being piloted at the local level, and their nationwide implementation remains subject to further regulatory developments.

Since 2021, the Chinese government has introduced a series of policies to encourage childbirth and launched multiple initiatives to improve the accessibility and affordability of assisted reproductive services.

<sup>1</sup> Penetration rate refers to the proportion of patients with ARS needs who actually receive treatment. The data is sourced from the "2026 White Paper on the Development Status and Future Trends of China's Assisted Reproduction Industry" released by Frost & Sullivan in March 2026.



In August 2022, 17 governmental departments including the National Health Commission issued the “Guidelines on Further Improving and Implementing Supportive Measures for Active Fertility” (《關於進一步完善和落實積極生育支持措施的指導意見》) to guide local governments to consider the affordability of medical insurance (including maternity insurance) funds, relevant technical standards, and other factors as a whole, and in accordance with the procedures, gradually list appropriate labor analgesia and assisted reproductive technology programs in the coverage of such medical insurance funds. By March 2025, a total of 31 provinces/municipalities in China and the Xinjiang Production and Construction Corps have officially included ARS treatment in the scope of national medical insurance payment, and geographically the coverage has been expanded across mainland China. In addition, Sichuan, Guangdong, Hubei, and Yunnan provinces, where the Group’s operating subsidiaries are located, have also started to include ARS treatment in the scope of national medical insurance payment since the fourth quarter of 2024.

The “Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization” (the “**Resolution**”) adopted at the Third Plenary Session of the 20th Central Committee of the Communist Party of China in July 2024 set forth a strategic plan for improving the systems that support population development and provide related services. The Resolution also emphasizes the promotion of a childbirth-friendly society. From the perspective of refining the policy system and incentive mechanism for boosting fertility, the Resolution, in accordance with the requirements of covering the entire population and the full life cycle, has instituted a series of major measures centered on bringing down the “Trio Nurture Costs” (i.e., the costs of childbirth, parenting, and education). These measures include introducing a system of childbirth subsidies; integrating various subsidy forms based on the current common practices of various provinces and cities and gradually increasing the level of subsidies; and synergistically advancing this with the expanded coverage of maternity insurance. This aims to form a broadly covered fundamental childcare support system for families, raise the public share of expenses relating to childbirth, parenting, and education, improve the standard of public services for basic childbirth and pediatric medical services, enhance the capabilities of basic medical and healthcare services throughout the entire childbirth cycle, expand assisted reproductive technology service resources, and improve the healthcare service systems for maternal and infant health, reproductive health, and pediatrics.

In October 2024, the General Office of the State Council issued the “Several Measures on Accelerating the Improvement of the Fertility Support Policy System to Promote the Construction of a Fertility-Friendly Society” (《關於加快完善生育支持政策體系推動建設生育友好型社會的若干措施》) (the “**Several Measures**”). The Several Measures proposed 13 specific measures for building a fertility support system across four dimensions: fertility service support, childcare service systems, education, housing and employment, and fostering a childbirth-friendly society. It aims to accelerate the improvement of fertility support policies and promote the creation of a childbirth-friendly society. On November 27, 2024, the National Health Commission convened a meeting to implement the Several Measures, emphasizing the need for all regions and departments to plan in a coordinated manner and advance the implementation of various policy measures to achieve effective results. On December 11, 2024, the Central Economic Work Conference proposed “formulating policies to promote childbirth” as one of the key tasks for 2025.

In 2025, the Report of the Work of the Government delivered at the Third Session of the 14th National People's Congress of the People's Republic of China proposed for the first time the establishment of a specialized fund covering the full cycle of "childbirth, parenting, and education," focusing on measures such as the distribution of childcare subsidies and increasing affordable childcare services. This marks a new height in childbirth support policies.

On March 7, 2025, Mr. Lei Haichao, the Director of the National Health Commission of China, pointed out during the open delegation meeting of the Jiangsu delegation at the Third Session of the 14th National People's Congress of the People's Republic of China, that "The population issue remains an important issue requiring in-depth and dynamic study. This year, childcare subsidies will be available, and the National Health Commission of China is working with relevant departments to draft an operational plan for these childcare subsidies."

In July 2025, the General Office of the CPC Central Committee and the General Office of the State Council issued the Implementation Plan for the Childcare Subsidy System. The plan stipulates that, starting from January 1, 2025, subsidies will be provided for infants and toddlers under 3 years old who are born in accordance with laws and regulations, until they reach the age of 3. According to the plan, the subsidy targets are infants and toddlers under 3 years old born on or after January 1, 2025, in compliance with laws and regulations. In other words, subsidies can be applied for regardless of whether the child is the first, second, or third child.



## BUSINESS UPDATES

### Key Operating Information

The following operating data have been provided by the Group's in-network hospitals and by hospitals and clinics managed under invest-operate-transfer (“**IOT**”) agreements or management service agreements (“**MSA**”). IOT/MSA institutions refer to hospitals and clinics controlled by the Group through discipline co-construction and cooperation agreements and management service agreements.

#### Operating data as at December 31, 2025

RMB: million

Region	Number of Institutions	Number of IVF treatment cycles	Revenue Derived From Medical Services		Total
			Self-owned institutions	IOT/MSA institutions	
Chengdu	3	14,070	1,176	371	1,547
Greater Bay Area	3	5,428	428	–	428
Kunming and Wuhan	3	4,306	274	–	274
Overseas	14	4,235	156	673	829
<b>Total</b>	<b>23</b>	<b>28,039</b>	<b>2,034</b>	<b>1,044</b>	<b>3,078</b>

#### Operating data as at December 31, 2024

RMB: million

Region	Number of Institutions	Number of IVF treatment cycles	Operating Revenue		Total
			Self-owned institutions	IOT/MSA institutions	
Chengdu	3	13,884	1,258	424	1,682
Greater Bay Area	3	5,769	469	–	469
Kunming and Wuhan	3	4,242	266	–	266
Overseas	14	4,548	153	636	789
<b>Total</b>	<b>23</b>	<b>28,443</b>	<b>2,146</b>	<b>1,060</b>	<b>3,206</b>

#### Notes:

- (1) The revenue from IOT/MSA organizations in the operating data is the reported revenue of the hospitals, which has not been consolidated into the Group's consolidated statements. The consolidated revenue of the Group is the management fee received from IOT/MSA organizations, which amounted to approximately RMB497.7 million in 2025, compared to approximately RMB544.8 million in 2024.
- (2) The above operating data do not include non-medical institutions.

- (3) To capitalize on the historic growth opportunities in California's IVF industry spurred by the enactment of SB 729, which took effect in January 2026, HRC Fertility has expanded its operational network across the state to capture the anticipated surge in patient volume and market share. Under SB 729, large corporate health insurance plans (i.e., those covering over 100 employees) are required to provide coverage for infertility diagnosis and treatment, while small and medium-sized employers have the option to participate voluntarily. This coverage mandates three complete oocyte retrieval (OPU) cycles and unlimited embryo transfer cycles, while strictly prohibiting differential treatment based on marital status or other personal characteristics.

Specifically, HRC Fertility expanded its footprint in the San Francisco Bay Area in Q1 2025 by opening a new satellite clinic in the city center and acquiring an established, premier fertility clinic in Silicon Valley. Furthermore, in Q3 2025, HRC Fertility launched a new state-of-the-art clinic in Beverly Hills—one of the most affluent and high-potential markets in the Los Angeles area.

### ***Chengdu operations***

As disclosed in the interim report, our Chengdu operations experienced a significant decline in the first half of the year, with the number of oocyte retrieval (OPU) cycles decreasing by 6.1% year-on-year compared to the first half of 2024. In the second half of the year, the Company actively responded to various challenges by implementing a series of measures, such as optimizing patient management and improving the patient experience, to enhance patient retention and reduce patient loss. Notably, the re-consultation rate within three months for patients who experienced prior artificial insemination (“**IUI**”) failures increased by 6 percentage points year-on-year compared to 2024, and the proportion of patients with a history of treatment failure at other hospitals increased by 2 percentage points year-on-year. These efforts enabled the full-year cycle volume to achieve year-on-year growth, with the number of IVF treatment cycles increasing by 1.3% from 13,884 in 2024 to 14,070 in 2025. Concurrently, the VIP penetration rate at the Sichuan Jinxin Xinan Hospital (Bisheng Campus) continued to rise to approximately 21.2%, representing a year-on-year increase of 1 percentage point compared to 2024. Furthermore, the number of IUI patients increased from 660 for the year ended December 31, 2024 to 1,947 for the year ended December 31, 2025. The total number of treatment cycles for our Chengdu operations (i.e., IUI and OPU cycles) continued to rise during the Reporting Period, with the total number of treatment cycles increasing by 10.1%.

Since the introduction of third-generation IVF in 2024, we have cumulatively served over 2,500 patients as at the date of this announcement. Notably, in 2025, we completed 1,583 third-generation IVF cycles, representing a significant year-on-year increase of 72.8%. As the median age of our patients continues to rise, the penetration rate of this business is expected to also achieve rapid growth over the next five years. According to U.S. market reports based on CDC data, over 50% of IVF cycles in the United States currently utilize PGT technology. Simultaneously, the Group launched prenatal diagnosis and genetic counseling services in 2024 to safeguard the pregnancies of women who conceived via IVF, providing multiple layers of protection for the birth of healthy babies. Furthermore, leveraging over 70 years of experience in maternal and child healthcare and 20 years of expertise in assisted reproductive technology, Jinxin has pioneered the creation of an integrated IVF maternity and neonatal care model featuring “Assisted Reproduction | Full-Cycle | Individualization.” By combining an all-round expert team with multidisciplinary team (“**MDT**”) consultations, the Group streamlines inefficiencies with technology, safeguards the entire diagnosis and treatment process for patients from conception to birth, and achieves the goal of delivering healthy babies. VIP services are designed to provide a stress-free experience, covering all dimensions from physical to psychological support, and achieving a burden-free pregnancy through systematic integration.



In response to the current economic environment and the growing concern on public health, the Chengdu campus launched great health management services covering the full lifecycle. Operating under a centralized model, our Chengdu operation launched new specialized businesses, such as establishing a Women's Health Management Center focused on developing services around cervical clinics, menopause management clinics, pelvic floor clinics, and anti-aging. It also established a Men's Health Management Center, adding male minimally invasive surgeries and andrology center, alongside opening new departments including dentistry, ENT (ear, nose, and throat), ophthalmology, psychology (sleep clinics and adolescent clinics), weight loss centers, and medical dermatology & aesthetics. Furthermore, a Sino-Western Medicine Children's Health Center was established to provide full-cycle diagnosis and treatment services for children from birth to adolescence through integrated Chinese and Western medicine. These initiatives aim to expand great healthcare services for the full lifecycle and provide multidimensional health diagnoses and treatments.

### ***Operations in the Greater Bay Area***

Starting from the second half of 2025, the Greater Bay Area operations have continued to recover. The Shenzhen campus optimized its diagnosis and treatment processes, as well as the management of patients who failed IUI, achieving remarkable results in improving the conversion rate of IUI-failed patients to IVF cycles. Compared to the first half of 2025, the number of IVF cycles in the Greater Bay Area in the second half of 2025 increased by 13.8%. As disclosed in the interim report, the Greater Bay Area operations experienced a significant decline in the first half of the year, with the number of oocyte retrieval (OPU) cycles decreasing by 16% year-on-year compared to the first half of 2024. This was primarily due to changes in the clinical visit process, which led to a significant increase in the proportion of IUI cycles, as well as the delayed relocation to the new Shenzhen campus. For the full year, the number of OPU cycles decreased by 5.9% from 5,769 in 2024 to 5,428 in 2025, while the number of IUI patients increased from 746 for the year ended December 31, 2024 to 1,769 for the year ended December 31, 2025. During the Reporting Period, the total number of treatment cycles (i.e., IUI and OPU cycles) for our Greater Bay Area operations continued to increase, overall growing by 10.5%. Revenue decreased by 8.8% from approximately RMB468.8 million for the year ended December 31, 2024 to approximately RMB427.6 million for the year ended December 31, 2025.

The new Shenzhen campus completed its relocation and officially commenced operations in February 2026. In its first two months, it has already achieved an 18% year-on-year growth in business volume. The new campus covers a gross floor area of approximately 40,000 square meters, increasing cycle capacity by approximately four times. Leveraging this capacity advantage and favorable policies in the Greater Bay Area, the IVF business is expected to experience strong growth. Additionally, the campus will expand its offerings to include VIP services, featured specialties, and international medical services.

Our Shenzhen campus is exploring new full lifecycle operation models, with a core focus on the reproductive business while providing more precise diagnosis and treatment services for patients with immune diseases. By resolving complex cases, we aim to improve success rates and thereby build a reproductive immunology specialty brand. In the process, we have expanded integrated IVF maternity care and high-end VIP services to provide featured diagnosis and treatment services. For male azoospermia patients, we have introduced in vitro sperm extraction technology and laboratory embryonic protein screening technology, effectively improving male sperm quality and thereby increasing the success rate of IVF treatments.

### ***Operations in Kunming and Wuhan***

Following in Jiuzhou Hospital's footsteps, Hewanjia Hospital also completed its renovation and upgrades in September 2025, enhancing the patient experience while exploring an integrated IVF maternity care model. This model enables patients who successfully conceive through IVF to seamlessly transition to our obstetrics departments for continued medical services. Although the six-month-long campus renovation caused a 2.7% decline in cycle numbers in Kunming during the first half of the year, the Kunming campus actively caught up in the second half, achieving a 5.3% half-on-half growth in cycle numbers. Overall, the total number of IVF treatment cycles for our operations in Wuhan and Kunming increased by 1.5% from 4,242 in 2024 to 4,306 in 2025. Revenue increased by 2.9% from approximately RMB265.9 million for the year ended December 31, 2024 to approximately RMB273.7 million for the year ended December 31, 2025.

The Group has strengthened the integration process for newly acquired hospitals, comprehensively advancing high-standard quality control management by establishing medical quality control inspection standards, focusing on key reproductive quality control data, and conducting on-site inspections and guidance for medical and reproductive quality control. Over the past two to three years, no medical safety issues have occurred at the newly acquired hospitals. Each campus strictly adheres to the core value of "safety and quality," building a safe, reliable, and standardized medical system for the provision of assisted reproductive medical services.

In the private assisted reproductive medical institution market across Yunnan and Guizhou provinces, our license resources possess extreme scarcity and represent a core competitive advantage. Currently, only five private hospitals in total across the two provinces have been approved for assisted reproductive licenses, and we exclusively hold two of them. This ranks our market share at the forefront of the industry and forms a significant license advantage. The Kunming campus not only deeply covers the patient demographic within Yunnan Province but also effectively radiates to and attracts patients from Guizhou Province. Currently, IVF patients from Guizhou Province account for 31% of the hospital's total patient visits.

In 2025, the Kunming and Wuhan regions achieved remarkable results in operational optimization, with marketing expenses decreasing by 10.9% year-on-year, realizing effective cost control. Meanwhile, the proportion of word-of-mouth (WOM) patients in the region has shown a steady upward trend year by year, continuously highlighting the value of WOM referrals. Based on current development achievements and market feedback, the campuses in Kunming and Wuhan will continue to deepen their operational strategies. Moving forward, they will further reduce marketing costs and tilt resources more towards the in-depth maintenance of WOM patients, the expansion of new WOM patients, and the establishment and optimization of two-way referral channels. By building a customer acquisition system centered on WOM, we aim to fully leverage the promotional effect of existing WOM patients to attract more high-quality patients through recommendations. This will form a virtuous cycle that continuously lowers overall customer acquisition costs and achieves sustainable, high-quality business development.



### **Overseas Operations**

Despite the operational challenges posed by the delayed implementation of SB 729 and the LA wildfires in January, HRC Fertility maintained solid management revenue growth momentum, with a 5.1% year-over-year increase compared to 2024.

Furthermore, through ongoing enhancements in medical quality and patient care, HRC has strengthened its pricing power in a competitive market. Its blended average selling price (ASP) rose by 11.8% in 2025 relative to 2024.

Looking ahead to the historic growth opportunities in California's IVF industry driven by SB 729, HRC made proactive pre-investments in facility and medical team expansion over the past year. This has positioned HRC as one of the most competitive fertility providers in California, well placed to capture a larger market share in the future.

Leveraging HRC Medical's 37 year-long renowned medical brand and industry-leading physician recruitment capabilities, we continue to focus on 2 core areas: on one hand, we consistently attract top-tier physician talent, strengthening our physician network to build core competitiveness for business growth; on the other hand, we possess the ability to explore new markets through the Denovo model, continuously expanding our market presence in California. In 2025, 7 new physicians will join HRC Medical, and by the end of 2025, the total number of in-house physicians already reached 29, positioning HRC Medical among the leading assisted reproductive physician groups in the United States. In terms of regional expansion, HRC Medical entered Northern California's San Francisco area for the first time in 2025, while its flagship clinic in Beverly Hills commenced operations in September 2025. Currently, HRC Medical's medical network has established a comprehensive presence centered in Los Angeles, covering Northern California (San Francisco) and Southern California (San Diego). However, the simultaneous expansion of physician teams, medical staff development, and clinic growth in 2025 has put significant pressure on profitability, leading to a year-on-year decline in profits.

While expanding its physician team and clinic network in an orderly manner, HRC Medical focused on optimizing internal operational efficiency in 2025, particularly emphasizing improvements in staff productivity. By benchmarking operational model differences across its internal clinics and drawing on best practices from leading industry peers, HRC Medical further refined its operational model: optimizing staff structure and establishing more efficient work mechanisms. This significantly reduced labor costs and greatly improved operational efficiency.

HRC Medical's sustained development is inseparable from its continuous advancements in medical technology and its continued deepening of its focus on technological innovation and patient service experience optimization. For instance, in the first half of 2025, HRC Medical pioneered the introduction of needle-free technology, effectively alleviating the pain of repeated injections for patients during ovulation induction treatment. Additionally, since acquiring the Keck School of Medicine of the University of Southern California (USC) in 2021, HRC Medical has continuously strengthened its research collaboration and physician training with USC, laying a solid foundation for clinical technological breakthroughs and physician talent development.

## OUTLOOK AND FUTURE

**With the fertility rate gradually bottoming out and stabilizing, the era of advanced maternal age arriving, the penetration rate of assisted reproduction increasing year by year, the intensive rollout of childbirth-promoting policies in China, and China's support of standardized private healthcare, alongside the domestic economy and consumption regaining its momentum, we are embracing a rare long-term development opportunity.**

### *Strengthening the discipline of capital allocation and increasing the medium- to long-term predictability of shareholder returns*

In 2025, despite extremely difficult organizational adjustments, the Group's operating cash flow reached RMB588 million, and the adjusted EBITDA under non-IFRS was approximately RMB490 million. Against the backdrop of the basic completion of the Shenzhen building construction, our existing medical properties can provide an ample foundation for the Group's future development. We will further strengthen the discipline of capital allocation and enhance the ability to convert EBITDA into high-quality free cash flow. On this basis, we have formulated a new shareholder return plan.

Notwithstanding the industry challenges and operational transition in 2025, the Board has decided to propose a final dividend for the year ended 31 December 2025 of approximately RMB100 million (equivalent to approximately HKD113.2 million), or approximately RMB3.70 cents (HKD4.18 cents) per share, representing about 20% of the Group's non-IFRS adjusted EBITDA for 2025, as a token of appreciation to Shareholders. The final dividend is subject to approval by Shareholders at the forthcoming annual general meeting. In addition, the Board has approved a Shareholder Return Plan for 2026-2028, aiming to return 50% to 80% of the Group's non-IFRS adjusted EBITDA to Shareholders through dividends and/or share repurchases. Further, the Board has resolved to repurchase shares of the Company in the open market for a period of 12 months from the date hereof at its absolute discretion with an aggregate amount of up to RMB300 million, subject to the prevailing market conditions and due compliance with the applicable laws and regulations as well as the memorandum and articles of association of the Company. The Company has also amended its dividend policy, under which not less than 20% of the Company's annual non-IFRS adjusted EBITDA will be used for cash dividends.

### *We are a key force in the international cooperation of China's assisted reproduction industry*

Opportunities for international expansion in the assisted reproduction sector remain robust. We have accumulated a proven track record through our strategic investments in Indonesia's largest assisted reproductive group, USC Fertility in the United States, and the HRC Group. Jinxin stands as a pivotal force representing China's high-quality assisted reproductive services in the global competitive landscape. This strategic positioning enables Jinxin to capture more stable medium- to long-term growth opportunities against the broader backdrop of declining global birth rates and the long-term growth in demand for assisted reproduction.



Currently, compared to assisted reproductive groups of a similar scale in the international market, we are in a valuation trough. We believe that with the continuous improvement of our operational capabilities and more rational and disciplined arrangements for capital allocation and returns, the restoration of the Company's value will be highly certain.

Historically, by acquiring hospitals with IVF/ICSI licenses—which have high entry barriers in China (IVF/ICSI accounts for nearly 80% of all assisted reproductive methods)—We are the largest service provider in the ARS industry in China and operate across core cities of Chinese provinces covering populations totaling over 380 million (including Yunnan, Guizhou, Sichuan, Chongqing, Hubei and Guangdong). We are also the fourth largest ARS provider in the world. In the United States, we are reinforcing our “Physician as Partner” strategy, and it is expected that by 2027, our U.S. operations will have 40 physicians. In Southeast Asia, we have consolidated our leading position in the ARS markets of China, the U.S., and Southeast Asia through the acquisition of PT Morula Indonesia (“**Morula**”), the largest assisted reproduction center in Indonesia (which has a population of 280 million, making it the most populous country in Southeast Asia) with a market share of approximately 40%.

International expansion is never without its challenges; however, experience and opportunity consistently complement one another through our continuous reflection and operational review.

We continuously optimize our products, technologies, services, and management, and summarize historical experiences and lessons to form a replicable development system. While providing patients with a high-quality experience of full-lifecycle health management centered on assisted reproduction, we also promote the sustainable and steady development of the Company in terms of business and scale.

### *Growth driven by new markets, new products, and new technologies*

Among the major cities we serve, most regions continue to experience net population inflows even against the broader backdrop of population decline, particularly in the Chengdu area of Sichuan and the Guangdong region. Jinxin Fertility's Southern Headquarters was officially established in March 2026. The assisted reproduction market in Guangdong Province ranks first nationwide in terms of annual assisted reproductive cycle volume. Covering the Greater Bay Area, the Southern Headquarters will continuously provide abundant momentum for Jinxin Fertility's development over the next decade.

Leveraging the geographical and policy advantages of the Guangdong-Hong Kong-Macao Greater Bay Area, in 2026, we will use Shenzhen as a strategic fulcrum to deeply integrate into the international medical system, committing to breaking down the “information barriers” and “payment barriers” of cross-border medical care. We will fully align with the mainstream international commercial insurance system and establish a direct billing network with well-known domestic and foreign insurance companies, thoroughly solving the payment pain points for expatriates and high-net-worth clients in China, and realizing a cashless, hassle-free settlement process for medical expenses.

## Management Discussion and Analysis

Capitalizing on the unique advantages of the Greater Bay Area, we will provide a one-stop international medical service ranging from “pregnancy preparation and assisted reproduction” to “delivery and postpartum care” for expatriates working and living in China, as well as compatriots from Hong Kong, Macao, and Taiwan. This will eliminate medical anxieties caused by differences in language, culture, and medical systems, thereby elevating Jinxin Fertility’s international brand.

We are dedicated to providing users with our core value: “Time to delivery.” Time costs, success rates, and live birth rates are often the most significant hidden costs for users in the global reproductive health sector. Our goal is to save patients’ out-of-pocket expenses, medical insurance costs, time, and opportunity costs. Delivering a healthy baby with greater time efficiency and high-quality service is the fundamental foundation of our integrated reproductive health services. Based on this philosophy, we have innovated a series of new technologies and products. By utilizing CAPA-based in vitro maturation (IVM) technology for immature eggs, we reduce the risks and discomfort associated with ovulation induction. Based on the “3F Fertility-Friendly IVF Program,” our 28-day service provides more practical and effective care for out-of-town patients and users facing significant time constraints.

***We continue to increase our investment in the introduction and R&D of new technologies and methodologies, enhance personalized precision diagnosis and treatment for patients, and boost our appeal to patients with complex conditions across a broader region, thereby strengthening the hospital’s technical brand influence.***

We utilize specialized disease groups as the foundational units for pioneering new technologies. For example, Sichuan Jinxin Xinan Hospital (Bisheng Campus) has established specialized disease groups and clinics, including the Diminished Ovarian Reserve (DOR) Clinic, Thin Endometrium Clinic, Polycystic Ovary Syndrome (PCOS) Clinic, and Advanced Maternal Age Clinic. These specialized teams focus on in-depth research into the diagnosis and treatment of specific conditions by: (i) introducing and applying cutting-edge technologies. For instance, the DOR specialized group has introduced In Vitro Activation (IVA) technology, and the Thin Endometrium specialized group has implemented precision treatment protocols such as Platelet-Rich Plasma (PRP) intrauterine infusion for treating thin endometrium; (ii) conducting clinical research. For example, the DOR group is conducting clinical research on the therapeutic effects of exosomes on premature ovarian failure, and the Thin Endometrium group is researching the use of exosomes for the repair of intrauterine adhesions; (iii) performing detailed analysis and evaluation of clinical efficacy indicators; (iv) hosting academic conferences; and (v) conducting online and offline patient education to provide personalized treatment plans for a wide range of patients across various medical needs.

In 2026, centered around the concept of “fertility-friendliness,” we will focus on goals such as reducing the number of hospital visits and injections for women undergoing IVF. We will develop new clinical protocols, such as the 3F program, to provide patients with differentiated, personalized care. At the same time, we launched new reproductive-focused services, such as reproductive anti-aging, to improve patients’ overall physical and ovarian functions and to enhance egg quality.



### *From live birth to healthy baby – Deepening Technological Barriers to Establish the “Fetal Medicine and Genetics Center”*

Facing the severe challenges of birth defect prevention and control, in 2026, building upon the existing advantages of prenatal diagnosis and genetic evaluation at the Chengdu campus, we will comprehensively upgrade and establish the “Fetal Medicine and Genetics Center” to achieve a complete breakthrough in technical barriers and realize tertiary prevention. The center will break down the barriers between traditional obstetrics and genetics, integrating the full-chain technology of pre-pregnancy, prenatal, and neonatal care. By introducing cutting-edge methods such as high-throughput gene sequencing and monogenic disease diagnosis, genetic screening will be extended from the preconception period to pre-implantation, achieving primary prevention of birth defects.

We are committed to providing women with full-cycle closed-loop management, escorting them throughout the entire process from preconception to the birth of a newborn:

- **Preconception period:** Genetic disease carrier screening, eugenic genetic counseling.
- **Assisted reproductive stage:** Preimplantation Genetic Testing (PGT).
- **Pregnancy:** Non-invasive DNA screening, invasive prenatal diagnosis (amniocentesis/cordocentesis), Multi-Disciplinary Treatment (MDT).
- **Fetal stage intervention:** Intrauterine treatment for fetuses with structural abnormalities, filling regional technological gaps.
- **Neonatal period:** Early screening and diagnosis of genetic metabolic diseases.

The center will become a key node in the birth defect prevention and control network in Southwest China, truly realizing the fertility-friendly goal of “getting pregnant successfully, having a healthy pregnancy, giving birth safely, and raising well.”

### ***Growth Driven by Scaled Organizational Power—Gradually Establishing a Replicable Operational Management System Based on Specialty Development***

Through years of accumulation since our public listing, we have gradually evolved a replicable operational management system that drives business development based on specialty construction, including:

- Institutionalizing and regularizing the establishment and assessment of specialty quality control standards to manage the medical quality of all hospitals and specialties, including the “assisted reproduction success rate.” Through the guidance of leading experts and quality control experts within the Group, we ensure that the success rates across all our hospitals remain above the industry average;
- Establishing software and hardware service standards and methods based on patient satisfaction and patient recommendation rates to create an excellent patient experience at each hospital. This includes but is not limited to: hardware and visual optimization, service process standardization, full-process service and management by case managers, patient satisfaction surveys, group-level supervision of high-quality services, centralized analysis and rectification mechanisms for patient feedback, and internal/external communication and learning regarding high-quality services;
- Gradually refining online and offline brand promotion methods for each hospital to build strong branding and market expansion. This includes but is not limited to: grassroots education, community free clinics, brand events, specialty alliances, doctor IP building, specialty/specific disease IP building, new media matrices, and community building;
- Elevating discipline construction to the level of group strategy, strengthening talent development, and continuously improving the hard medical capabilities of the hospitals. This includes but is not limited to: professional title promotion, expert guidance, exchange and training, academic conferences, introduction of new technologies, and research on new methods.

By improving the ability to diagnose and treat complex diseases and high-risk critical cases, we will continuously and effectively strengthen the hospital’s reputation and brand image among patients, achieve broader dissemination, and attract patients from a wider geographic area, thereby expanding the hospital’s regional radiation radius and increasing market penetration.



### ***Dual-Drive of Digitalization and AI Medical Care, with Significant Results in Smart Diagnosis and Treatment Construction***

The wave of digitalization and AI brings indispensable opportunities for AI+ healthcare. The Jinxin Technology platform, built in-house by Jinxin Fertility, along with the research platform established in collaboration with overseas scholars, has developed over several years to achieve independent deployment and product-level realization of multiple systems. These include the EMR (Electronic Medical Record) system, CRM (Customer Relationship Management) system, multiple clinical decision support systems for doctors, and personalized patient inquiry and consultation systems.

Our investment in AI and digitalization is not merely following the latest trend. We clearly recognize that a good AI application—one that users are willing to pay for—must solve practical problems, translate into real cost savings, improve revenue and efficiency, and optimize the user experience. In 2025, our independently developed system achieved overseas sales for the first time, making us a rare medical artificial intelligence platform in the healthcare service sector that possesses independent R&D, data governance, external sales, and implemented after-sales coaching capabilities.

In the second half of the year, we entered into strategic partnerships with several leading and disruptive AI groups. This collaboration led to the implementation of a multimodal embryo scoring system and AI assistant applications. At the same time, we conducted comprehensive IVF data governance to solidify the foundation for future model development. Since its launch, the AI assistant has handled 18,179 intelligent conversational responses across 87 Enterprise WeChat groups in 2025. By efficiently answering patient inquiries while providing emotional support, we are comprehensively empowering the upgrade of our medical operations and clinical services through digitalization and AI technologies.

## FINANCIAL REVIEW

### Revenue

Revenue of the Group decreased by 5.8% from approximately RMB2,811.6 million for the year ended December 31, 2024 to approximately RMB2,649.1 million for the year ended December 31, 2025. The overall decrease was primarily attributable to the following: (i) revenue from ARS and related businesses decreased by approximately RMB122.7 million; (ii) revenue from obstetrics and related businesses decreased by approximately RMB54.6 million; (iii) revenue from women's health services and other businesses increased by approximately RMB13.3 million; and (iv) revenue from the sales of medical reagent consumables and equipment increased by approximately RMB1.5 million. The decrease in revenue is mainly due to: (a) an approximately 1.4% drop in OPU cycles, and an approximately 6.5% decrease in average single-cycle pricing in mainland China subsequent to national healthcare security adjustments, together resulting in a reduction of ARS revenue; (b) an approximately 31.6% decline in traditional deliveries due to lower birth willingness in China, which caused a resultant decline in obstetrics and related revenue; and (c) the establishment of new departments and services centered around women's health, which increased revenue in those areas.

	2025 (RMB'000)	2024 (RMB'000)	YOY Change (RMB'000)	YOY (%)
ARS and related businesses <sup>1</sup>	1,870,788	1,993,474	(122,686)	(6.2%)
Women's health services and other businesses	356,562	343,248	13,314	3.9%
Obstetrics and related businesses <sup>2</sup>	298,797	353,439	(54,642)	(15.5%)
Sales of consumables and equipment	122,926	121,435	1,491	1.2%
<b>Total</b>	<b>2,649,073</b>	<b>2,811,596</b>	<b>(162,523)</b>	<b>(5.8%)</b>

### Cost of Revenue

Cost of revenue of the Group, which consists primarily of cost of pharmaceutical products and consumables, staff costs, depreciation of property, plant and equipment, and other costs, increased by 2.9% from approximately RMB1,712.1 million for the year ended December 31, 2024 to approximately RMB1,762.5 million for the year ended December 31, 2025. The increase in the cost of revenue was mainly attributable to: (i) an increase of RMB34.7 million in rent, renovation depreciation, operations, and labor costs for HRC Medical due to the addition of clinics in Beverly Hills and San Francisco during the Reporting Period; (ii) the accelerated amortization of renovation expenses amounting to RMB36.3 million concerning Wuhan Jinjin Hospital pursuant to the adjusted amortization period under its lease agreement, which was included in the cost of revenue; (iii) certain new departments still being in the cultivation and development stage, with capacity utilization needing further improvement and gross profit margins being lower than that of the traditional IVF business; and (iv) an increase in the proportion of labor costs in the Chengdu and Shenzhen regions.

<sup>1</sup> Includes self-owned medical revenue, as well as management service revenue from the assisted reproductive business of the MSA/IOT institution, Jinjiang District Maternity and Child Health Hospital, and HRC Medical.

<sup>2</sup> Includes self-owned medical revenue, as well as management service revenue from the obstetrics and gynecology business of the MSA/IOT institution, Jinjiang District Maternity and Child Health Hospital.



## **Gross Profit and Gross Profit Margin**

Gross profit of the Group decreased by 19.4% from approximately RMB1,099.5 million for the year ended December 31, 2024 to approximately RMB886.5 million for the year ended December 31, 2025. The Group's gross profit margin decreased from 39.1% for the year ended December 31, 2024 to 33.5% for the year ended December 31, 2025.

## **Other Income**

Other income of the Group decreased by 20.8% from approximately RMB35.1 million for the year ended December 31, 2024 to approximately RMB27.8 million for the year ended December 31, 2025, primarily due to a decrease of approximately RMB7.3 million in government grants as compared to the same period of last year.

## **Other Expense**

The Group's other expenses increased from approximately RMB4.9 million for the year ended December 31, 2024 to approximately RMB56.3 million for the year ended December 31, 2025, primarily due to a one-time capital injection of RMB50.0 million into Jinjiang District Maternity and Child Health Hospital to support its upgrade and the enhancement of its operational capacity, as well as to ensure the sustainability of management services.

## **Other Gains and Losses**

Other gains and losses primarily represent gains and losses on fair value change of financial assets/other financial assets at fair value through profit or loss ("FVTPL"), on disposal of assets, and on net exchange. The Group recorded other losses, net, of approximately RMB6.6 million for the year ended December 31, 2025, primarily attributable to the realization in the current period of unrealized exchange gains and losses from previous years.

## **Research and Development Expenses**

Research and development expenses primarily consist of staff costs of the Group's research and development team at Jinxin Medical Innovation Research Center. Research and development expenses of the Group decreased by 16.4% from approximately RMB24.7 million for the year ended December 31, 2024 to approximately RMB20.6 million for the year ended December 31, 2025.

## **Selling and Distribution Expenses**

Selling and distribution expenses primarily consist of marketing and promotional expenses and staff cost of the Group's marketing team. Selling and distribution expenses of the Group decreased by 5.8% from approximately RMB175.2 million for the year ended December 31, 2024 to approximately RMB165.0 million for the year ended December 31, 2025, primarily due to lower customer acquisition costs and an increased return on investment following the enhancement of Yunnan Hospital's word-of-mouth reputation.

## *Administrative Expenses*

Administrative expenses primarily consist of staff costs, including amortization of ESOP costs, depreciation and amortization, repairment and maintenance expenses, property related expenses and others. Administrative expenses of the Group increased by 8.7% from approximately RMB458.0 million for the year ended December 31, 2024 to approximately RMB497.7 million for the year ended December 31, 2025, primarily due to (i) increased labor costs for new doctors and operating costs arising from HRC's clinic expansion during the year; (ii) accelerated amortization of renovation expenses following the adjustment of the lease term for the old campus of Shenzhen Zhongshan Hospital; (iii) increased amortization of renovation expenses relating to the renovation and upgrade of Yunnan Hospital; (iv) welfare expenses for retired senior experts; and (v) compensation payments resulting from personnel structure optimization at the end of 2025.

## *Finance Costs*

Finance costs of the Group increased by 23.9% from approximately RMB57.4 million for the year ended December 31, 2024 to approximately RMB71.1 million for the year ended December 31, 2025, primarily due to a decrease in capitalized interest, alongside an increase in financial expenses recognized under lease accounting standards in respect of property leases in the United States. Interest expenses on bank borrowings for the year ended December 31, 2025 were RMB109.7 million, compared to interest expenses of RMB122.5 million for the year ended December 31, 2024, with a comprehensive debt cost rate of 4.4%, representing a year-on-year decrease of 1.5 percentage points.

## *Income Tax Expenses*

Income tax expenses of the Group primarily consist of PRC enterprise income tax, withholding tax and Hong Kong Profits Tax. Income tax expenses of the Group decreased by 99.2% from approximately RMB118.4 million for the year ended December 31, 2024 to approximately RMB0.9 million for the year ended December 31, 2025, primarily due to the deferred tax impact related of approximately RMB73.1 million related to the impairment of intangible assets in the United States. If excluding the impact of the reversal of deferred tax liabilities, the income tax expense was RMB74.0 million, representing a year-on-year decrease of 37.5%.

## *Net (Loss) Profits*

The Group recorded net loss of approximately RMB983.9 million for the year ended December 31, 2025, compared to a net profit of approximately RMB273.5 million for the year ended December 31, 2024. The decrease in profit was primarily due to the following one-off events and partially due to a decline in the Group's operating profit. As aforementioned, the one-off events include: (i) impairment of goodwill and certain intangible assets related to the Group's business in the United States and Laos; (ii) impairment losses recognized under the expected credit loss model in respect of certain financial assets; (iii) a one-off contribution to Jinjiang District Maternity and Child Health Hospital which the Group co-manages under the IOT agreement; (iv) depreciation of renovation expenses at Wuhan Jinxin Hospital, which arises from the re-evaluation of the hospital's lease schedule; and (v) the one-time accelerated amortization of leasehold improvements resulting from the adjustment of the lease term for the old Shenzhen hospital campus. The decline in operating profit is attributable to the following factors: (i) the inclusion of ARS in China's National Medical Insurance Reimbursement Program, which affected the service mix between IUI and IVF and exerted downward pressure on pricing, which the Company believes to some extent will be partially mitigated in the near term; (ii) headwinds in China's obstetrics industry; and (iii) higher expenses associated with the expansion of the Group's business in the United States, which the Group expects will be partially mitigated in the near term through operational optimization initiatives launched in 2026.



## Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Company has provided EBITDA, adjusted EBITDA, and adjusted net profit as non-IFRS measures, which are not required by, or presented in accordance with IFRS. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors and others in understanding and evaluating the Group's consolidated statements of profit or loss in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's operating performance during this period by eliminating impacts of items that the Group does not consider indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS.

The Group's non-IFRS adjusted net profit decreased by 49.7% from approximately RMB416.3 million for the year ended December 31, 2024 to approximately RMB209.3 million for the year ended December 31, 2025.

The Group's non-IFRS adjusted EBITDA decreased by 30.6% from approximately RMB707.3 million for the year ended December 31, 2024 to approximately RMB491.1 million for the year ended December 31, 2025.

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
<b>(Loss) Profit for the year</b>	<b>(983,885)</b>	273,467
Add:		
Amortization of ESOP costs <sup>(1)</sup>	<b>28,541</b>	47,285
Amortization and depreciation of medical practice licenses, non-compete agreements, and property, plant and equipment, including deferred tax impact <sup>(2)</sup>	<b>64,565</b>	64,368
Impairment of goodwill and certain assets related to the Group's business in the United States and Laos, including deferred tax impact <sup>(3)</sup>	<b>906,647</b>	–
Impairment losses recognized under the ECL model in respect of certain financial assets <sup>(4)</sup>	<b>99,009</b>	–
One-off contribution to Jinjiang District Maternity and Child Health Hospital <sup>(5)</sup>	<b>50,000</b>	–
Depreciation of renovation expenses at Wuhan Jinxin Hospital <sup>(6)</sup>	<b>36,264</b>	–
Depreciation of renovation expenses for the building at the old Shenzhen hospital campus <sup>(7)</sup>	<b>8,166</b>	–
One-off loss made by disposal of Kangseed Investment <sup>(8)</sup>	–	7,052
Exchange gain, net <sup>(9)</sup>	–	24,173
<b>Non-IFRS adjusted net profit</b>	<b>209,307</b>	416,345

# Management Discussion and Analysis

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
<b>Non-IFRS (negative) EBITDA</b>	<b>(682,844)</b>	628,792
Add:		
Amortization of ESOP costs <sup>(1)</sup>	28,541	47,285
Impairment of goodwill and certain assets related to the Group's business in the United States and Laos <sup>(3)</sup>	996,413	–
Impairment losses recognized under the ECL model in respect of certain financial assets <sup>(4)</sup>	99,009	–
One-off contribution to Jinjiang District Maternity and Child Health Hospital <sup>(5)</sup>	50,000	–
One-off loss made by disposal of Kangseed Investment <sup>(8)</sup>	–	7,052
Exchange gain, net <sup>(9)</sup>	–	24,173
<b>Non-IFRS adjusted EBITDA</b>	<b>491,119</b>	707,302

## Notes:

- (1) ESOP costs are regarded as non-cash items.
- (2) Amortization and depreciation of medical practice licenses, non-compete agreements, and property, plant and equipment, as well as deferred tax assets and liabilities, all of which arise from acquisitions: by eliminating the effect of these items from the profit attributable to the owners of the Company, it demonstrates the endogenous growth of the Company.
- (3) Impairment of goodwill and certain assets related to the Group's business in the United States and Laos: the impairment of the Group's United States business resulted from HRC Medical's performance falling short of projections and an influx of young physicians and the expansion of new clinics introducing uncertainties over the foreseeable period. Further, the postponement of California's insurance coverage for IVF under Senate Bill 729 (SB729) has heightened such operational uncertainties. The impairment of the Group's business in Laos resulted from increasing uncertainty of Laotian policies in the IVF industry, thus the Group decided to discontinue the operations of Jinrui Medical Center in Laos.
- (4) Impairment losses recognized under the ECL (expected credit loss) model in respect of certain financial assets: attributable to (i) impairment losses in receivable from Chengdu Jinlin Corporate Management Co., Ltd. ("**Chengdu Jinlin**"), where in assessing the expected credit loss of the amount due from Chengdu Jinlin, the Group considered all possible collection efforts, including collection of Chengdu Jinlin's receivable from a third party; (ii) impairment losses in receivable due from Jincheng Hongda and Jinxin Aijian where in assessing the ECL of the amount due from Jincheng Hongda and Jinxin Aijian, the Group considered the depreciation of properties owned by Jincheng Hongda amid China's property market trends and the impairment arising from the suspension of operations of Jinxin Aijian; and (iii) impairment losses in a refundable investment deposit, where the Group assessed the ECL of the amount of such deposit based on the result of an arbitration proceeding.
- (5) One-off contribution to Jinjiang District Maternity and Child Health Hospital: this is a one off contribution to the Jinjiang District Maternity and Child Health Hospital which the Group co-manages under the IOT agreement to support its upgrading in facilities and expansion in business.
- (6) Depreciation of renovation expenses at Wuhan Jinxin Hospital: arises from the re-evaluation of Wuhan Jinxin Hospital's lease term.
- (7) Depreciation of renovation expenses for the building at the old Shenzhen hospital campus: arises from the re-evaluation of the lease term of the old campus of Shenzhen Zhongshan Hospital.
- (8) One-off loss arising from the Kangseed Investment.
- (9) Net exchange (loss) gain: the net exchange loss resulted from the fluctuation between the foreign currency exchange rate at the time of repayment of the US\$1.87 million loans and the foreign currency exchange rate at the beginning of the Reporting Period.



### *Impairment of goodwill and intangible assets*

During the year ended December 31, 2025, the Company recorded an aggregate impairment loss of approximately RMB992.6 million. In particular, the Group recognized impairment losses of approximately RMB952.4 million (2024: Nil) on goodwill and intangible assets directly related to HRC Management Group during the six months ended June 30, 2025, comprising approximately RMB631.6 million on goodwill, RMB215.6 million on contractual rights to provide management services and RMB105.3 million on trademarks. As at December 31, 2025, the recoverable amount of HRC Management Group was approximately RMB2,110.6 million (2024: RMB3,229.1 million), exceeding its carrying amount by approximately RMB23.1 million. Although such headroom exists, considering no improvement in the underlying performance and no significant improvement in forecast assumptions was identified compared with June 30, 2025, and accordingly no change was made to the impairment loss previously recognised during the interim period. In addition, the Group recognised an impairment loss of approximately RMB40.2 million (2024: Nil) against the license of Jinrui Medical Center during the six months ended June 30, 2025 due to its termination of operations in Laos.

### *Impairments in connection with business in the United States*

In recent years, the Group has faced various regulatory, commercial and operational challenges in relation to its operations in the United States, including but not limited to: (i) the deterioration of Sino–United States relations and sustained high inflation, which have driven up labor and physician costs, resulting in a material negative impact on profit margins and a decline in international patients; (ii) the retirement of senior physicians in 2023 and 2024, necessitating the hiring of new physicians whose practices required time to develop and whose higher salaries, impacted by inflation, led to earnings below projections and reduced overall profitability; and (iii) the then postponement of California’s Senate Bill 729 insurance coverage for IVF (which was eventually implemented in January 2026), together with the U.S. administration’s cancellation of automatic U.S. birthright citizenship, which materially reduced demand for assisted reproductive services and resulted in a significant decline in international patient volumes and further pressure on profit margins.

### *Impairments in connection with the business in Laos*

After the Group’s acquisition of Jinrui Medical Center in 2020, it has encountered many operational and regulatory challenges in Laos, including the Decision on Management of Gestational Surrogacy and Induced Abortion No. 2077/MOH (the “**Decision on Surrogacy**”) promulgated by the Ministry of Health of Laos in July 2021. The Decision on Surrogacy, while not yet fully implemented, stipulates that private institutions are prohibited from independently providing IVF medical services and must instead cooperate with state-owned hospitals or institutions. The Decision on Surrogacy represented a significant departure from the regulatory framework at the time the Group acquired Jinrui Medical Center in 2020. In light of the newly imposed regulatory constraints, despite its continuing efforts to communicate with local authorities and explore cooperation with public hospitals, the Group was unable to secure a viable pathway to continue operating IVF services in Laos. The Group gradually terminated the business operations of Jinrui Medical Center in the second half of 2025 and recognised an impairment loss of approximately RMB40.2 million. Such impairment constitutes a one-off non-cash item without material adverse impact on the Group’s overall business operations and cash flow.

## **Valuation**

The Group has engaged an independent professional valuer to carry out an impairment assessment in respect of the Group's United States business. In accordance with International Accounting Standard 36 – Impairment of Assets issued by the International Accounting Standards Board, "Value in Use" is defined as the present value of future cash flows expected to be derived from an asset or cash-generating unit. Accordingly, the recoverable amount was determined using the income approach, specifically the discounted cash flow method, which was considered the most appropriate technique as it reflects the future economic benefits expected to be generated and provides a reliable measurement based on management's cash flow projections. The calculation was based on a 7-year forecast of net cash flows prepared by the management of the Company. Cash flows beyond the 7-year period was extrapolated using a constant terminal growth rate and discounted to their present value under the discounted cash flow method.

Key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include growth rates of revenue and gross margin rate. Such estimation is based on the relevant unit's past performance and management's expectations for the market development. For details, please refer to note 23 to the consolidated financial statements.

## **Basic and Diluted Losses per Share**

The basic and diluted losses per share of the Group for the year ended December 31, 2025 amounted to RMB0.36 and RMB0.36, respectively, as compared with the basic and diluted earnings per share of RMB0.11 and RMB0.10, respectively, as that for the year ended December 31, 2024. Adjusted basic earnings per share of the Group for the year ended December 31, 2025 amounted to RMB0.08, as compared with adjusted basic earnings per share of RMB0.16 for the year ended December 31, 2024.

## **Inventories**

Inventories of the Group increased by 9.8% from approximately RMB50.9 million as at December 31, 2024 to approximately RMB55.9 million as at December 31, 2025, primarily due to changes in the settlement arrangements between the Chengdu hospital and pharmaceutical suppliers.

## **Accounts and Other Receivables**

Accounts and other receivables of the Group decreased by 36.3% from approximately RMB322.3 million as at December 31, 2024 to approximately RMB205.3 million as at December 31, 2025.

## **Accounts and Other Payables**

Accounts and other payables of the Group decreased by 4.8% from approximately RMB737.8 million as at December 31, 2024 to approximately RMB702.4 million as at December 31, 2025.



## Liquidity and Capital Resources

The business operations and expansion plans of the Group require a significant amount of capital, including upgrading the Group's existing medical facilities and establishing and acquiring new medical institutions and other working capital requirements. In June 2019, the Group received total proceeds of approximately HK\$2,808.1 million from the Global Offering, after deducting the underwriting fees, commissions and related Listing expenses. In February 2021, the Group received total net proceeds of approximately HK\$1,253.5 million from the Placing (as defined hereinafter). The Group also obtained additional funding from syndicated loan facilities of up to US\$300 million in 2021 and a drawdown in full of such bank facilities in March 2022. On January 5, 2023, an aggregate of 175,000,000 placing Shares were placed by the Company to not less than six placees at the placing price of HK\$6.725 per placing Share, and the Company received total net proceeds of approximately HK\$1,162.3 million (equivalent to approximately RMB999.0 million). The placees, together with their respective ultimate beneficial owners, are third parties independent of and not connected with the Company or its connected persons. None of the placees has become a substantial Shareholder immediately upon completion of the placing. The placing has been completed on January 16, 2023. In 2025, the Group obtained new loans amounting to approximately RMB3,121.0 million. The share capital of the Company only comprises ordinary shares. As at December 31, 2025, the authorized share capital of the Company was US\$50,000 divided into 5,000,000,000 Shares. The capital structure of the Group was 34% debt and 66% equity as at December 31, 2025, compared with 31% debt and 69% equity as at December 31, 2024. As at December 31, 2025, the Group had unutilized bank facilities of approximately RMB1,102 million. Subsequent to December 31, 2025, the Group has obtained additional bank facilities of approximately RMB50 million. Therefore, the Directors are of the view that the Group has sufficient resources to meet its future business operations and expansion.

## Cash Flows

The following table sets forth selected cash flow data of the Group's consolidated statements of cash flows for the years indicated and analysis of balances of cash and cash equivalents for the years indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Net cash generated from operating activities	588,893	629,201
Net cash used in investing activities	(149,583)	(293,271)
Net cash used in financing activities	(116,546)	(458,291)
Cash and cash equivalents at beginning of the year	570,821	691,331
Effect of foreign exchange rate changes	12,197	1,851
Cash and cash equivalents at end of the year	905,782	570,821

Although the Company's profit experienced a significant decline this year, operating cash inflows remained robust, as the decrease was primarily attributable to non-cash, one-off items.

## Capital Commitments

The principal capital expenditures of the Group relate primarily to purchases of property, plant and equipment. The following table sets forth a breakdown of the Group's capital expenditures for the years indicated:

	For the year ended December 31,	
	2025 RMB'000	2024 RMB'000
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements	97,390	139,904
Commitment to WP Partnership	-	120,000
	<b>97,390</b>	259,904

## Significant Investments, Material Acquisitions and Disposals

Save as disclosed above, as at December 31, 2025, there were no significant investments held by the Company, nor were any material acquisitions or disposals of subsidiaries, associates and joint ventures.

## Indebtedness

### Lease liabilities

The Group recognized right-of-use assets and corresponding lease liabilities in respect of all leases, except for short-term leases and leases of low value assets. As at December 31, 2025, the Group, as a lessee, had outstanding lease liabilities for the remaining terms of relevant lease agreements in an aggregate amount of RMB385.4 million. The lease liabilities represent payment for right of using underlying assets.

### Borrowings

As at December 31, 2025, the Group had bank borrowings of RMB2,462.4 million (December 31, 2024: RMB2,270.1 million).

### Pledge of Assets

As at December 31, 2025, the Group's Jinyun Building was pledged as security for an equivalent amount of bank loans. Saved as disclosed, the Group did not pledge any other assets.

### Contingent Liabilities and Guarantees

As at December 31, 2025, the Group did not have any material contingent liabilities or guarantees.

### Contractual Obligations

As at December 31, 2025, the Group did not have any contractual obligations that would have a material effect on its financial position or results of operations.



## ***Interest-bearing Debt Ratio***

Interest-bearing debt ratio is calculated using the total amount of interest-bearing debt at the end of the year divided by total assets as at the end of the year and multiplied by 100%. As at December 31, 2025, the Group's interest-bearing debt ratio was 17.6% (December 31, 2024: 15.1%). The increase was mainly due to increase in bank borrowings by the Group.

## **RISK MANAGEMENT**

### ***Currency Risk***

The business of the Group operates in the mainland China, Hong Kong, and the United States with its transactions settled in Renminbi, HK dollars and U.S. dollars, respectively. Renminbi is not a freely convertible currency and is subject to changes in central government policies and to international economic and political developments. Despite the fact that the Company currently has not adopted any hedging measure, the cost of U.S. dollar is covered by the revenue generated in U.S. dollar, which serves as a natural hedge. As a result, the Company does not believe that it currently has any significant direct foreign exchange risk and has not used any derivative financial instruments to hedge our exposure to such risk.

### ***Interest Rate Risk***

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. Its cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Directors consider that the overall interest rate risk is not significant and no sensitivity analysis is presented. The Company considers the interest rate risk associated with the financial assets at fair value through profit or loss and fixed rate time deposit to be limited because such instruments have a tenor of less than one year or are redeemable on demand.

### ***Liquidity Risk***

The Group aims to manage liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

## **EMPLOYEES AND REMUNERATION POLICY**

As at December 31, 2025, the Group and the medical facilities in its network had a total of 3,494 employees, of whom 3,229 were located in China and 265 were located overseas. The staff costs, including Directors' emoluments, were approximately RMB909.0 million for the year ended December 31, 2025, as compared to approximately RMB916.6 million for the year ended December 31, 2024, representing a year-on-year decrease of 0.8%.

The Group also offers its employees the option to participate in its (i) 2022 Share Award Scheme, which was adopted on February 17, 2022 and amended on June 25, 2024; and (ii) 2025 Share Scheme, which was adopted on December 5, 2025. Summary of the principal terms of the 2022 Share Award Scheme and the 2025 Share Scheme are set out in the circulars of the Company dated May 31, 2024 and December 5, 2025, respectively. The Company also had the Share Option Scheme and the Pre-IPO RSU Scheme which were terminated as of June 30, 2024, and no further award would be granted under such schemes, whilst the awards previously granted thereunder shall continue to be in full force and effect in accordance with the provisions thereof.

## FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK\$4.18 cents per Share for the year ended December 31, 2025 (for the year ended December 31, 2024: Nil). Subject to the approval of the Shareholders at the forthcoming AGM, the proposed final dividend will be paid on Tuesday, July 28, 2026 to the Shareholders whose names appear on the register of members on Tuesday, July 7, 2026.

## OTHER INFORMATION

### *AGM AND CLOSURE OF REGISTER OF MEMBERS*

The AGM will be held on June 25, 2026. A notice convening the AGM is expected to be published and dispatched to the Shareholders in due course in accordance with the requirements of the Listing Rules.

For determining the qualification as members of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Monday, June 22, 2026 to Thursday, June 25, 2026, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, Shareholders shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, June 18, 2026. The record date for the attending and voting at the AGM is Thursday, June 25, 2026.

## EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report and as at the date of this annual report, there were no material events after the Reporting Period.



### DIRECTORS

#### *Executive Directors*

**Mr. Dong Yang (董陽)**, aged 39, is the Chief Executive Officer and has been an executive Director of the Company since June 29, 2020. He was appointed as a non-executive Director of the Company on May 3, 2018. He was appointed as a Co-chief Executive Officer on June 29, 2020 and re-designated to the Chief Executive Officer on March 28, 2021. He was appointed as the acting chief financial officer of the Company on August 8, 2025. He is primarily responsible for overseeing the financial management, business development and operations of the Group as well as other relevant duties assigned by the Group. Since October 2017, he has been the chief financial officer of Jinxin Medical Investment Co., Ltd. (錦欣醫療投資有限公司). Since December 2018, he has been the director of Jinxin Hospital Management Group Limited. Since September 2018, he has been the chief financial officer of Jinxin Investment Limited and Jinxin Hospital Management Group Limited. Prior to joining our group, between July 2017 and November 2017, he was a director of the asset management department at Dongxing Securities (Hong Kong) Financial Holdings Limited (東興證券(香港)金融控股有限公司). Before that, from October 2009 to June 2017, Mr. Dong successively served as a manager of audit assurance, a manager of capital market transaction and a manager of accounting management and advisory at PricewaterhouseCoopers in Mainland China and Hong Kong.

Mr. Dong graduated with a bachelor's degree in international economic and trade from Sichuan University (四川大學) in the PRC in June 2009. He obtained a Master of Business Administration degree from the MIT Sloan School of Management and a Master of Business Administration degree from The Hong Kong University of Science and Technology. He has been a member of the Chongqing Institute of Certified Public Accountants (重慶註冊會計師協會) since March 2014.

Mr. Dong has not held directorship in any public companies the securities of which are listed in Hong Kong or overseas in the three years immediately preceding the date of this annual report.

**Dr. Lyu Rong (呂蓉)**, aged 45, has been an executive Director and the Co-chief Executive Officer of the Company since December 3, 2021. She has more than 10 years of experience working in the medical industry. She has been serving as the chairman of the board of directors and the general manager of Sichuan Jinxin Xinan Hospital (Jingxiu Campus) since October 2018 and previously its president from May 2015 to May 2021 and was the chief executive officer of Jinxin Medical Investment Co., Ltd. from March 2017 to November 2021. Further, she has been the director of Chengdu Jinxin Medical Investment Management Group Co., Ltd. (成都錦欣醫療投資管理集團有限公司) since May 2015 and its general manager since June 2021. She has also served as a director of Chengdu Jinxin Elder Care Group Company Limited (成都錦欣康養產業集團有限公司) since January 2022. Currently, she is also the director of Chengdu Jinxin Health Management Co., Ltd.\* (成都錦欣健康管理有限公司) and Jinxin Medical Investment Co., Ltd. (錦欣醫療投資有限公司).

In addition to her professional experience, Dr. Lyu holds a number of positions in public institutions and medical associations, including council member of the 4th Council of the Chinese Hospital Association, member of the Hospital Review and Evaluation Committee and the expert committee on medical quality management and evaluation for private medical institutions of the Chinese Hospital Association, member of the sub-committee on private medical institutions of the expert committee on modern hospital management capacity building of the National Health Commission Capacity Building and Continuing Education Center, co-vice chairman of the presidium of the National Conference on Discipline Development and Collaboration of Private Medical Institutions, vice president of the Private Medical Institutions Branch of Sichuan Hospital Association and deputy chairman of its Hospital Operation and Management Professional Committee, vice president of the 6th Council of Sichuan Rehabilitation Medicine Society, and standing council member

of Chengdu Information Economy Society. She also serves as an external practice tutor at the School of Economics and Foreign Languages of Southwestern University of Finance and Economics and an external innovation and entrepreneurship tutor at Sichuan University. She previously served as a member of the Chengdu Jinjiang District Committee of the CPPCC for two consecutive terms.

Dr. Lyu obtained a master's degree (correspondence course) in business administration from the Open University of Hong Kong (香港公開大學) (now Hong Kong Metropolitan University (香港都會大學)) in August 2018. Dr. Lyu further obtained a doctoral degree in business administration from The University of Information Technology and Management in Rzeszow in Poland in March 2022, and a Postgraduate Diploma in Healthcare Management from the Senior Executive Academy, School of Professional and Continuing Education of The University of Hong Kong on 13 August 2024.

Dr. Lyu has not held directorship in any public companies the securities of which are listed in Hong Kong or overseas in the three years immediately preceding the date of this annual report.

**Dr. Geng Lihong (耿麗紅)**, aged 57, has been an executive Director since March 28, 2021. She has also been the chief medical quality control officer of the Company since February 21, 2020. She is mainly responsible for guiding the implementation of clinical work and medical quality control. Prior to joining the Group, from July 2018 to January 2020, she served as the clinical director of the IVF Center of the First Affiliated Hospital of Chongqing Medical University (重慶醫科大學附屬第一醫院生殖醫學中心). From December 2009 to March 2018, she worked at the IVF Center of Chengdu Xinan Gynecological Hospital (成都西囡婦科醫院生殖醫學中心) and was responsible for clinical practice and management work. From May 1994 to August 2006, Dr. Geng worked at the Department of Obstetrics and Gynecology of the Second Affiliated Hospital of Xinjiang Medical University (新疆醫科大學第二附屬醫院) and was responsible for clinical practice, scientific research and teaching. From December 1991 to April 1994, Dr. Geng worked at the Department of Obstetrics and Gynecology of the Barkol People's Hospital, Barkol, Xinjiang, Uygur Autonomous Region (新疆維吾爾自治區巴里坤縣人民醫院).

Dr. Geng obtained a bachelor's degree in medicine from Xinjiang Medical School (新疆醫學院) (the predecessor of Xinjiang Medical University) in the PRC in July 1991 and a doctoral degree in medicine with a major in reproductive endocrinology and assisted reproductive technology from West China School of Medicine, Sichuan University (四川大學華西臨床醫學院) in the PRC in July 2009.

Dr. Geng has served as a member of the standing committee of the Reproductive Medicine and Reproductive Ethics Subcommittee of the China Healthy Birth Science Association (中國優生科學協會生殖醫學與生殖倫理學分會) since February 2019. Since October 2019, she has served as the vice chairman of the Reproductive Medicine Professional Committee of the Chongqing Medical Association (重慶市醫學會生殖醫學專業委員會). Since July 2018, she has served as a member of the first session of the Reproductive Immunology Subcommittee of the Chongqing Society of Immunology (重慶市免疫學會生殖免疫分會). Since September 2017, she has served as a member of the standing committee of the Reproductive Endocrinology Professional Committee of the China Medicine Education Association (中國醫藥教育協會生殖內分泌專業). Since July 2016, she has served as a member of the second session of the standing committee of the Reproductive Medicine Professional Committee of Sichuan Provincial Medical Association (四川省醫學會生殖醫學專業委員會). Dr. Geng was one of the main breeders of the first successful IVF in Tibet Autonomous Region and she was awarded "Excellent Expert with Outstanding Contributions" in Sichuan Province in 2018.

Dr. Geng has not held directorship in any other public companies the securities of which are listed in Hong Kong or overseas in the three years immediately preceding the date of this annual report.



### *Non-executive Directors*

**Mr. Zhong Yong (鍾勇)**, aged 54, is the Chairman of the Board and was an executive Director until his redesignation as a non-executive Director on March 28, 2025. He joined the Group in June 2017 and was appointed as a Co-chief Executive Officer in September 2018. He was appointed as an executive Director and the Vice Chairman of the Board in June 2020, and has been appointed as the Chairman of the Board since March 2021. Before his redesignation, he was mainly responsible for the overall management of the Company's daily operations and implementing mergers and acquisitions strategies. Mr. Zhong is currently responsible for overseeing the overall strategies and development planning of the Group. Mr. Zhong also serves as an executive director and chairman of Jinxin Eldercare Industry Group Limited and as a director of Chengdu Jinxin Elder Care Group Company Limited.

Mr. Zhong has over 20 years of experience in investment. From April 2020 to September 2021, Mr. Zhong was the chairman of the board of Sichuan Jincheng Industrial Development Co., Ltd. (四川錦城實業發展公司). From October 2016 to January 2019, Mr. Zhong was the general manager of Willsun Asset Management Company Limited (華升資產管理有限公司) and from May 2016 to December 2018, he was the chairman of Tibet Taisheng Venture Capital Co., Ltd. (西藏泰升創業投資管理有限公司). Prior to that, from October 2015 to September 2016, he was employed as the deputy general manager of Hainan Haide Industry Co., Ltd. (海南海德實業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000567).

Mr. Zhong obtained a bachelor's degree in economics from Southwestern University of Finance and Economics (西南財經大學) in the PRC in 1993 and a master's degree in law from Sichuan University (四川大學) in the PRC in 2005. Mr. Zhong has been a non-practising member of the Sichuan Institute of Certified Public Accountants since August 2012 and obtained legal professional qualification certificate issued by the Ministry of Justice of the PRC in February 2005.

**Ms. Hu Zhe (胡喆)**, aged 52, has been a non-executive Director of the Company since December 25, 2018. She is primarily responsible for providing guidance on corporate strategies and governance to our Group.

Ms. Hu has over 20 years of experience in the financial services industry, including commercial banking, equity investments, corporate finance and fund management. She has served in China Investment and Finance Limited (subsequently renamed CNCB (Hong Kong) Investment Limited) since November 2004 and has been its deputy general manager since August 2011. From August 1996 to November 2004, she served in various positions in the credit department and corporate business department of China CITIC Bank (中信銀行股份有限公司) (HKEx stock code: 0998) with her last positions being client manager and deputy director.

## Directors and Senior Management

Ms. Hu obtained a bachelor's degree in investment economics from China Institute of Finance and Banking (中國金融學院) (subsequently merged with the University of International Business and Economics (對外經濟貿易大學)) in the PRC in July 1996 and a master's degree in economics from Central University of Finance and Economics (中央財經大學) in the PRC in September 2003.

Ms. Hu has not held directorship in any other public companies the securities of which are listed in Hong Kong or overseas in the three years immediately preceding the date of this annual report.

**Ms. Yan Xiaoqing (嚴曉晴)**, aged 56, has been a non-executive Director of the Company since March 28, 2021. She has also been a senior vice president of the Company since September 12, 2018. Her main responsibilities include the overall management of the Group and overseeing operations and internal audit matters. She joined the Group in March 2010 and served as an executive Director from May 3, 2018 to June 29, 2020. From March 2010 to October 2015, she served as the finance director of Prior Chengdu Xinan Hospital and continued to be the finance director of Chengdu Xinan Clinic until October 2018. Between November 2006 and January 2010, Ms. Yan acted as the head of finance at Jinjiang District Maternity and Child Health Hospital and from February 2000 to January 2006, she was employed as an accountant. Prior to joining our Group, from January 1992 to January 2000, she worked at Luzhou Baoguang Pharmaceutical Company (瀘州寶光醫藥公司).

Ms. Yan obtained a college graduation certificate in law by way of distance learning from the correspondence college of Sichuan Province Party School of the Communist Party of China (中共四川省委黨校) in the PRC in June 2001 and a master's degree (correspondence course) in business administration from Open University of Hong Kong (香港公開大學) (now Hong Kong Metropolitan University (香港都會大學)) in November 2015.

Ms. Yan has not held directorship in any other public companies the securities of which are listed in Hong Kong or overseas in the three years immediately preceding the date of this annual report.

**Mr. Chen Shuyun (陳樹云)**, aged 51, has been a non-executive Director of the Company since September 25, 2025. He is primarily responsible for providing strategic advice and guidance on financial management and business development to the Group, with a particular focus on its overseas expansion and operations.

Mr. Chen spent over 18 years with the Capital Group Companies ("**Capital Group**"), one of the world's largest and most successful professional investment organizations. In 2024, he retired from Capital Group as Partner in charge of Capital Group Private Markets ("**CGPM**") in the Greater China region and a member of CGPM's global Portfolio Management Committee. During his tenure, he successfully invested in, advised, and served as a board director of many leading companies in the healthcare, technology, and financial industries. Prior to joining Capital Group in 2005, Mr. Chen worked at J.P. Morgan in investment banking roles in New York and Hong Kong from 1999, leaving as Vice President of the Asia mergers and acquisitions group. He is currently a member of the board of managers of HRC Fertility Management, LLC. and a member of the board of PT Morula Indonesia.

Mr. Chen obtained his Bachelor of Arts degree (summa cum laude) in Business and Economics from Franklin & Marshall College in the United States in May 1997.



Mr. Chen was a non-executive Director of Innovent Biologics Inc. (a company listed on the Stock Exchange with stock code: 1801) between January 2018 and February 2022, and has served as the lead independent non-executive director since May 2024. Mr. Chen has also served as an independent director of Shanghai Yaohua Pilkington Glass Group Co., Ltd. (a company listed on the Shanghai Stock Exchange with stock code: 600819) since June 2024. Save as disclosed above, he does not hold any other directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

### *Independent Non-executive Directors*

**Dr. Chong Yat Keung (莊一強)**, aged 61, has been an independent non-executive Director of the Company since June 3, 2019. He is primarily responsible for supervising and providing independent judgment to the Board.

Dr. Chong has over 25 years of experience in the medical industry. From April 2015 to June 2020, he was an independent non-executive director of Wenzhou Kangning Hospital Co., Ltd. (HKEx stock code: 2120). From February 2012 to February 2015, Dr. Chong served as the deputy secretary-general of the Chinese Hospital Association (中國醫院協會). From January 2004 to January 2012 and since February 2015, he was the president of Guangzhou Ailibi Management Consulting Co., Ltd (廣州艾力彼管理顧問有限公司), a company engaged in the provision of hospital consultation services. From November 1994 to May 2000, he held various positions at a number of pharmaceutical companies including AstraZeneca Pharmaceutical Co., Ltd (阿斯利康製藥有限公司) and Beijing Novartis Pharmaceuticals Co., Ltd (北京諾華製藥有限公司), where he was primarily responsible for the sales and marketing of pharmaceutical drugs.

Dr. Chong graduated with a bachelor's degree in medical science from Zhongshan Medical University (中山醫科大學), subsequently merged into Sun Yat-Sen University (中山大學) in Guangzhou in July 1986. He also obtained a master's degree in business administration degree from Northwestern University and Hong Kong University of Science and Technology in May 2004. He also graduated with a doctoral degree in management from ISCTE – University Institute of Lisbon in November 2013.

Except as disclosed above, Dr. Chong has not held directorship in any other public companies the securities of which are listed in Hong Kong or overseas in the three years immediately preceding the date of this annual report.

**Dr. Li Jianwei (李建偉)**, aged 52, has been an independent non-executive Director since August 31, 2021. He is primarily responsible for supervising and providing independent judgment to the Board.

Dr. Li is a juris doctor and has been a professor of commercial law at China University of Political Science and Law and a supervisor for doctoral students since 2013. He also serves as the director of department of law and commerce at the business school, as well as the secretary general of the Commercial Law Research Society of China Law Society. His main research areas include, among others, civil and commercial law, corporate law, securities law, corporate governance, etc.

From 2013 to 2015, Dr. Li served as a visiting professor at the Law School of Aoyama Gakuin University in Japan. Furthermore, his past positions include executive director and secretary general of the Commercial Law Research Society of the China Law Society, executive director of the China Business Law Society, member of the expert advisory committee of courts such as the Guangzhou Intermediate People's Court, and arbitrator of arbitration commissions in CIETAC, Beijing, Fuzhou, Changsha, Guangzhou, Zibo, Beihai, Ordos and Zhuhai.

Dr. Li has been responsible for more than 10 national and provincial level projects, including as chief expert of a major project under the National Social Science Fund of China, as well as youth research projects under the National Social Science Fund, Humanities and Social Science projects of the Ministry of Education, rule of law theory research projects of the Ministry of Justice, and Beijing Social Science Fund projects. He was also responsible for the youth research innovation team project in commercial law at China University of Political Science and Law for six years from 2012 to 2018. In addition, Dr. Li has published more than 160 academic papers in journals such as China Legal Science, Journal of Law and Xinhua Digest.

Dr. Li has received several awards for research excellence, including the second prize of the Dong Biwu Youth Law Achievement Award and the third prize of the 4th China Law Outstanding Achievement Award. As a legal expert, he has participated in expert argumentation for a number of judicial interpretation documents, including General Principles of Civil Law, Civil Code – Contract Law, Company Law, Electronic Commerce Law and Company Law Interpretation (3), (4), etc. He was also awarded the Special Outstanding Teacher Award in 2011 and the Outstanding Teacher Awards in 2007, 2009, 2010 and 2016 by China University of Political Science and Law.

Dr. Li obtained the independent director qualification from the Shanghai Stock Exchange in 2015. He has been an independent non-executive director of Linksus Digiwork Marketing Communication Co., Ltd. (stock code: 838290) since August 2017, an independent non-executive director of China Shanshui Cement Group Limited (stock code: 0691) since May 2018, an independent non-executive director of the Company since August 2021, and an independent non-executive director of Vats Liquor Chain Store Management Joint Stock Co., Ltd. (stock code: 300755) since April 2022. Dr. Li previously served as an independent non-executive director of Hanwang Technology Co., Ltd. (stock code: 002362) from April 2018 to December 2024, and as an independent non-executive director of China Quanjude (Group) Co., Ltd. (stock code: 002186) from January 2019 to May 2025. In addition, he was appointed as a non-executive director of YLZ Information Technology Co., Ltd. (stock code: 300096) in December 2025.

Except as disclosed above, Dr. Li has not held directorship in any other public companies the securities of which are listed in Hong Kong or overseas in the three years immediately preceding the date of this annual report.



## Directors and Senior Management

**Mr. Wang Xiaobo (王嘯波)**, aged 50, has been an independent non-executive Director of the Company since June 3, 2019. He is primarily responsible for supervising and providing independent judgment to the Board.

Mr. Wang has over 20 years of experience in the legal service industry with a focus on corporate law. In April 2000, Mr. Wang joined Duan & Duan Law Firm (段和段律師事務所) and is currently acting as the executive chairman, chief executive officer and partner. He has been an independent non-executive director of Shanghai Tunnel Engineering Co., Ltd. (上海隧道工程股份有限公司) (SSE stock code: 600820) since December 2018 and Juneyao Airlines Co., Ltd. (上海吉祥航空股份有限公司) (SSE stock code: 603885) since July 2017. He has been an independent director of Hengyi Biomedical Technology (Shanghai) Co Ltd (恒翼生物醫藥(上海)股份有限公司) since November 2021.

Mr. Wang received a bachelor's degree in literature from Shanghai International Studies University (上海外國語大學) in the PRC in January 1997 and another bachelor's degree in law from Shanghai University (上海大學) in the PRC in July 1999. Mr. Wang also graduated from the University of Oxford with a master's degree in law in the United Kingdom in October 2005. Mr. Wang received his PRC lawyer's practicing license issued by the Shanghai Bureau of Justice (上海市司法局) in January 2001.

Except as disclosed above, Mr. Wang has not held directorship in any other public companies the securities of which are listed in Hong Kong or overseas in the three years immediately preceding the date of this annual report.

**Mr. Ye Changqing (葉長青)**, aged 55, has been an independent non-executive Director of the Company since June 3, 2019. He is primarily responsible for supervising and providing independent judgment to the Board.

Mr. Ye has over 25 years of experience in professional accounting, financial advisory and investment services. He has been an independent non-executive director of Nova East International Holding Limited (Hong Kong Stock Code: 3626) since June 2025, Hygeia Healthcare Holdings Co., Limited (HKEx stock code: 6078) since September 2019, Ascentage Pharma Group International (HKEx stock code: 6855) since June 2019, Niu Technologies (NASDAQ stock code: NIU) since October 2018, and Baozun Inc. (NASDAQ stock code: BZUN and HKEx stock code: 9991) since May 2016. Mr. Ye was an independent director of NWTN Inc. (NASDAQ stock code: NWTN) from November 2022 to December 2024, an independent director of VNET Group Limited (NASDAQ stock code: VNET) from August 2022 to October 2024, an independent non-executive director of Luzhou Bank Co., Ltd. (HKEx stock code: 1983) between December 2018 and September 2022. From February 2011 to December 2015, Mr. Ye worked at CITIC Private Equity Funds Management Co., Ltd. (中信產業投資基金管理有限公司), and his last positions there were managing director, chief financial officer and member of the investment committee. Prior to that, between April 1993 and January 2011, Mr. Ye worked at the China office of PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) (普華永道中天會計師事務所 (特殊普通合夥)), with his last positions being service line leader of advisory services and leader of transaction services of Shanghai office.

Mr. Ye graduated with a bachelor's degree in journalism from Huazhong University of Science and Technology (華中理工大學, now renamed as 華中科技大學) in the PRC in July 1992 and a master's degree in business administration from University of Warwick in the United Kingdom in November 1999. Mr. Ye is currently a member of the Shanghai Institute of Certified Public Accountants.

Except as disclosed above, Mr. Ye has not held directorship in any other public companies the securities of which are listed in Hong Kong or overseas in the three years immediately preceding the date of this annual report.

## Senior Management

Mr. Dong Yang, is an executive Director, chief executive officer and acting chief financial officer of the Company. See “— Executive Directors” for details of his biography.

Dr. Lyu Rong, is an executive Director and co-chief executive officer of the Company. See “— Executive Directors” for details of her biography.

**Dr. Li Yuan (李媛)**, aged 54, has been the chief medical officer of the Group since August 2021 and is primarily responsible for improving the quality of medical services, strengthening the scientific research and innovation, training medical professionals and employees and improving the customer-centric culture in the hospitals of the Group. Dr. Li has been working in the field of reproductive medicine since 1994. From 1999 to 2011, Dr. Li successively served as the laboratory director and assistant to the dean in the Affiliated Reproductive Medicine Hospital of Shandong University\* (山東大學附屬生殖醫院) and established its standardized quality control system. Prior to that, from September 2011 to August 2021, she was employed as a director at the reproductive center of Beijing Chaoyang Hospital\* (北京朝陽醫院). During her tenure, she significantly contributed to and as the founder of reproductive center, led the reproductive center of Beijing Chaoyang Hospital to become one of the top clinical centers in Beijing in terms of clinical operations, greatly recognized by the patients.

Dr. Li has made a series of academic achievements in the field of reproductive medicine. She owns more than 10 patents in relation to reproductive medicine and has published more than 130 academic articles. As a project director, she had also undertaken eight Chinese national and provincial projects, including the 973 Program\* (國家973計劃課題) in 2011 and the project of the Natural National Science Foundation of China\* (國家自然科學基金) in 2008 and 2014 respectively. Further, Dr. Li received second prize in the National Science and Technology Progress Award\* (國家科技進步獎), first prize in the Ministry of Education\* (教育部) and the first and second prize in the Provincial Science and Technology Progress Award\*(省科技進步獎), respectively. Moreover, she was the chief editor of the guiding textbook Human Assisted Reproductive Laboratory Technology\* (人類輔助生殖實驗技術) published in 2008.

Dr. Li obtained a bachelor’s degree from the School of Medicine of the Shandong Medical University (山東大學醫學院) in June 1994 and a master’s degree and a doctorate degree from the School of Medicine of the Shandong Medical University in June 1999.

Dr. Li has not held directorship in any other public companies the securities of which are listed in Hong Kong or overseas in the three years immediately preceding the date of this annual report.



## Directors and Senior Management

**Ms. Duan Hongmei (段紅梅)**, aged 45, has been the chief operating officer of the domestic market of the Company and the deputy general manager of Chengdu Jinxin Medical Investment Management Group Limited\* (成都錦欣醫療投資管理集團有限公司) since March 2022 and December 2018, respectively. Ms. Duan has nearly 20 years of experience in the hospital industry. From April 2017 to November 2018, she served as the deputy general manager of Chengdu Jinxin Healthcare Hospital Management Co. Ltd.\* (成都錦欣康養醫院管理有限公司). From October 2016 to March 2017, she served as the director of Chengdu Jinxin JiuJiuLeLing Healthcare Center (成都錦欣九九樂齡康養中心). From August 2015 to October 2016, she served as the deputy director of Chengdu Jinxin Obstetrics and Gynaecology Hospital (成都錦欣婦產科醫院). From September 2004 to July 2015, she was the director of Longzhou Road/Lianxin/Yanshikou Community Healthcare Center (成都錦江區龍舟路/蓮新路/鹽市口社區衛生服務中心) in Jinjiang District, Chengdu and the person in charge of Jinxin Love Angel Education Center (錦欣愛天使教育中心). From September 2003 to August 2004, she served as an inpatient gynaecology nurse at Chengdu Jinjiang District Obstetrics and Gynaecology Hospital (成都錦江區婦產科醫院) and also as a nursing department administrator.

Ms. Duan obtained a master's degree in business administration from Southwest University of Finance and Economics (西南財經大學) in November 2018.

Ms. Duan did not hold any directorships in any other public companies whose securities are listed in Hong Kong or overseas during the three years immediately preceding the date of this annual report.

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

## PRINCIPAL ACTIVITIES

The Group principally engaged in providing IVF services in both China and the United States. An analysis of the principal activities of the Group during the year ended December 31, 2025 is set out in note 46 to the consolidated financial statements.

## BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the section headed "Management Discussion and Analysis" of this annual report. These discussions form part of this annual report. Events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Events After The Reporting Period" in this annual report.

## PRINCIPAL RISKS AND UNCERTAINTIES

Save as disclosed in the section headed "Risks relating to the Contractual Arrangements" under "Continuing Connected Transactions" in this annual report, the following list is a summary of certain principal risks and uncertainties faced by the Group.

- The assisted reproductive medical facilities in our network conduct business in a strictly regulated industry. Any failure to comply with relevant laws and regulations may adversely affect the business and results of operations of the medical facilities in our network and, therefore, the Group.
- Any adverse change in the regulatory regime relating to the PRC healthcare industry may limit the ability to provide ARS by the medical facilities in our network and may have a material adverse effect on the business, results of operations and financial conditions of the assisted reproductive medical facilities in our network, and therefore, the Group.
- If the assisted reproductive medical facilities in our network are unable to attract and retain a sufficient number of qualified physicians, administrators and other medical personnel, the business, results of operations and financial results of such medical facilities and the Group could be materially and adversely affected.
- We derived and expect to derive a majority of our revenue from Sichuan and Guangdong in the PRC and California in the United States, and may be particularly sensitive to adverse developments with respect to local conditions and changes in these regions, such as with respect to their economy, laws and regulations, and any force majeure events, natural disasters or outbreaks of contagious diseases in these region.
- Any failure to obtain or maintain any license may subject the assisted reproductive medical facilities in our network to penalties and may affect the business of the assisted reproductive medical facilities in our network, and therefore, the Group.



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 Prospectus.

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to the community and achieving sustainable growth.

For more details, please refer to the 2025 Environmental, Social and Governance Report of the Company which will be published and made available at the same time as the publication of this annual report on the websites of the Stock Exchange and the Company.

## **COMPLIANCE WITH THE 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.

## **RESULTS**

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 116 and 117 of this annual report.

## **FINAL DIVIDEND**

The Board recommended the payment of a final dividend of HK\$4.18 cents per Share for the year ended December 31, 2025 (for the year ended December 31, 2024: Nil). Subject to the approval of the Shareholders at the forthcoming AGM, the proposed final dividend will be paid on Tuesday, July 28, 2026 to the Shareholders whose names appear on the register of members on Tuesday, July 7, 2026.

## **FINANCIAL SUMMARY**

A summary of the Group's results, assets and liabilities for the last five financial years are set out on page 6 of this annual report. This summary does not form part of the audited consolidated financial statements.

## **USE OF PROCEEDS FROM LISTING**

The total proceeds from the issue of new Shares by the Company in its Listing (after deducting the underwriting fees and related Listing expenses) amounted to approximately HK\$2,808.1 million and the unutilized net proceeds were kept at the bank accounts of the Group as at December 31, 2025.

# Report of Directors

The net proceeds from the Listing (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in accordance with the purposes set out in the Prospectus. The table below sets out the planned applications of the net proceeds and actual usage up to December 31, 2025:

Use of proceeds	Planned applications (HK\$ million)	Percentage of total net proceeds	Actual usage up to December 31, 2025 (HK\$ million)	Net proceeds	Expected timeline
				brought forward for the Reporting Period (HK\$ million)	for utilizing the remaining unutilized net proceeds <sup>(2)</sup>
To expand and upgrade existing assisted reproductive medical facilities in the Group's network in China and recruit medical professionals, including physicians and embryologists, in order to increase capacity, expand its service offering and market share <sup>(1)</sup>	702.0 <sup>(1)</sup>	25.0%	702.0	-	- By December 2022
For the potential acquisition of additional assisted reproductive medical facilities in provinces in China we are currently not operating in <sup>(3)</sup>	561.6	20.0%	561.6	-	- By December 2021
For investment in research and development to enhance overall performance and maintain the Group's position at the forefront of assisted reproductive technology	280.8	10.0%	243.1	37.7	26.9 By December 2026
For the potential acquisitions of ARS service providers and businesses along the ARS service chain <sup>(4)</sup>	561.6	20.0%	561.6	-	- By December 2021
To improve brand awareness and general ARS awareness in both China and the United States	421.2	15.0%	421.2	-	- By December 2025
For the Group's working capital and general corporate purposes <sup>(5)</sup>	280.9	10.0%	280.9	-	- By June 2022
<b>Total</b>	<b>2,808.1</b>	<b>100.0%</b>	<b>2,770.4</b>	<b>37.7</b>	<b>26.9</b>

## Notes:

- (1) The Group intends to use (i) 20.0% or HK\$561.6 million to (a) expand and upgrade the medical facilities, (b) acquire additional medical equipment and (c) acquire and/or construct patient care facilities, and (ii) 5.0%, or HK\$140.4 million to recruit and expand medical professional teams and relevant supporting staff, including introducing professional staff specializing in prenatal services.
- (2) The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.
- (3) Including the acquisition of equity interests of a hospital in Wuhan with assisted reproductive medical facilities and subsequent capital expenditure in connection with improving the hospital.
- (4) Including (i) formation of joint venture with the shareholders of Mengmei Life Pty. Ltd. and Jinxin Hospital Management Group Limited in relation to, among others, the promotion, customers acquisition and channels management related to IVF and (ii) acquisition of obstetrics, gynecology and pediatric business through Jinxin Medical Management (BVI) Group Limited.

- (5) Namely (i) consultation fees, including but not limited to fees for legal compliance, audit, investor relations/public relations, human resources, and operations; (ii) rental and office expense; and (iii) remuneration packages of the existing management team.

## USE OF PROCEEDS FROM PLACING

On February 2, 2021, the Company entered into a placing agreement with Morgan Stanley & Co. International plc (the “**Placing Agent**”), pursuant to which the Placing Agent agreed to place 80,000,000 shares (or, failing which, to purchase itself as principal) on a fully underwritten basis to not less than six independent investors (the “**Placing**”). The Placing price was HK\$15.85 per share. The net price per Placing share was approximately HK\$15.67. The closing price was HK\$17.02 per Share as quoted on the Stock Exchange on the date of the placing agreement.

The closing of the Placing took place on February 9, 2021. The net proceeds from the Placing were approximately HK\$1,253.5 million, which have been fully utilized as at December 31, 2025 in accordance with the purposes set out in the announcements of the Company dated February 2, 2021 and February 9, 2021 respectively. The table below sets out the planned applications of the net proceeds and actual usage up to December 31, 2025:

	Planned applications (HK\$ million)	Percentage of total net proceed	Actual usage up to December 31, 2025 (HK\$ million)	Net proceeds brought forward for the Reporting Period (HK\$ million)	Expected timeline for utilizing the remaining unutilized net proceeds as at December 31, 2025 (HK\$ million)
To fund potential merger and acquisition opportunities of ARS-licensed providers located in regions in the PRC with relatively high demand for ARS, such as in East China, the Beijing Tianjin-Hebei region, and other highly potential regions	1,002.8	80.0%	1,002.8	-	- By December 2021
To fund potential merger and acquisition opportunities of ARS-licensed providers located outside the PRC, such as Southeast Asia and other Asia pacific countries	188.0	15.0%	188.0	-	- By June 2024
For general corporate and working capital purposes	62.7	5.0%	62.7	-	- By June 2022
<b>Total</b>	<b>1,253.5</b>	<b>100.0%</b>	<b>1,253.5</b>	<b>-</b>	<b>-</b>

Note:

- (1) The expected timeline for utilizing the remaining proceeds was based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

## USE OF PROCEEDS FROM TOP-UP PLACING

On January 5, 2023, the Company entered into a placing and subscription agreement with JINXIN Fertility Investment Group Limited as vendor (the “Vendor”) and Morgan Stanley Asia Limited as placing agent (the “Top-Up Placing Agent”), pursuant to which (i) the Vendor agreed to sell, and the Top-Up Placing Agent agreed to procure purchaser to purchase, on a fully underwritten basis, 175,000,000 Shares at a price of HK\$6.725 per Share; and (ii) the Vendor agreed to subscribe as principal for, and the Company agreed to issue, 175,000,000 new Shares, being equivalent to the number of placing Shares thereunder at the same price (the “Top-Up Placing”). The closing price was HK\$7.31 per Share as quoted on the Stock Exchange on the date of the placing and subscription agreement.

The closing of the placing and subscription under the Top-Up Placing took place on January 9, 2023 and January 16, 2023, respectively. The net proceeds from the Top-Up Placing were approximately HK\$1,162.31 million, which have been fully utilized as at December 31, 2025 in accordance with the purposes set out in the announcements of the Company dated January 5, 2023 and January 16, 2023, respectively. The table below sets out the planned applications of the net proceeds and actual usage up to December 31, 2025:

	Planned applications (HK\$ million)	Percentage of total net proceed	Actual usage up to December 31, 2025 (HK\$ million)	Net proceeds brought forward for the Reporting Period (HK\$ million)	Expected timeline for utilizing the remaining unutilized net proceeds <sup>(1)</sup> Unutilized net proceeds as at December 31, 2025 (HK\$ million)
To redeem and repay the relevant part of the outstanding convertible bonds issued by the Company on November 26, 2021 in the principal amount of HK\$1,814,706,000	987.96	85.0%	987.96	-	- By June 2023
For the Group's working capital and general corporate purposes	174.35	15.0%	174.35	-	- By December 2024
<b>Total</b>	<b>1,162.31</b>	<b>100.0%</b>	<b>1,162.31</b>	<b>-</b>	<b>-</b>

Note:

- (1) The expected timeline for utilizing the remaining proceeds was based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.



## MAJOR CUSTOMERS AND MAJOR SUPPLIERS

### *Major Customers*

For the year ended December 31, 2025, the Group's sales to its five largest customers accounted for 20.8% (2024: 23.8%) of the Group's total revenue and our single largest customer accounted for 18.0% (2024: 16.8%) of the Group's total revenue.

### *Major Suppliers*

For the year ended December 31, 2025, the Group's five largest suppliers accounted for 29.5% (2024: 36.1%) of the Group's total purchases and our single largest supplier accounted for 13.7% (2024: 17.0%) of the Group's total purchases.

During the Reporting Period, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any interest in the Group's five largest customers and suppliers.

### *Relationship with Stakeholders*

The Group recognizes that various stakeholders including employees, medical experts, patients, customers, suppliers and other business associates are key to the Group's success. The Group strives to achieve corporate sustainability through engaging, educating, collaborating, and cultivating strong relationships with them. The Group believes that it is vital to attract, recruit and retain quality employees. To maintain the quality, knowledge and skill levels of the Group's workforce, the Group provides the employees with periodic training, including introductory training for new employees, technical training, professional and management training and health and safety training. The Group believes that it maintains a good relationship with its employees and the Group did not experience any significant labor disputes or any difficulty in recruiting staff for its operations. The Group conducts academic marketing activities to establish and maintain relationships with key opinion leaders in the national medical system. The Group provides these experts with detailed information on its products and helps them make independent comparison among competing products in the market. The Group also maintains long-term cooperative relationships with medical experts to help raise the Group's profile, enhance awareness of Group's products in the medical community and among patients, provide it with valuable clinical data to improve the Group's products, and collect feedback from the real world clinical practices and support on the patients group and comply with physicians to manage the side effects. For details of an account of the Company's key relationships with its main stakeholders, please see the 2024 Environmental, Social and Governance Report of the Company.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended December 31, 2025 are set out in note 16 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the year December 31, 2025 are set out in note 38 to the consolidated financial statements.

## RESERVES

Details of movements in the reserves of the Company and the Group during the year ended December 31, 2025 are set out on pages 120 to 122 in the consolidated statement of changes in equity and note 47 to the consolidated financial statements.

## DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company's reserves available for distribution, amounted to approximately RMB7,278.6 million (as of December 31, 2024: RMB8,357.4 million).

## TAXATION

Tax position of the Company for the year ended December 31, 2025 is set forth in note 12 to the consolidated financial statements.

## TAX RELIEF

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

## BANK BORROWINGS

Particulars of bank borrowings of the Company and the Group as of December 31, 2025 are set out in note 37 to the consolidated financial statements.

## DIRECTORS

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

### *Executive Directors*

Dr. John G. Wilcox (*resigned on August 27, 2025*)

Mr. Dong Yang (*Chief Executive Officer and Acting Chief Financial Officer*)

Dr. Lyu Rong (*Co-chief Executive Officer*)

Dr. Geng Lihong

### *Non-executive Directors*

Mr. Zhong Yong (*Chairman*) (*redesignated on March 28, 2025*)

Mr. Fang Min (*resigned on September 25, 2025*)

Ms. Hu Zhe

Ms. Yan Xiaoqing

Mr. Chen Shuyun (*appointed on September 25, 2025*)

### *Independent Non-executive Directors*

Dr. Chong Yat Keung

Dr. Li Jianwei

Mr. Wang Xiaobo

Mr. Ye Changqing



In accordance with article 84(1) of the Articles of Association, 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, and shall be eligible for re-election at the AGM.

In accordance with article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his/her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

Accordingly, Dr. Geng Lihong, Ms. Yan Xiaoqing, Dr. Chong Yat Keung and Mr. Wang Xiaobo shall retire by rotation as Directors at the AGM and, being eligible, will offer themselves for re-election at the AGM.

Details of the Directors to be re-elected at the AGM will be set out in the circular to the Shareholders to be dispatched in due course.

### **DIRECTORS AND SENIOR MANAGEMENT**

Biographical details of the Directors and senior management of the Company are set out on pages 39 to 47 of this annual report.

### **CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Company has received an annual 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 Reporting Period.

### **DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT**

Each of the executive Directors has entered into a service contract with the Company, under which they agreed to act as executive Directors for an initial term of three years commencing from their respective date of appointment, which may be terminated by not less than one month's/three months' notice (as the case may be) in writing served by either the executive Director or the Company.

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with the Company for a term of three years with effect from their respective date of appointment. Under their respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director's fee while the non-executive Directors are not entitled to any remuneration as Directors.

The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association and the applicable Listing Rules.

None of the Directors, including those to be re-elected at the forthcoming AGM, has entered into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

## **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

Save as disclosed in the section "Continuing Connected Transactions and One-Off Connected Transactions" below, none of the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

## **CONTRACTS WITH CONTROLLING SHAREHOLDERS**

No contract of significance, including for the provision of services, has been entered into among the Company or any of its subsidiaries and the controlling Shareholders or any of their subsidiaries during the Reporting Period.

## **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.

## **EMOLUMENT POLICY**

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group.

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 salaries, allowances, benefits in kind, performance-related bonuses and pension scheme contributions. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and 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 non-executive Directors and 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.

No Director has waived or has agreed to waive any emoluments during the year ended December 31, 2025.

Details of the emoluments of the Directors and five highest paid individuals during the Reporting Period are set out in note 13 to the consolidated financial statements.

## **RETIREMENT AND EMPLOYEE BENEFITS SCHEME**

Details of the retirement and employee benefits scheme of the Company are set out in note 41 to the consolidated financial statements.



## CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Pursuant to Rule 13.51B of the Listing Rules, the changes in Directors' information after the publication of the 2025 interim report are set out below:

- Dr. Li Jianwei was appointed as a non-executive director of YLZ Information Technology Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300096), with effect from December 16, 2025.

Save as disclosed above and in this annual report, there was no change to information which is required to be disclosed and has been disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules during the Reporting Period and up to the date of this annual report.

## RISK MANAGEMENT

### *Currency Risk*

The business of the Group operates in the mainland China, Hong Kong, and the United States with its transactions settled in Renminbi, HK dollars and U.S. dollars, respectively. Renminbi is not a freely convertible currency and is subject to changes in central government policies and to international economic and political developments. Despite the fact that the Company currently has not adopted any hedging measure, the cost of U.S. dollar is covered by the revenue generated in U.S. dollar, which serves as a natural hedge. As a result, the Company does not believe that it currently has any significant direct foreign exchange risk and has not used any derivative financial instruments to hedge our exposure to such risk.

### *Interest Rate Risk*

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. Its cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Directors consider that the overall interest rate risk is not significant and no sensitivity analysis is presented. The Company considers the interest rate risk associated with the financial assets at fair value through profit or loss and fixed rate time deposit to be limited because such instruments have a tenor of less than one year or are redeemable on demand.

### *Liquidity Risk*

The Group aims to manage liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at December 31, 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which had been 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 which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Interest in Shares and Underlying Shares

Name of Directors	Capacity/ nature of interest	Number of Shares/ underlying Shares	Approximate percentage of shareholding in the Company <sup>(1)</sup>	Long position/ Short position/ Lending pool
Mr. Zhong Yong <sup>(2)</sup>	Beneficial owner	13,573,611	0.49%	Long position
Mr. Dong Yang <sup>(3)</sup>	Beneficial owner	96,214,318	3.51%	Long position
Dr. Lyu Rong <sup>(4)</sup>	Beneficial owner	39,424,318	1.44%	Long position
Ms. Yan Xiaoqing <sup>(5)</sup>	Beneficial owner	3,466,000	0.13%	Long position
Dr. Geng Lihong <sup>(6)</sup>	Beneficial owner	600,000	0.02%	Long position
Dr. Chong Yat Keung <sup>(7)</sup>	Beneficial owner	11,977,318	0.44%	Long position
Mr. Chen Shuyun <sup>(8)</sup>	Beneficial owner	450,000	0.02%	Long position
Dr. Li Jianwei <sup>(9)</sup>	Beneficial owner	450,000	0.02%	Long position
Mr. Wang Xiaobo <sup>(10)</sup>	Beneficial owner	450,000	0.02%	Long position
Mr. Ye Changqing <sup>(11)</sup>	Beneficial owner	450,000	0.02%	Long position

#### Notes:

- (1) The calculation is based on the total number of 2,744,706,043 Shares in issue as at December 31, 2025.
- (2) Includes (i) 7,804,268 Shares beneficially owned by Mr. Zhong Yong; (ii) Mr. Zhong Yong's entitlement to Restricted Shares equivalent to 5,319,343 Shares granted to him under the 2022 Share Award Scheme, subject to vesting conditions; and (iii) Mr. Zhong Yong's entitlement to 300,000 options and 150,000 restricted shares granted to him under the 2025 Share Scheme.
- (3) Includes (i) 11,079,801 Shares beneficially owned by Mr. Dong Yang; (ii) Mr. Dong Yang's entitlement to Restricted Shares equivalent to 2,793,517 Shares granted to him under the 2022 Share Award Scheme, subject to vesting conditions; and (iii) Mr. Dong Yang's entitlement to 82,341,000 options granted to him under the 2025 Share Scheme.
- (4) Includes (i) 7,666,948 Shares beneficially owned by Dr. Lyu Rong; (ii) Dr. Lyu Rong's entitlement to Restricted Shares equivalent to 4,310,370 Shares granted to her under the 2022 Share Award Scheme, subject to vesting conditions; and (iii) Dr. Lyu Rong's entitlement to 27,447,000 options granted to her under the 2025 Share Scheme.
- (5) Includes (i) 3,016,000 Shares beneficially owned by Ms. Yan Xiaoqing and (ii) Ms. Yan Xiaoqing's entitlement to 300,000 options and 150,000 restricted shares granted to her under the 2025 Share Scheme.
- (6) Includes Dr. Geng Lihong's entitlement to Restricted Shares equivalent to 600,000 Shares granted to her under the 2022 Share Award Scheme, subject to vesting conditions.

- (7) Includes Dr. Chong Yat Keung's entitlement to Restricted Shares equivalent to 600,000 Shares granted to him under the 2022 Share Award Scheme, subject to vesting conditions.
- (8) Includes Mr. Chen Shuyun's entitlement to 300,000 options and 150,000 restricted shares granted to him under the 2025 Share Scheme.
- (9) Includes Dr. Li Jianwei's entitlement to 300,000 options and 150,000 restricted shares granted to him under the 2025 Share Scheme.
- (10) Includes Mr. Wang Xiaobo's entitlement to 300,000 options and 150,000 restricted shares granted to him under the 2025 Share Scheme.
- (11) Includes Mr. Ye Changqing's entitlement to 300,000 options and 150,000 restricted shares granted to him under the 2025 Share Scheme.

**(i) Interest in the Company's associated corporations**

Name of Director	Capacity/ nature of interest	Name of associated corporation	Approximate percentage of shareholding interest
Dr. Lyu Rong	Beneficial owner	Jinyi Hongkang	51% <sup>(1)</sup>
Ms. Yan Xiaoqing	Beneficial owner	Jinrun Fude	51% <sup>(2)</sup>

*Notes:*

- (1) Dr. Lyu Rong, one of the Jinyi Hongkang Registered Shareholders, holds 51% of the equity interest in Jinyi Hongkang. Jinyi Hongkang is a subsidiary of the Company by virtue of the 2022 Contractual Arrangements.
- (2) Ms. Yan Xiaoqing, one of the Jinrun Fude Registered Shareholders, holds 51% of the equity interest in Jinrun Fude. Jinrun Fude is a subsidiary of the Company by virtue of the Xinan Clinic and Shenzhen Zhongshan Contractual Arrangements.

Save as disclosed above, as at December 31, 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was 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 under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in 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.

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

As at December 31, 2025, to the best knowledge of the Directors, the following persons (not being a Director 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 Shareholders	Capacity/ nature of interest	Number of Shares/ underlying Shares	Approximate percentage of shareholding in the Company <sup>(1)</sup>	Long position/ Short position/ Lending pool
Jinxin Fertility BVI <sup>(2)</sup>	Beneficial owner	319,471,061	11.64%	Long position

Notes:

- (1) The calculation is based on the total number of 2,744,706,043 Shares in issue as at December 31, 2025.
- (2) Jinxin Fertility BVI is ultimately controlled by the individual Shareholders, and none of the individual Shareholders are interested in 10% or more of the Company's issued share capital upon Listing and remain as one of our substantial Shareholders upon Listing and as at December 31, 2025.

Save as disclosed above, as at December 31, 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

## PRE-IPO RSU SCHEME

The Pre-IPO RSU Scheme was approved and adopted by the Board on February 15, 2019 (the "**Pre-IPO RSU Adoption Date**"), which has been terminated during the year ended December 31, 2024. Following its termination, no more RSU will be granted under the Pre-IPO RSU Scheme. The following is a summary of the principal terms of the Pre-IPO RSU Scheme but does not form part of, nor was it intended to be, the Pre-IPO RSU Scheme nor should it be taken as affecting the interpretation of the rules of the Pre-IPO RSU Scheme:

### (1) Purpose of the Pre-IPO RSU Scheme

The purposes of the Pre-IPO RSU Scheme are to (i) provide the selected participants of the Pre-IPO RSU Scheme (the "**Selected Participants**") with the opportunity to acquire proprietary interests in the Company; (ii) encourage the grantees to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole; and (iii) provide the Company with a flexible means of either retaining, incentivizing, reward, remunerating, compensating and/or providing benefits to the Selected Participants.

### (2) Selected Participants of the Pre-IPO RSU Scheme

Persons eligible to receive RSUs under the Pre-IPO RSU Scheme are any employee, director, officer, consultant or advisor of any member of the Group, or any entity which is managed by any member of the Group (the "**Managed Entity**") whom the Board considers, in its sole discretion, to have contributed or will contribute to the growth and development of the Group or any Managed Entity.



### **(3) Total number of Shares to be granted**

The total number of the RSUs which may be issued upon exercise of all grants made pursuant to the Pre-IPO RSU Scheme shall not exceed in 32,981,388 Shares, representing approximately 1.66% of the Company's issued share capital as of the Pre-IPO RSU Adoption Date (the "**RSU Scheme Limit**"), and representing approximately 1.23% of the Shares in issue (excluding Shares repurchased for cancellation but not yet cancelled and treasury Shares) as at the date of this report. As at the date of this report, no further RSUs are available for grant under the Pre-IPO RSU Scheme.

### **(4) Maximum entitlement of each Selected Participant**

The maximum entitlement of each participant under the Pre-IPO RSU Scheme shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force. Any further grant of RSUs to any one participant in excess of such imposed limit shall be subject to the Shareholders' approval in general meeting with such participant and his associates abstaining from voting.

### **(5) Vesting Period of RSUs under the Pre-IPO RSU Scheme**

RSUs granted generally vest over a period ranging from 1 month to 5 years. The vesting schedule of the RSUs will be in equal installments over the vesting period for each corresponding Selected Participant upon satisfaction of the respective performance target on the respective anniversary dates of the vesting commencement date.

### **(6) Grant of RSUs and acceptance of offers**

RSUs may be accepted by a grantee within a certain number of days from the date of the offer of the grant of the RSUs as indicated in the offer letter. The RSUs under the Pre-IPO RSU Scheme were granted to the Selected Participants at nil consideration and were or will be transferred to the Selected Participants upon vesting at nil consideration.

### **(7) Life of the Pre-IPO RSU Scheme**

The Pre-IPO RSU Scheme commences on the Pre-IPO RSU Adoption Date and would remain valid and effective unless and until being terminated upon the expiry of the period of ten years from such date, unless terminated earlier by a resolution of the Board. Since the Company has no intention to make further grants under the Pre-IPO RSU Scheme, as at December 31, 2025, the Pre-IPO RSU Scheme was terminated and no further RSUs would be granted under such scheme, whilst the RSUs previously granted under the Pre-IPO RSU Scheme shall continue to be in full force and effect in accordance with the provisions thereof.

There were no RSUs available for grant under the Pre-IPO RSU Scheme as at January 1, 2025, and no RSU was granted during the Reporting Period.

The table below shows details of the RSUs granted under the Pre-IPO RSU Scheme for the Reporting Period which shall be satisfied by the issuance of new Shares:

# Report of Directors

Name of Participant or Category of Participant	Date of Grant	Vesting Period <sup>(1)</sup>	Closing price of Shares immediately before the date on which the award Shares were granted (HK\$)	Number of unvested award Shares held at January 1, 2025	Number of award Shares granted during the Reporting Period	Number of award Shares lapsed/ cancelled	Number of award Shares vested	Number of award Shares held at December 31, 2025	Weighted average closing price of the Shares immediately before the dates on which the award Shares were vested (HK\$)	Fair value of award Shares at the date of granted (HK\$)
<b>Directors, chief executive or substantial shareholders of the listed issuer, or their respective associates</b>										
N/A										
<b>Participant with options and awards granted and to be granted in excess of the 1% individual limit</b>										
N/A										
<b>Related entity participants or service provider with options or awards granted and to be granted in any 12-month period exceeding 0.1% individual limit</b>										
N/A										
<b>Other employee participants</b>										
	January 10, 2021	6 months-3 years	15.18	874,468	-	749,468	125,000	-	6.68	15.18
	June 1, 2021	8 months-3 years	21.25	125,000	-	-	125,000	-	4.80	21.25
	March 1, 2022	10 months-3 years	8.89	33,334	-	-	33,334	-	3.95	8.94
	April 19, 2024	1-5 years	2.31	1,764,360	-	-	158,843	1,605,517	2.88	2.27
<b>Other related entity participants</b>										
	January 10, 2021	1-3 years	15.18	278,700	-	-	139,350	139,350	4.17	15.18
	January 31, 2022	1 months-5 years	7.76	1,612,476	-	-	537,492	1,074,984	2.43	7.76
<b>Total</b>		<b>-</b>		<b>4,688,338</b>	<b>-</b>	<b>749,468</b>	<b>1,119,019</b>	<b>2,819,851</b>		

*Notes:*

- (1) The vesting of the RSUs shall be subject to certain vesting conditions based on a set of indicators that are linked with, and subject to, the results of individual performance assessments carried out by the Group and the achievement of the overall performance targets of the relevant hospitals and members of the Group as well as the results of individual performance assessments carried out by the Group for each corresponding Selected Participant.
- (2) The purchase price for the award Shares transferred or to be transferred to the Selected Participants upon vesting is nil.
- (3) The number of Shares that may be issued in respect of the RSUs granted under the Pre-IPO RSU Scheme during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue for the Reporting Period was nil.

## **2022 SHARE AWARD SCHEME**

The 2022 Share Award Scheme was approved and adopted by the Board on February 17, 2022 (the “**2022 Scheme Adoption Date**”), which has been amended on June 25, 2024 (the “**2022 Scheme Amendment Date**”) to bring its terms in alignment with the amended Chapter 17 of the Listing Rules. The following is a summary of the principal terms of the 2022 Share Award Scheme but does not form part of, nor was it intended to be, the 2022 Share Award Scheme nor should it be taken as affecting the interpretation of the rules of the 2022 Share Award Scheme:

### ***(1) Purpose of the 2022 Share Award Scheme***

The purposes of the 2022 Share Award Scheme are to (i) provide the selected participants of the 2022 Share Award Scheme (the “**Award Selected Participants**”) with the opportunity to acquire proprietary interests in the Company; (ii) encourage the Award Selected Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole; and (iii) provide the Company with a flexible means of either retaining, incentivizing, reward, remunerating, compensating and/or providing benefits to the Award Selected Participants.

### ***(2) Award Selected Participants of the 2022 Share Award Scheme***

Persons eligible to receive Restricted Shares under the 2022 Share Award Scheme comprise Employee Participants, Related Entity Participants and Service Providers (as defined in the 2022 Share Award Scheme). Please refer to the circular of the Company dated May 31, 2024 for further details of the eligible participants.

### **(3) Total number of Shares to be granted**

The total number of the Restricted Shares which may be issued upon vesting of all grants made pursuant to the 2022 Share Award Scheme shall not exceed in 75,227,514 Shares, representing approximately 3% of the Company's issued share capital as of the Award Adoption Date (the "**2022 Scheme Mandate Limit**"), and representing approximately 2.79% of the Shares in issue (excluding Shares repurchased for cancellation but not yet cancelled and treasury Shares) as at the date of this report, provided that no account shall be taken into the calculation of the 2022 Scheme Mandate Limit of any Shares where the right to acquire such Shares has been released, lapsed or vested in accordance with the 2022 Share Award Scheme. The total number of Restricted Shares which may be issued upon vesting of all grants made to Service Providers pursuant to the 2022 Share Award Scheme shall not exceed 8,273,118 Shares (the "**2022 Service Provider Sublimit**"), representing approximately 0.3% of the total number of Shares in issue (excluding Shares repurchased for cancellation but not yet cancelled and treasury Shares) as at the 2022 Scheme Amendment Date and representing approximately 0.31% as at the date of this report. As at the date of this report, (i) the total number of Shares available for issue under the 2022 Share Award Scheme is 9,374,273 Shares, representing approximately 0.35% of the Shares in issue (excluding Shares repurchased for cancellation but not yet cancelled and treasury Shares) as at that date, and (ii) the total number of Shares available for issue to Service Providers under the 2022 Share Award Scheme is 8,273,118 Shares, representing 0.1% of the Shares in issue (excluding Shares repurchased for cancellation but not yet cancelled and treasury Shares) as at that date.

### **(4) Maximum entitlement of each Selected Participant**

The maximum entitlement of each participant under the 2022 Share Award Scheme shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force. Any further grant of restricted Shares to any one participant in excess of such imposed limit shall be subject to the Shareholders' approval in general meeting with such participant and his associates abstaining from voting.

### **(5) Vesting Period of Restricted Shares under the 2022 Share Award Scheme**

Restricted Shares granted generally vest over a five-year period. The vesting schedule of the restricted Shares will usually be in equal yearly installments over the vesting period for each corresponding grantee upon satisfaction of the relevant performance targets on the respective anniversary dates of the grant, save as determined by the Board at its discretion.

### **(6) Grant of restricted Shares and acceptance of offers**

Restricted Shares may be accepted by a grantee within a certain number of days from the date of the offer of the grant of the restricted Shares as indicated in the offer letter. The restricted Shares under the 2022 Share Award Scheme were granted to the Award Selected Participants at nil consideration and were or will be transferred to the Award Selected Participants upon vesting at nil consideration.

## (7) Life of the 2022 Share Award Scheme

The 2022 Share Award Scheme commences on the 2022 Award Adoption Date and remains valid and effective unless and until being terminated upon the expiry of the period of ten years from such date, unless terminated earlier by a resolution of the Board. As such, as at December 31, 2025, the remaining life of the 2022 Share Award Scheme is approximately six years.

The total number of Restricted Shares available for grant to Award Selected Participants under the 2022 Share Award Scheme was 9,374,273 as at January 1, 2025, and the total number of Restricted Shares available for grant to Service Providers under the 2022 Share Award Scheme was 8,273,118 as at January 1, 2025.

The table below shows details of the Restricted Shares granted under the 2022 Share Award Scheme for the Reporting Period which shall be satisfied by the issuance of new Shares:

Name of Participant or Category of Participant	Date of Grant	Vesting Period <sup>(1)</sup>	Closing price of Shares immediately before the date on which the Restricted Shares were granted (HK\$)	Number of unvested Restricted Shares held at January 1, 2025	Number of Restricted Shares granted during the Reporting Period	Number of Restricted Shares lapsed	Number of Restricted Shares cancelled	Number of Restricted Shares vested	Number of Restricted Shares held at December 31, 2025	Weighted average closing price of the Shares immediately before the dates on which the Restricted Shares were vested (HK\$)	Fair value of Restricted Shares at the date of grant (HK\$)
<b>Directors, chief executive or substantial shareholders of the listed issuer, or their respective associates</b>											
Dr. John G. Wilcox (resigned on August 27, 2025)	March 27, 2023	1 year – 5 years	5.38	4,000,000	-	-	-	1,000,000	3,000,000	2.70	5.40
Mr. Zhong Yong	March 27, 2023	1 year – 5 years	5.38	5,319,343	-	-	-	-	5,319,343	2.37	5.40
Mr. Dong Yang	March 27, 2023	1 year – 5 years	5.38	5,419,318	-	-	2,000,000	625,801	2,793,517	2.88	5.40
Dr. Lyu Rong	March 27, 2023	1 year – 5 years	5.38	4,335,454	-	-	-	25,084	4,310,370	2.38	5.40
Dr. Geng Lihong	March 27, 2023	1 year – 5 years	5.38	480,000	-	-	-	-	480,000	2.37	5.40
<b>Participant with options and awards granted and to be granted in excess of the 1% individual limit</b>											
N/A											
<b>Related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue (excluding treasury Shares)</b>											
N/A											
<b>Other employee participants</b>											
	January 18, 2023	1 year – 5 years	7.34	24,118,698	-	50,200	-	4,463,768	19,604,730	2.61	7.34
	March 27, 2023	1 year – 5 years	5.38	6,101,961	-	239,208	-	487,328	5,375,425	2.45	5.40
<b>Other related entity participants</b>											
	January 18, 2023	1-5 Years	7.34	816,981	-	-	-	-	816,981	2.37	7.34
<b>Other service providers</b>											
N/A											
<b>Total</b>				<b>50,591,755</b>	<b>-</b>	<b>289,408</b>	<b>2,000,000</b>	<b>6,601,981</b>	<b>41,700,366</b>		

*Notes:*

- (1) The vesting schedule of the Restricted Shares will be in equal yearly installments over the vesting period for each corresponding grantee upon satisfaction of the relevant performance targets on the respective anniversary dates of the grant.
- (2) The purchase price for the Restricted Shares transferred or to be transferred to the Award Selected Participants upon vesting is nil.
- (3) As no new Shares were issued during the Reporting Period in respect of the Restricted Shares granted under the 2022 Share Award Scheme, it is not applicable for the Company to set out the number of Shares that may be issued in respect of the Restricted Shares granted under the 2022 Share Award Scheme during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue for the Reporting Period.

The table below shows details of the Restricted Shares granted under the 2022 Share Award Scheme for the Reporting Period which shall be satisfied by existing shares acquired by trustee(s) of the Company:

Name of Participant or Category of Participant	Date of Grant	Vesting Period <sup>(1)</sup>	Closing price of Shares immediately before the date on which the Restricted Shares were granted (HK\$)	Number of Restricted Shares held at January 1, 2025	Number of Restricted Shares granted during the Reporting Period	Number of Restricted Shares lapsed	Number of Restricted Shares cancelled	Number of Restricted Shares vested	Number of unvested Restricted Shares held at December 31, 2025	Weighted average closing price of the Shares immediately before the dates on which the Restricted Shares were vested (HK\$)	Fair value of Restricted Shares at the date of grant (HK\$)
<b>Directors of the listed issuer</b>											
N/A											
<b>Five highest paid individuals in aggregate (excluding Directors)</b>											
N/A											
<b>Related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% individual limit</b>											
N/A											
<b>Other grantees in aggregate</b>											
Other employee participants	April 19, 2024	1 year-5 years	2.31	4,000,000	-	-	-	1,000,000	3,000,000	2.81	2.27
<b>Total</b>				<b>4,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>3,000,000</b>		

*Notes:*

- (1) The vesting schedule of the Restricted Shares will be over the vesting period for each corresponding grantee upon satisfaction of the relevant performance targets determined by the Board.
- (2) The purchase price for the Restricted Shares transferred or to be transferred to the Award Selected Participants upon vesting is nil.
- (3) As at December 31, 2025, the trustee of the 2022 Share Award Scheme, pursuant to the rules of the 2022 Share Award Scheme, held 3,000,000 Shares it purchased from the secondary market for the purpose of satisfying grants of the Restricted Shares.



## 2025 SHARE SCHEME

The 2025 Share Scheme was approved by the Board on September 25, 2025 and approved and adopted by the Shareholders on December 5, 2025 (the “**2025 Scheme Adoption Date**”). The 2025 Share Scheme will be satisfied by treasury Shares and/or new Shares. The following is a summary of the principal terms of the 2025 Share Scheme but does not form part of, nor was it intended to be, the 2025 Share Scheme nor should it be taken as affecting the interpretation of the rules of the 2025 Share Scheme:

### (1) Purpose of the 2025 Share Scheme

The purposes of the 2025 Share Scheme are to (a) recognize the contributions of the selected participants of the 2025 Share Scheme (the “**2025 Award Selected Participants**”); (b) encourage, motivate and retain the 2025 Award Selected Participants, whose contributions are beneficial to the continual operation, development and growth of the Group; and (c) provide additional incentive for the 2025 Award Selected Participants to achieve performance goals, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the 2025 Award Selected Participants to the Shareholders through ownership of Shares.

### (2) Award Selected Participants of the 2025 Share Scheme

Persons eligible to receive Restricted Shares under the 2025 Share Scheme comprise Employee Participants, Related Entity Participants and Service Providers (as defined in the 2025 Share Scheme). Please refer to the circular of the Company dated November 19, 2025 for further details of the eligible participants.

### (3) Total number of Shares to be granted

The total number of the Restricted Shares which may be issued upon vesting of all grants made pursuant to the 2025 Share Scheme shall not exceed in 192,129,423 Shares, representing approximately 7% of the Company’s issued share capital as of the 2025 Award Adoption Date (the “**2025 Scheme Mandate Limit**”), and representing approximately 7.14% of the Shares in issue (excluding Shares repurchased for cancellation but not yet cancelled and treasury Shares) as at the date of this report, provided that no account shall be taken into the calculation of the 2025 Scheme Mandate Limit of any Shares where the right to acquire such Shares has been released, lapsed or vested in accordance with the 2025 Share Award Scheme. The total number of Restricted Shares which may be issued upon vesting of all grants made to Service Providers pursuant to the 2025 Share Scheme shall not exceed 19,212,942 Shares (the “**2025 Service Provider Sublimit**”), representing approximately 0.7% and 0.71% of the total number of Shares in issue (excluding Shares repurchased for cancellation but not yet cancelled and treasury Shares) as at the 2025 Scheme Adoption Date and as at the date of this report. As at the date of this report, (i) the total number of Shares available for issue under the 2025 Share Scheme is 51,444,423 Shares, representing approximately 1.91% of the Shares in issue (excluding treasury Shares) as at that date, and (ii) the total number of Shares available for issue to Service Providers under the 2025 Share Scheme is 19,212,942 Shares, representing 0.71% of the Shares in issue (excluding Shares repurchased for cancellation but not yet cancelled and treasury Shares) as at that date.

### (4) Maximum entitlement of each Selected Participant

The maximum entitlement of each participant under the 2025 Share Scheme shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force. Any further grant of restricted Shares to any one participant in excess of such imposed limit shall be subject to the Shareholders’ approval in general meeting with such participant and his associates abstaining from voting.

## **(5) Exercise period or vesting period under the 2025 Share Scheme**

The exercise period or vesting period for the awards (as the case may be) under the 2025 Share Scheme shall be determined by the Board at its sole and absolute discretion and shall end in any event not later than ten (10) years from the date of grant. The vesting period of the awards granted under the 2025 Share Scheme shall not be less than twelve (12) months, whilst any grants to the employee participants may be subject to a shorter vesting period under specific circumstances as set out in the 2025 Share Scheme.

## **(6) Grant of awards and acceptance of offers**

Awards may be accepted by a grantee within a certain number of days from the date of the offer of the grant of the awards as indicated in the offer letter, together with a payment which the Board may in its absolute discretion determine the amount (if any) payable on acceptance of an award and the period within which any such payments must be made, and such amounts (if any).

In respect of awards to be granted in the form of restricted share awards, the Board may determine in its absolute discretion the amount (if any) payable on acceptance and/or upon vesting of such awards and the period within which any such payments must be made, and such amounts (if any) and periods shall be set out in the notice of award. For the avoidance of doubt, the Board may determine the vesting price to be nil.

## **(7) Basis for determining the purchase price of Awards, the Exercise Price and the Vesting Price**

In respect of an award, the purchase price shall be such price, as determined by the Board in their absolute discretion, payable by a 2025 Award Selected Participant to the Company for acceptance of an award. For the avoidance of doubt, the Board may determine such purchase price to be at nil consideration.

In respect of option awards, the exercise price of each option award under the 2025 Share Scheme shall be not less than the highest of (i) the nominal value of a Share; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; and (iii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date.

## **(8) Life of the 2025 Share Scheme**

The 2025 Share Scheme commences on the 2025 Award Adoption Date and remains valid and effective unless and until being terminated upon the expiry of the period of ten years from such date, unless terminated earlier by a resolution of the Board. As such, as at December 31, 2025, the remaining life of the 2025 Share Scheme is approximately ten years.

The total number of Shares available for grant to a 2025 Award Selected Participants under the 2025 Share Scheme was nil and 51,744,423 as at January 1, 2025 and December 31, 2025, and the total number of Shares available for grant to Service Providers under the 2025 Share Scheme was nil and 19,212,942 as at January 1, 2025 and December 31, 2025.

The table below shows details of the restricted share awards granted under the 2025 Share Scheme during the Reporting Period:

Name of Participant or Category of Participant	Date of grant	Vesting Period	Closing price of Shares immediately before the date on which the Restricted Shares were granted (HK\$)	Number of Restricted Shares held at January 1, 2025	Number of Restricted Shares granted during the Reporting Period	Number of Restricted Shares lapsed	Number of Restricted Shares vested	Number of Restricted Shares held at December 31, 2025	Weighted average closing price of the Shares immediately before the dates on which the Restricted Shares were vested (HK\$)	Fair value of Restricted Shares at the date of grant (HK\$)
<b>Directors, chief executive or substantial shareholders of the listed issuer, or their respective associates</b>										
Mr. Zhong Yong	December 5, 2025	1 year – 3 years	2.50	-	150,000	-	-	150,000	N/A	2.57
Ms. Yan Xiaqing	December 5, 2025	1 year – 3 years	2.50	-	150,000	-	-	150,000	N/A	2.57
Mr. Chen Shuyun	December 5, 2025	1 year – 3 years	2.50	-	150,000	-	-	150,000	N/A	2.57
Dr. Chong Yat Keung	December 5, 2025	1 year – 3 years	2.50	-	150,000	-	-	150,000	N/A	2.57
Dr. Li Jianwei	December 5, 2025	1 year – 3 years	2.50	-	150,000	-	-	150,000	N/A	2.57
Mr. Wang Xiaobo	December 5, 2025	1 year – 3 years	2.50	-	150,000	-	-	150,000	N/A	2.57
Mr. Ye Changqing	December 5, 2025	1 year – 3 years	2.50	-	150,000	-	-	150,000	N/A	2.57
Ms. Hu Zhe <sup>(1)</sup>	December 5, 2025	1 year – 3 years	2.50	-	150,000	150,000	-	-	N/A	2.57
<b>Participant with options and awards granted and to be granted in excess of the 1% individual limit</b>										
N/A										
<b>Related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue (excluding treasury Shares)</b>										
N/A										
<b>Other employee participants</b>										
N/A										
<b>Other related entity participants</b>										
N/A										
<b>Other service providers</b>										
N/A										
<b>Total</b>				-	<b>1,200,000</b>	<b>150,000</b>	-	<b>1,050,000</b>		

*Notes:*

- (1) 150,000 restricted share awards granted to Ms. Hu Zhe lapsed during the year ended December 31, 2025 due to non-acceptance.
- (2) The vesting schedule of the restricted share awards will be over the vesting period for each corresponding grantee upon satisfaction of the relevant performance targets determined by the Board.
- (3) The purchase price for the restricted share awards transferred or to be transferred to the 2025 Award Selected Participants upon vesting is nil.

The table below shows details of the option awards granted under the 2025 Share Scheme during the Reporting Period:

Name of Participant or Category of Participant	Date of grant	Vesting Period	Closing price of shares immediately before the date on which the option awards were granted (HK\$)	Exercise Price (HK\$)	Number of unvested option awards held at January 1, 2025	Number of option awards granted during the Reporting Period	Number of option awards vested during the Reporting Period	Number of option awards exercised during the Reporting Period	Number of option awards lapsed during the Reporting Period	Number of option awards cancelled during the Reporting Period	Number of unvested option awards held at December 31, 2025	Weighted average closing price of the shares immediately before the dates on which the option awards were exercised (HK\$)	Fair value of option awards at the date of grant (HK\$)
<b>Directors, chief executive or substantial shareholders of the listed issuer, or their respective associates</b>													
Mr. Zhong Yong	December 5, 2025	1 year – 3 years	2.50	2.82	-	300,000	-	-	-	-	300,000	NA	0.93-0.94
Ms. Yan Xiaoping	December 5, 2025	1 year – 3 years	2.50	2.82	-	300,000	-	-	-	-	300,000	NA	0.93-0.94
Mr. Chen Shuyun	December 5, 2025	1 year – 3 years	2.50	2.82	-	300,000	-	-	-	-	300,000	NA	0.93-0.94
Dr. Chong Yat Keung	December 5, 2025	1 year – 3 years	2.50	2.82	-	300,000	-	-	-	-	300,000	NA	0.93-0.94
Dr. Li Jianwei	December 5, 2025	1 year – 3 years	2.50	2.82	-	300,000	-	-	-	-	300,000	NA	0.93-0.94
Mr. Wang Xiaobo	December 5, 2025	1 year – 3 years	2.50	2.82	-	300,000	-	-	-	-	300,000	NA	0.93-0.94
Mr. Ye Changqing	December 5, 2025	1 year – 3 years	2.50	2.82	-	300,000	-	-	-	-	300,000	NA	0.93-0.94
Ms. Hu Zhe <sup>(1)</sup>	December 5, 2025	1 year – 3 years	2.50	2.82	-	300,000	-	-	300,000	-	-	NA	0.93-0.94
Mr. Dong Yang	December 5, 2025	1 year – 10 years	2.50	2.82	-	82,341,000	-	-	-	-	82,341,000	NA	0.80-0.91
Dr. Lyu Rong	December 5, 2025	1 year – 10 years	2.50	2.82	-	27,447,000	-	-	-	-	27,447,000	NA	0.80-0.91
Ms. Duan Hongmei	December 5, 2025	1 year – 10 years	2.50	2.82	-	27,447,000	-	-	-	-	27,447,000	NA	0.80-0.91
<b>Participant with options and awards granted and to be granted in excess of the 1% individual limit</b>						N/A							
<b>Related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue (excluding treasury Shares)</b>						N/A							
<b>Other employee participants</b>						N/A							
<b>Other related entity participants</b>						N/A							
<b>Other service providers</b>						N/A							
<b>Total</b>					-	<b>139,635,000</b>	-	-	<b>300,000</b>	-	<b>139,335,000</b>		

**Notes:**

- (1) 300,000 option awards granted to Ms. Hu Zhe lapsed during the year ended December 31, 2025 due to non-acceptance.
- (2) The vesting schedule of the option awards will be over the vesting period for each corresponding grantee upon satisfaction of the relevant performance targets determined by the Board.
- (3) The purchase price for the option awards transferred or to be transferred to the 2025 Award Selected Participants upon acceptance is nil.

The Scheme Mandate Limit was approved by Shareholders, and adopted by the Company, on December 5, 2025 (the “**Adoption Date**”), pursuant to which the maximum number of Shares which may be issued and allotted in respect of all options and awards to be granted under the Relevant Share Schemes and all share options and share awards to be granted under any other share option schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time would be 10% of the issued Shares as at the Adoption Date (i.e. 274,470,604 Shares). The number of restricted shares available for grant under the Scheme Mandate Limit was 64,567,411 as of December 31, 2025.

## EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, there was no equity-linked agreement entered into by the Company or any of its subsidiaries during the Reporting Period.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Company had repurchased a total of 39,662,000 Shares on the Stock Exchange at an aggregate purchase price of approximately HK\$99.88 million. The reason for conducting the repurchase was to demonstrate the Company’s confidence in its own business outlook and prospects as the Company believes that the then trading price of the Shares did not reflect their intrinsic value or the actual prospects of the Company. As at the date of this annual report, all Shares repurchased during the Reporting Period have been cancelled by the Company.

Details of the Shares repurchased during the year ended December 31, 2025 are set out as follows:

Month of repurchases	Number of Shares repurchased on the Stock Exchange	Price per Share paid		Aggregate purchase price (HK\$ million)
		Highest (HK\$)	Lowest (HK\$)	
December 2025	39,662,000	2.57	2.43	99.88

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company’s listed securities (including any sale of treasury Shares) during the Reporting Period. As of December 31, 2025, the Company held 13,000,000 treasury Shares as defined under the Listing Rules, all of which have been cancelled as at the date of this annual report.

## 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.

## DIRECTORS’ INTEREST IN COMPETING BUSINESS

Save as disclosed in this annual report, as of December 31, 2025, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

## CONTINUING CONNECTED TRANSACTIONS AND ONE-OFF CONNECTED TRANSACTIONS

For the year ended December 31, 2025, the Group had entered into certain non-exempt continuing connected transactions and one-off connected transaction as set out below. For detailed terms of such non-exempt continuing connected transactions, please refer to the section headed “Connected Transactions” of the Prospectus and the announcements of the Company dated November 26, 2021, April 12, 2022, July 13, 2022, August 26, 2022, November 7, 2022 and December 30, 2022, respectively.

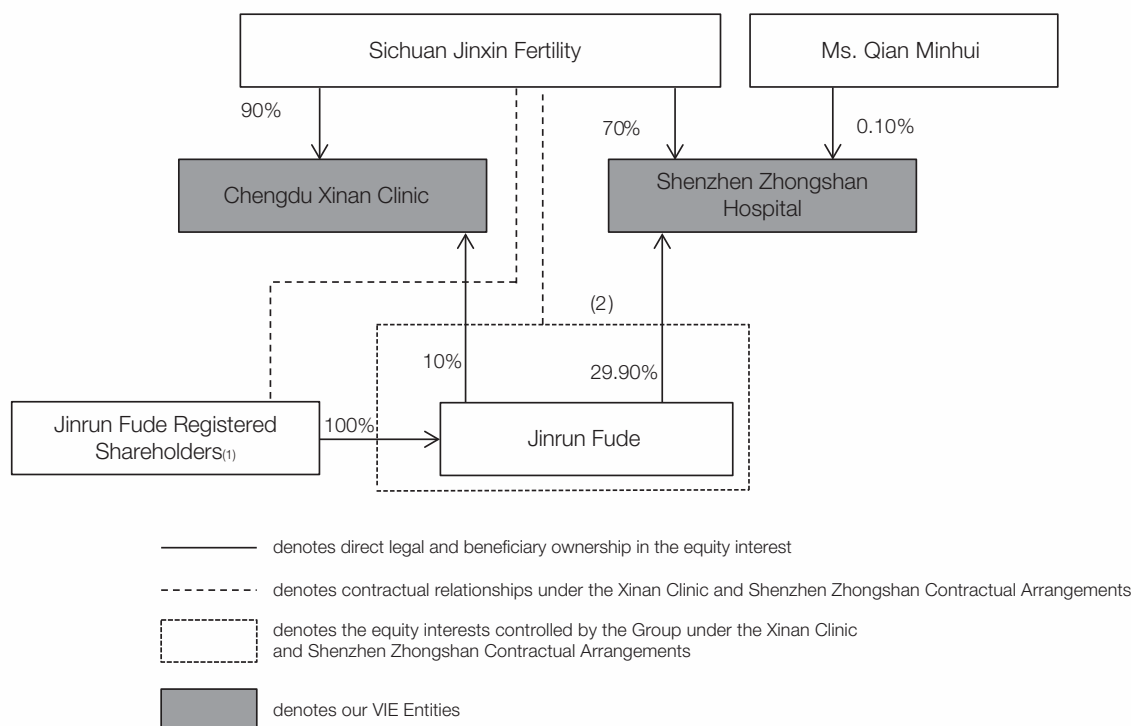
### Non-exempt Continuing Connected Transactions

#### 1. Contractual Arrangements

As foreign investment in certain areas of the industry in which the Group currently operates in is subject to restrictions under current PRC laws and regulations as outlined below, the Company does not own 100% equity interest in the VIE Entities. The Company has entered a series of contractual arrangements which apply to the (i) 10.00%, (ii) 29.90%, (iii) 30.00% and (iv) 100.00% equity interests in (a) Chengdu Xinan Clinic, (b) Shenzhen Zhongshan Hospital, (c) Jiuzhou Hospital and Hewanjia Hospital and (d) Sichuan Jinxin Xinan Hospital, respectively.

##### a. Xinan Clinic and Shenzhen Zhongshan Contractual Arrangements

The following simplified diagram illustrates the flow of economic benefits from Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital to the Group as stipulated under the Xinan Clinic and Shenzhen Zhongshan Contractual Arrangements:





*Notes:*

- (1) The Jinrun Fude Registered Shareholders are Ms. Yan Xiaoqing and Ms. Zhu Yujuan, who holds 51% and 49% of the equity interests in Jinrun Fude, respectively.
- (2) The Xinan Clinic and Shenzhen Zhongshan Exclusive Operation Services Agreements, Xinan Clinic and Shenzhen Zhongshan Exclusive Option Agreements, Xinan Clinic and Shenzhen Zhongshan Powers of Attorney, Xinan Clinic and Shenzhen Zhongshan Equity Pledge Agreements and Spouse Undertakings together form the legal relationship under the Xinan Clinic and Shenzhen Zhongshan Contractual Arrangements.

A brief description of the specific agreements that comprise the Xinan Clinic and Shenzhen Zhongshan Contractual Arrangements is set out below. For details of the specific agreements, please refer to the section headed “Contractual Arrangements” of the Prospectus and the announcements of the Company dated January 27, 2022 and April 13, 2022.

- (1) Xinan Clinic and Shenzhen Zhongshan Exclusive Operation Services Agreements

The Jinrun Fude Registered Shareholders, Jinrun Fude and Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital have entered into the Xinan Clinic and Shenzhen Zhongshan Exclusive Operation Services Agreements with Sichuan Jinxin Fertility on December 23, 2018, February 2, 2019, April 12, 2022 and August 26, 2022, pursuant to which, Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital and Jinrun Fude agreed to engage Sichuan Jinxin Fertility as their exclusive provider of technical support, consulting services and other services in exchange for a service fee.

Under the Xinan Clinic and Shenzhen Zhongshan Exclusive Operation Services Agreements, the services to be provided include but are not limited to (i) business, financing and investment, (ii) medical technology related consultation, medical resources sharing and medical professionals training, (iii) human resources management, (iv) market research, (v) strategies for marketing and business expansion, (vi) supplier and inventory management, (vii) operation and marketing strategy formulation and monitoring, (viii) medical service quality control, (ix) internal management and (x) other services relating to management and operation of medical institutions and shareholder’s rights. Sichuan Jinxin Fertility has proprietary rights to all the intellectual properties developed or created by itself from the performance of these services. During the term of the Xinan Clinic and Shenzhen Zhongshan Exclusive Operation Services Agreements, Sichuan Jinxin Fertility may use the intellectual property rights owned by Jinrun Fude and Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital free of charge and without any conditions. Jinrun Fude and Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital may also use the intellectual property work created by Sichuan Jinxin Fertility from the services performed by Sichuan Jinxin Fertility in accordance with the Xinan Clinic and Shenzhen Zhongshan Exclusive Operation Services Agreements.

Under the Xinan Clinic and Shenzhen Zhongshan Exclusive Operation Services Agreements, the service fee shall be an amount equal to 10% of the distributable net profit of Chengdu Xinan Clinic and 29.90% of the distributable net profit of Shenzhen Zhongshan Hospital of a given audited financial year, after deducting losses from the previous financial years (if any) and any statutory provident fund (if applicable). Apart from the service fees, Jinrun Fude and Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital shall reimburse all reasonable costs, reimbursed payments and out-of-pocket expenses incurred by Sichuan Jinxin Fertility in connection with the performance of the 2019 Exclusive Operation Services Agreements and provision of services. For the year ended December 31, 2024, the service fee in relation to 10% of the distributable net profit of Chengdu Xinan Clinic is RMB4,281,000. In relation to Shenzhen Zhongshan Hospital, the service fee in relation to 29.90% of its distributable net profit for the year ended December 31, 2024 is RMB31,412,000.

(2) Xinan Clinic and Shenzhen Zhongshan Exclusive Option Agreements

On December 23, 2018, February 2, 2019, April 12, 2022 and August 26, 2022, Sichuan Jinxin Fertility, the Jinrun Fude Registered Shareholders, Jinrun Fude, Mr. Zeng Yong and Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital entered the Xinan Clinic and Shenzhen Zhongshan Exclusive Option Agreements.

Pursuant to the Xinan Clinic and Shenzhen Zhongshan Exclusive Option Agreements, (i) each of the Jinrun Fude Registered Shareholders irrevocably and unconditionally grants an exclusive option to Sichuan Jinxin Fertility which entitles Sichuan Jinxin Fertility to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the equity interest in Jinrun Fude itself or through its designated person(s), (ii) Jinrun Fude irrevocably and unconditionally grants an exclusive option to Sichuan Jinxin Fertility which entitles Sichuan Jinxin Fertility to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of Jinrun Fude itself or through its designated person(s), (iii) Jinrun Fude irrevocably and unconditionally grants an exclusive option to Sichuan Jinxin Fertility which entitles Sichuan Jinxin Fertility to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the equity interests in Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital from Jinrun Fude itself or through its designated person(s), (iv) Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital irrevocably and unconditionally grant an exclusive option to Sichuan Jinxin Fertility which entitles Sichuan Jinxin Fertility to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital attributable to Jinrun Fude from Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital themselves or through their designated person(s), (v) Shenzhen Zhongshan Hospital irrevocably and unconditionally grant an exclusive option to Sichuan Jinxin Fertility which entitles Sichuan Jinxin Fertility to elect to purchase at any time, when permitted by the then applicable PRC laws, 50% of all or part of the assets of Shenzhen Zhongshan Hospital attributable to Mr. Zeng Yong from Shenzhen Zhongshan Hospital itself or through its designated person(s), Sichuan Jinxin Fertility may appoint designated person(s) in its sole discretion when exercising its option. The transfer price of the relevant equity interests and assets shall be the minimum purchase price permitted under PRC law, and each of the Jinrun Fude Registered Shareholders, Jinrun Fude, Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital will undertake that he/she/it will, subject to applicable PRC laws, return in full the consideration received in relation to such transfer of equity interests or assets to Sichuan Jinxin Fertility.

(3) Xinan Clinic and Shenzhen Zhongshan Shareholders' Rights Entrustment Agreements and Xinan Clinic and Shenzhen Zhongshan Powers of Attorney

On December 23, 2018, February 2, 2019, April 12, 2022 and August 26, 2022, Sichuan Jinxin Fertility, Jinrun Fude and the Jinrun Fude Registered Shareholders and Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital entered into the Xinan Clinic and Shenzhen Zhongshan Shareholders' Rights Entrustment Agreement and the 2019 Powers of Attorney executed by the Jinrun Fude Registered Shareholders and Jinrun Fude in favor of Sichuan Jinxin Fertility (and its successors or liquidators) or a natural person designated by Sichuan Jinxin Fertility (the **"Xinan Clinic and Shenzhen Zhongshan Attorney"**).

Pursuant to the Xinan Clinic and Shenzhen Zhongshan Shareholders' Rights Entrustment Agreements and the Xinan Clinic and Shenzhen Zhongshan Powers of Attorney, (i) the Jinrun Fude Registered Shareholders irrevocably agree to authorize the Attorney to exercise all of its rights and powers as a shareholder of Jinrun Fude (as applicable) and (ii) Jinrun Fude irrevocably agrees to authorize the Attorney to exercise all of its rights and powers of a shareholder of Chengdu Xinan Clinic with 10% equity interests and Shenzhen Zhongshan Hospital with 29.90% equity interests. As Sichuan Jinxin Fertility is a subsidiary of the Company, the terms of the Xinan Clinic and Shenzhen Zhongshan Shareholders' Rights Entrustment Agreements and the Xinan Clinic and Shenzhen Zhongshan Powers of Attorney will give the Company control over all corporate decisions of Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital, 100% equity interests of Jinrun Fude and Chengdu Xinan Clinic, and 99.90% equity interests of Shenzhen Zhongshan Hospital.

(4) Xinan Clinic and Shenzhen Zhongshan Equity Pledge Agreements

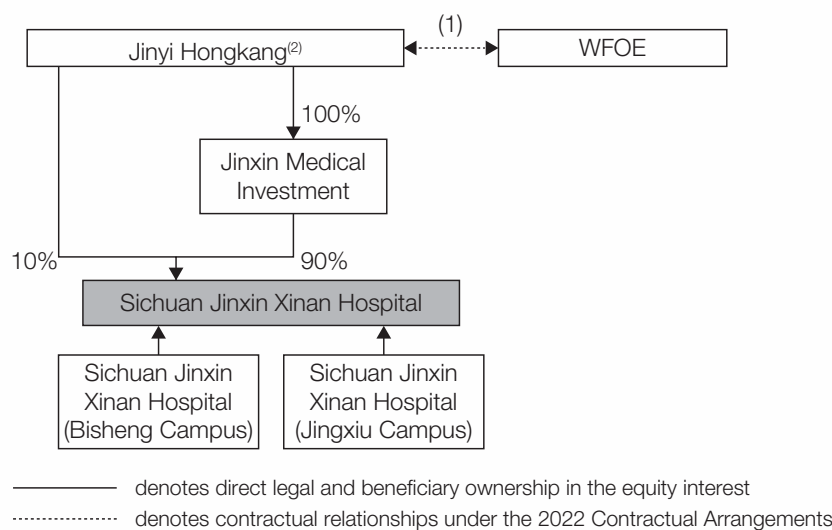
On December 23, 2018, February 2, 2019, April 12, 2022 and August 26, 2022, Jinrun Fude, Sichuan Jinxin Fertility, the Jinrun Fude Registered Shareholders and Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital entered into the Xinan Clinic and Shenzhen Zhongshan Equity Pledge Agreements. Pursuant to the Xinan Clinic and Shenzhen Zhongshan Equity Pledge Agreements, (i) the Jinrun Fude Registered Shareholders agree to pledge all of their respective equity interests in Jinrun Fude and (ii) Jinrun Fude agrees to pledge all of its equity interests in Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital to Sichuan Jinxin Fertility to secure performance of all their obligations and the obligations of Chengdu Xinan Clinic and Shenzhen Zhongshan Hospital under the Xinan Clinic and Shenzhen Zhongshan Exclusive Option Agreements, the Xinan Clinic and Shenzhen Zhongshan Powers of Attorney and the Xinan Clinic and Shenzhen Zhongshan Equity Pledge Agreements underlying the Xinan Clinic and Shenzhen Zhongshan Contractual Arrangements.

(5) Spouse Undertakings

The spouses of each of the Jinrun Fude Registered Shareholders (as applicable) has signed an spouse undertakings to the effect that (i) the respective interests of the Jinrun Fude Registered Shareholders in Jinrun Fude (together with any other interests therein) do not fall within the scope of joint possession, and (ii) each of the spouses has no right to or control over such interests of the respective persons and will not have any claim on such interests.

## b. 2022 Contractual Arrangements

The following simplified diagram illustrates the flow of economic benefits from Sichuan Jinxin Xinan Hospital to the Group as stipulated under the 2022 Contractual Arrangements:



### Notes:

- (1) The 2022 Exclusive Operation Services Agreement, 2022 Exclusive Option Agreements, 2022 Powers of Attorney, 2022 Equity Pledge Agreements and Spouse Undertakings together form the legal relationship under the 2022 contractual Arrangements.
- (2) Jinyi Hongkang is owned by the Jinyi Hongkang Registered Shareholders, Dr. Lyu Rong and Mr. Xu Jun, as to 51% and 49%, respectively.

A brief description of the specific agreements that comprise the 2022 Contractual Arrangements is set out below. For details of the specific agreements, please refer to the Company's announcement dated November 7, 2022.



(1) 2022 Exclusive Operation Services Agreement

On December 30, 2022, Sichuan Jinxin Xinan Hospital entered into the 2022 Exclusive Operation Services Agreement with the Jinyi Hongkang Registered Shareholders, Jinyi Hongkang, Jinxin Medical Investment and Sichuan Jinxin Medical Management, pursuant to which, Sichuan Jinxin Xinan Hospital, Jinxin Medical Investment and Jinyi Hongkang each agreed to engage Sichuan Jinxin Medical Management as their exclusive provider of technical support, consulting services and other services in exchange for a service fee.

Under the 2022 Exclusive Operation Services Agreement, the services to be provided include but are not limited to (i) business, financing and investment; (ii) medical technology related consultation, medical resources sharing and medical professionals training; (iii) human resources management; (iv) market research; (v) strategies for marketing and business expansion; (vi) supplier and inventory management; (vii) operation and marketing strategy formulation and monitoring; (viii) medical service quality control; (ix) internal management; and (x) other services relating to management and operation of medical institutions and shareholder's rights. Sichuan Jinxin Medical Management has proprietary rights to all the intellectual properties developed or created by itself from the performance of these services. During the term of the 2022 Exclusive Operation Services Agreement, Sichuan Jinxin Medical Management may use the intellectual property rights owned by Jinyi Hongkang, Jinxin Medical Investment and Sichuan Jinxin Xinan Hospital free of charge and without any conditions. Jinyi Hongkang, Jinxin Medical Investment and Sichuan Jinxin Xinan Hospital may also use the intellectual property work created by Sichuan Jinxin Medical Management from the services performed by Sichuan Jinxin Medical Management in accordance with the 2022 Exclusive Operation Services Agreement.

Under the 2022 Exclusive Operation Services Agreement, the service fee shall be an amount equal to 100% of the distributable net profit of each Sichuan Jinxin Xinan Hospital of a given audited financial year, after deducting losses from the previous financial years (if any) and any statutory provident fund (if applicable). Apart from the service fees, Jinyi Hongkang, Jinxin Medical Investment and Sichuan Jinxin Xinan Hospital shall reimburse all reasonable costs, reimbursed payments and out-of-pocket expenses incurred by Sichuan Jinxin Medical Management in connection with the performance of the 2022 Exclusive Operation Services Agreement and provision of services. For the year ended December 31, 2024, the service fee in relation to 100% of the distributable net profit of Sichuan Jinxin Xinan Hospital is RMB374,790,000.

In addition, absence of a prior written consent of Sichuan Jinxin Medical Management, during the term of the 2022 Exclusive Operation Services Agreement, the Jinyi Hongkang Registered Shareholders, Jinyi Hongkang, Jinxin Medical Investment and Sichuan Jinxin Xinan Hospital shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish similar cooperation relationships with any third party. Sichuan Jinxin Medical Management has the right to appoint any third party to provide any or all of the services, or to fulfill its obligations under the 2022 Exclusive Operation Services Agreement.

## (2) 2022 Exclusive Option Agreements

On December 30, 2022, Sichuan Jinxin Medical Management have entered into the 2022 Exclusive Option Agreements with the Jinyi Hongkang Registered Shareholders, Jinyi Hongkang, Jinxin Medical Investment and Sichuan Jinxin Xinan Hospital.

Pursuant to the 2022 Exclusive Option Agreements, (i) each of the Jinyi Hongkang Registered Shareholders irrevocably and unconditionally grants an exclusive option to Sichuan Jinxin Medical Management which entitles Sichuan Jinxin Medical Management to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the equity interest in Jinyi Hongkang itself or through its designated person(s); (ii) Jinyi Hongkang irrevocably and unconditionally grants an exclusive option to Sichuan Jinxin Medical Management which entitles Sichuan Jinxin Medical Management to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of Jinyi Hongkang itself or through its designated person(s); (iii) Jinyi Hongkang and Jinxin Medical Investment irrevocably and unconditionally grant an exclusive option to Sichuan Jinxin Medical Management which entitles Sichuan Jinxin Medical Management to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the equity interest in Sichuan Jinxin Xinan Hospital from Jinyi Hongkang and Jinxin Medical Investment itself or through its designated person(s); and (iv) Sichuan Jinxin Xinan Hospital irrevocably and unconditionally grants an exclusive option to Sichuan Jinxin Medical Management which entitles Sichuan Jinxin Medical Management to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of Sichuan Jinxin Xinan Hospital attributable to Jinyi Hongkang and Jinxin Medical Investment from Sichuan Jinxin Xinan Hospital itself or through its designated person(s). The transfer price of the relevant equity interest and assets shall be the minimum purchase price permitted under PRC law, and each of the Jinyi Hongkang Registered Shareholders, Jinyi Hongkang, Jinxin Medical Investment and Sichuan Jinxin Xinan Hospital will undertake that he/she/it will, subject to applicable PRC laws, return in full the consideration received in relation to such transfer of equity interest or assets to Sichuan Jinxin Medical Management.

## (3) 2022 Shareholders' Rights Entrustment Agreements and 2022 Powers of Attorney

On December 30, 2022, Sichuan Jinxin Medical Management have entered into the 2022 Shareholders' Rights Entrustment Agreements with Sichuan Jinxin Xinan Hospital, Jinyi Hongkang, Jinxin Medical Investment and the Jinyi Hongkang Registered Shareholders and the 2022 Powers of Attorney executed by the Jinyi Hongkang Registered Shareholders, Jinyi Hongkang and Jinxin Medical Investment in favor of Sichuan Jinxin Medical Management (and its successors or liquidators) or a natural person designated by Sichuan Jinxin Medical Management (the "**2022 Attorney**").



Pursuant to the 2022 Shareholders' Rights Entrustment Agreements and the 2022 Powers of Attorney, (i) the Jinyi Hongkang Registered Shareholders irrevocably agree to authorize the 2022 Attorney to exercise all of their rights and powers as a shareholder of Jinyi Hongkang (as applicable); and (ii) Jinyi Hongkang and Jinxin Medical Investment irrevocably agree to authorize the 2022 Attorney to exercise all of its rights and powers of a shareholder in Sichuan Jinxin Xinan Hospital with 100% equity interest, including the rights to vote in a shareholders' meeting, sign minutes, and file documents with the relevant companies registry. As Sichuan Jinxin Medical Management is a subsidiary of the Company, the terms of the 2022 Shareholders' Rights Entrustment Agreements and the 2022 Powers of Attorney will give the Company control over all corporate decisions in Sichuan Jinxin Xinan Hospital and 100% effective shareholding interest in Sichuan Jinxin Xinan Hospital.

(4) 2022 Equity Pledge Agreements

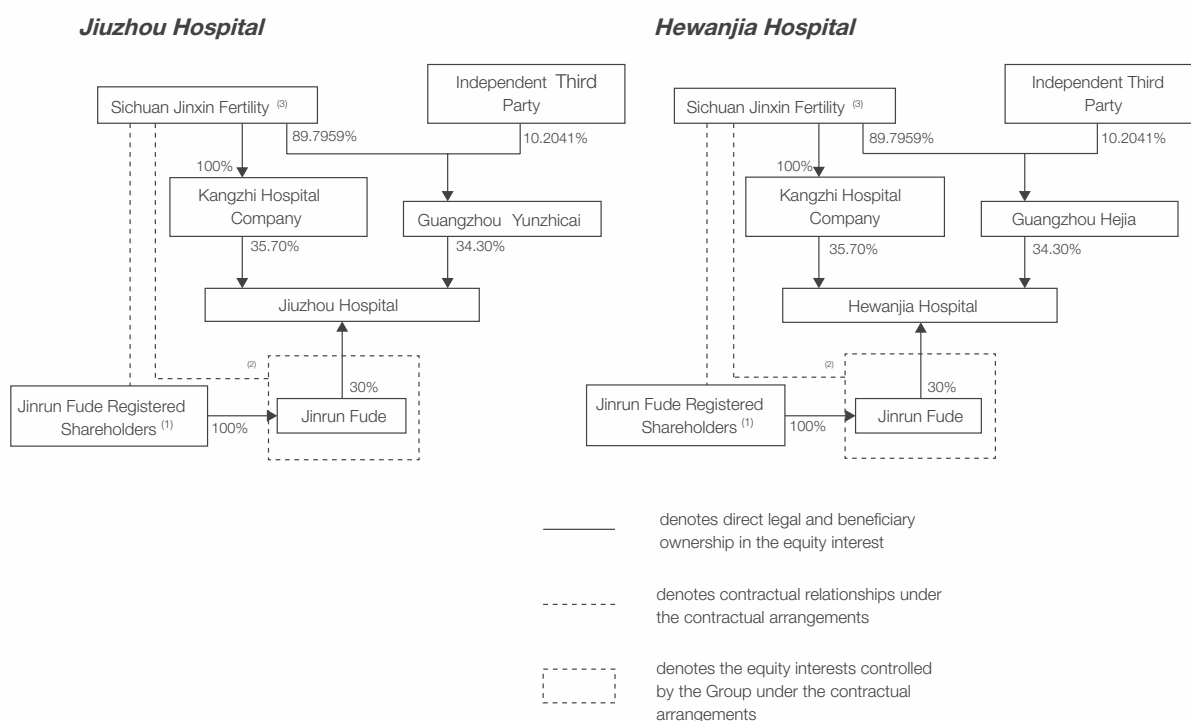
On December 30, 2022, Sichuan Jinxin Medical Management have entered into the 2022 Equity Pledge Agreements with Sichuan Jinxin Xinan Hospital, the Jinyi Hongkang Registered Shareholders, Jinyi Hongkang and Jinxin Medical Investment. Pursuant to the 2022 Equity Pledge Agreements, (i) the Jinyi Hongkang Registered Shareholders agree to pledge all of their respective equity interest in Jinyi Hongkang; and (ii) Jinyi Hongkang and Jinxin Medical Investment agree to pledge all of its equity interest in Sichuan Jinxin Xinan Hospital to Sichuan Jinxin Medical Management to secure performance of all their obligations and the obligations in Sichuan Jinxin Xinan Hospital under the 2022 Exclusive Option Agreements, the 2022 Powers of Attorney and the 2022 Equity Pledge Agreements underlying the 2022 New Contractual Arrangements.

(5) 2022 Spouse Undertakings

The spouses of each of the Jinyi Hongkang Registered Shareholders will sign an undertaking to the effect that the respective interests of the Jinyi Hongkang Registered Shareholders in Jinyi Hongkang (together with any other interests therein) do not fall within the scope of joint possession, and each of the spouses has no right to or control over such interests of the respective persons and will not have any claim on such interests.

## c. Jiuzhou Hospital and Hewanjia Hospital Contractual Arrangements

The following simplified diagram illustrates the flow of economic benefits from Jiuzhou Hospital and Hewanjia Hospital to the Group as stipulated under the Jiuzhou Hospital and Hewanjia Hospital Contractual Arrangements:



### Notes:

- 1) The Jinrun Fude Registered Shareholders are Ms. Yan Xiaoqing and Ms. Zhu Yujuan, who holds 51% and 49% of the equity interests in Jinrun Fude, respectively.
- 2) The Jiuzhou Hospital and Hewanjia Hospital Exclusive Operations Service Agreement, Jiuzhou Hospital and Hewanjia Hospital Exclusive Option Agreement, Jiuzhou Hospital and Hewanjia Hospital Powers of Attorney, Jiuzhou Hospital and Hewanjia Hospital Equity Pledge Agreement and Spouse Undertaking together form the legal relationship under the Jiuzhou Hospital and Hewanjia Hospital Contractual Arrangements.
- 3) Sichuan Jinxin Fertility may hold the equity rights in Kangzhi Hospital Company directly and/or indirectly through its subsidiaries or entities controlled by it.

A brief description of the specific agreements that comprise the Jiuzhou Hospital and Hewanjia Hospital Contractual Arrangements is set out below. For details of the specific agreements, please refer to the Company's announcement dated July 13, 2022.



(1) Jiuzhou Hospital and Hewanjia Hospital Exclusive Operation Services Agreement

On July 13, 2022, each of Jiuzhou Hospital and Hewanjia Hospital have, respectively, entered into an exclusive operation services agreement with the Jinrun Fude Registered Shareholders, Jinrun Fude and Sichuan Jinxin Fertility (the “**Jiuzhou Hospital and Hewanjia Hospital Exclusive Operation Services Agreements**”), pursuant to which, Jiuzhou Hospital, Hewanjia Hospital and Jinrun Fude each agreed to engage Sichuan Jinxin Fertility as their exclusive provider of technical support, consulting services and other services in exchange for a service fee.

Under the Jiuzhou Hospital and Hewanjia Hospital Exclusive Operation Services Agreements, the services to be provided include but are not limited to (i) business, financing and investment; (ii) medical technology related consultation, medical resources sharing and medical professionals training; (iii) human resources management; (iv) market research; (v) strategies for marketing and business expansion; (vi) supplier and inventory management; (vii) operation and marketing strategy formulation and monitoring; (viii) medical service quality control; (ix) internal management; and (x) other services relating to management and operation of medical institutions and shareholder’s rights. Sichuan Jinxin Fertility has proprietary rights to all the intellectual properties developed or created by itself from the performance of these services. During the term of the Jiuzhou Hospital and Hewanjia Hospital Exclusive Operation Service Agreements, Sichuan Jinxin Fertility may use the intellectual property rights owned by Jinrun Fude, Jiuzhou Hospital and Hewanjia Hospital free of charge and without any conditions. Jinrun Fude, Jiuzhou Hospital and Hewanjia Hospital may also use the intellectual property work created by Sichuan Jinxin Fertility from the services performed by Sichuan Jinxin Fertility in accordance with the Jiuzhou Hospital and Hewanjia Hospital Exclusive Operation Service Agreements.

Under the Jiuzhou Hospital and Hewanjia Hospital Exclusive Operation Services Agreements, the service fee shall be an amount equal to 30.00% of the distributable net profit of each Jiuzhou Hospital and Hewanjia Hospital of a given audited financial year, after deducting losses from the previous financial years (if any) and any statutory provident fund (if applicable). Apart from the service fees, Jinrun Fude, Jiuzhou Hospital and Hewanjia Hospital shall reimburse all reasonable costs, reimbursed payments and out-of pocket expenses incurred by Sichuan Jinxin Fertility in connection with the performance of the Jiuzhou Hospital and Hewanjia Hospital Exclusive Operation Services Agreements and provision of services. For the year ended December 31, 2024, the service fee in relation to 30% of the distributable net profit of each Jiuzhou Hospital and Hewanjia Hospital is RMB2,575,000.

(2) Jiuzhou Hospital and Hewanjia Hospital Exclusive Option Agreements

On July 13, 2022, each of Jiuzhou Hospital and Hewanjia Hospital have, respectively, entered into exclusive option agreements (the “**Jiuzhou Hospital and Hewanjia Hospital Exclusive Option Agreements**”) with Sichuan Jinxin Fertility, the Jinrun Fude Registered Shareholders and Jinrun Fude.

Pursuant to the Jiuzhou Hospital and Hewanjia Hospital Exclusive Option Agreements, (i) each of the Jinrun Fude Registered Shareholders irrevocably and unconditionally grants an exclusive option to Sichuan Jinxin Fertility which entitles Sichuan Jinxin Fertility to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the equity interest in Jinrun Fude itself or through its designated person(s); (ii) Jinrun Fude irrevocably and unconditionally grants an exclusive option to Sichuan Jinxin Fertility which entitles Sichuan Jinxin Fertility to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of Jinrun Fude itself or through its designated person(s); (iii) Jinrun Fude irrevocably and unconditionally grants an exclusive option to Sichuan Jinxin Fertility which entitles Sichuan Jinxin Fertility to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the equity interest in Jiuzhou Hospital and Hewanjia Hospital from Jinrun Fude itself or through its designated person(s); and (iv) each of Jiuzhou Hospital and Hewanjia Hospital irrevocably and unconditionally grants an exclusive option to Sichuan Jinxin Fertility which entitles Sichuan Jinxin Fertility to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of Jiuzhou Hospital and Hewanjia Hospital attributable to Jinrun Fude from Jiuzhou Hospital and Hewanjia Hospital itself or through its designated person(s). The transfer price of the relevant equity interest and assets shall be the minimum purchase price permitted under PRC law, and each of the Jinrun Fude Registered Shareholders, Jinrun Fude, Jiuzhou Hospital and Hewanjia Hospital will undertake that he/she/it will, subject to applicable PRC laws, return in full the consideration received in relation to such transfer of equity interest or assets to Sichuan Jinxin Fertility.

(3) Jiuzhou Hospital and Hewanjia Hospital Shareholders’ Rights Entrustment Agreements and Jiuzhou Hospital and Hewanjia Hospital Powers of Attorney

On July 13, 2022, each of Jiuzhou Hospital and Hewanjia Hospital have, respectively, entered into the shareholders’ rights entrustment agreements (the “**Jiuzhou Hospital and Hewanjia Hospital Shareholders’ Rights Entrustment Agreements**”) with Sichuan Jinxin Fertility, Jinrun Fude and/or the Jinrun Fude Registered Shareholders and the powers of attorney executed by the Jinrun Fude Registered Shareholders and Jinrun Fude (the “**Jiuzhou Hospital and Hewanjia Hospital Powers of Attorney**”) in favor of Sichuan Jinxin Fertility (and its successors or liquidators) or a natural person designated by Sichuan Jinxin Fertility (the “**Jiuzhou Hospital and Hewanjia Hospital Attorney**”).



Pursuant to the Jiuzhou Hospital and Hewanjia Hospital Shareholders' Rights Entrustment Agreements and the Jiuzhou Hospital and Hewanjia Hospital Powers of Attorney, (i) the Jinrun Fude Registered Shareholders irrevocably agree to authorize the Attorney to exercise all of their rights and powers as a shareholder of Jinrun Fude (as applicable); and (ii) Jinrun Fude irrevocably agrees to authorize the Attorney to exercise all of its rights and powers of a shareholder in each of Jiuzhou Hospital and Hewanjia Hospital with 30.00% equity interest, including the rights to vote in a shareholders' meeting, sign minutes, and file documents with the relevant companies registry. As Sichuan Jinxin Fertility is a subsidiary of the Company, the terms of the Jiuzhou Hospital and Hewanjia Hospital Shareholders' Rights Entrustment Agreements and the Jiuzhou Hospital and Hewanjia Hospital Powers of Attorney will give the Company control over all corporate decisions in each of the Target Hospitals and 96.50% effective shareholding interest in each of Jiuzhou Hospital and Hewanjia Hospital.

(4) Jiuzhou Hospital and Hewanjia Hospital Equity Pledge Agreements

On July 13, 2022, each of Jiuzhou Hospital and Hewanjia Hospital have, respectively, entered into the equity pledge agreements (the “**Jiuzhou Hospital and Hewanjia Hospital Equity Pledge Agreements**”) with Sichuan Jinxin Fertility, the Jinrun Fude Registered Shareholders and Jinrun Fude. Pursuant to the Equity Pledge Agreements, (i) the Jinrun Fude Registered Shareholders agree to pledge all of their respective equity interest in Jinrun Fude; and (ii) Jinrun Fude agrees to pledge all of its equity interest in Jiuzhou Hospital and Hewanjia Hospital to Sichuan Jinxin Fertility to secure performance of all their obligations and the obligations in each of Jiuzhou Hospital and Hewanjia Hospital under the Jiuzhou Hospital and Hewanjia Hospital Exclusive Option Agreements, the Jiuzhou Hospital and Hewanjia Hospital Powers of Attorney and the Jiuzhou Hospital and Hewanjia Hospital Equity Pledge Agreements underlying the Jiuzhou Hospital and Hewanjia Hospital Contractual Arrangements.

(5) Jiuzhou Hospital and Hewanjia Hospital Spouse Undertaking

The spouses of each of the Jinrun Fude Registered Shareholders has signed an undertaking to the effect that the respective interests of the Jinrun Fude Registered Shareholders in Jinrun Fude (together with any other interests therein) do not fall within the scope of joint possession, and each of the spouses has no right to or control over such interests of the respective persons and will not have any claim on such interests.

## *The Foreign Investment Law*

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**FIL**”), which was adopted at the Second Session of the Thirteenth National People’s Congress of the PRC on March 15, 2019 and came into force as of January 1, 2020, which has replaced the law on Sino-Foreign Equity Joint Ventures (《中外合資經營企業法》), the law on Sino-Foreign Contractual Joint Ventures (《中外合作經營企業法》) and the law on Foreign Capital Enterprises (《外資企業法》) to become the legal foundation for foreign investment in the PRC. The FIL stipulates three forms of foreign investment, but does not explicitly stipulate the contractual arrangements as a form of foreign investment.

Conducting operations through contractual arrangements has been adopted by many PRC-based companies, and has been adopted by our Company in the form of the Contractual Arrangements, to establish control of our VIE Entities, through which we operate our business in the PRC. As advised by the PRC Legal Advisors, since the definition of “actual control” and “variable interest entities” are not explicitly provided in the FIL, nor does it explicitly stipulate that obtaining control over or holding interests in domestic enterprises through contractual arrangements is a form of foreign investment, if after the current FIL comes into effect, none of the laws, regulations, rules, normative documents or regulatory practice explicitly stipulate that contractual arrangements as a form of foreign investment, then the possibility that the legal effectiveness of the Contractual Arrangements become materially adversely affected due to violation of the entry requirements under the FIL is relatively low.

Notwithstanding the above, the FIL stipulates that foreign investment includes “Foreign Investors, directly or indirectly, invest in China through many other methods under laws, administrative regulations or provisions prescribed by the State Council”. There are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard Contractual Arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the abovementioned Contractual Arrangements will be handled. Therefore, there is no guarantee that the Contractual Arrangements and the business of the VIE Entities will not be materially and adversely affected in the future due to changes in PRC laws and regulations. In the event that such measures are not complied with, the Stock Exchange may take enforcement actions against the Company which may have a material adverse effect on the trading of the Shares.

Save as disclosed above, there were no other new contractual arrangements entered into, renewed and/or reproduced between the Group and Jinrun Fude, Jinyi Hongkang and/or the VIE Entities during the Reporting Period. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the Reporting Period.

During the Reporting Period, none of the Contractual Arrangements had been unwound on the basis that none of the restrictions that led to the adoption of the Contractual Arrangements had been removed. As at December 31, 2025, the Company had not encountered interference or encumbrance from any PRC governing bodies in operating its businesses through its VIE Entities under the Contractual Arrangements.



### *Reasons for Adopting the Contractual Arrangements*

The Company is primarily engaged in the provision of ARS at its medical institutions in China. According to the applicable Catalogue and relevant treaties between China and Hong Kong, medical institutions fall within the “restricted” investment category, and therefore may not be held 100% by foreign investments. Foreign investments are also restricted to the form of sino-foreign equity joint venture or cooperative joint venture, except for investments by qualified service providers as defined under Notice of Expanding the Territorial Scope for Hong Kong and Macao Service Suppliers to Establish Wholly-Owned Hospitals in the Mainland (關於擴大香港和澳門服務提供者在內地設立獨資醫院地域範圍的通知), the Mainland and Hong Kong Closer Economic Partnership Arrangement and its supplemental Agreements (內地與香港關於建立更緊密經貿關係的安排及其補充協議), Interim Measures for the Administration of Hong Kong and Macao Service Providers’ Establishment of Sole Proprietorship Hospitals in the Mainland (香港和澳門服務提供者在內地設立獨資醫院管理暫行辦法), and Notice Concerning Establishment of Medical Institutions in the Mainland by Hong Kong and Macao Service Providers (關於香港和澳門服務提供者在內地設立醫療機構有關問題的通知). Furthermore, as advised by the PRC Legal Advisors, the Company, as a foreign entity, shall not hold more than 90.00%, 70.00% and 70.00% of the equity interests in any medical institution in Chengdu, Shenzhen and Kunming, respectively, and not hold any equity interest in medical institutions offering Genetics Molecular Services in the PRC (the “**Foreign Ownership Restriction**”). As such, the Company, through Sichuan Jinxin Fertility and Jinxin Medical Investment, currently holds 90.00%, 70.00%, 66.50% and nil equity interests in (i) Chengdu Xinan Clinic, (ii) Shenzhen Zhongshan Hospital (iii) Jiuzhou Hospital and Hewanjia Hospital and (iv) Sichuan Jinxin Xinan Hospital, respectively. Jinrun Fude holds 10.00% equity interests in Chengdu Xinan Clinic, 29.90% in Shenzhen Zhongshan Hospital and 30.00% equity interest in Jiuzhou Hospital and Hewanjia Hospital. Ms. Qian Minhui holds the remaining 0.1% equity interests in Shenzhen Zhongshan Hospital. Jinyi Hongkang holds 100% equity interests in Sichuan Jinxin Xinan Hospital. For details, please refer to the section headed “Regulatory Overview — Relevant Regulations on Foreign Investment in China” of the Prospectus.

## *Risks Relating to the Contractual Arrangements*

There are the certain risks that are associated with the Contractual Arrangements, including:

- If the PRC government deems that the Contractual Arrangements do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, the Group could be subject to severe penalties or be forced to relinquish the Group's interests in those operations.
- The Contractual Arrangements may result in adverse tax consequences to the Group.
- The shareholders of the Company's VIE Entities may have potential conflicts of interest with the Group, which may materially and adversely affect the Group's business and financial condition.
- The PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent the Company from using the proceeds of this offering to make loans to its PRC subsidiaries, or to make additional capital contributions to its PRC subsidiaries.
- If the Group exercise the option to acquire equity ownership of Jinrun Fude and/or Jinyi Hongkang, the ownership transfer may subject the Group to certain limitations and substantial costs.
- The Contractual Arrangements may not be as effective in providing operational control as direct ownership. Jinrun Fude, Jinyi Hongkang, Jinrun Fude Registered Shareholders and Jinyi Hongkang Registered Shareholders may fail to perform their obligations under the New Contractual Arrangements.

For details, please refer to the section headed "Risk Factors — Risks Relating to Our Corporate Structure" of the Prospectus and the section headed "Risks Relating to the New Contractual Arrangements" in the Company's announcement dated November 26, 2021.

## *Compliance with the Contractual Arrangements*

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation and compliance of the Contractual Arrangements:

- (a) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;
- (b) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (c) the Company will disclose the overall performance of and compliance with the Contractual Arrangements in its annual reports and interim reports to update the Shareholders and potential investors; and
- (d) the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements and the legal compliance of Sichuan Jinxin Fertility, Jinxin Medical Investment, Jinrun Fude, Jinyi Hongkang and the VIE Entities to deal with specific issues or matters arising from the Contractual Arrangements.



### ***Listing Rules Implications and Waivers from the Stock Exchange under the Contractual Arrangements***

Ms. Yan Xiaoqing, a non-executive Director and Dr. Lyu Rong, an executive Director, are connected persons of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Therefore, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules.

In respect of the Contractual Arrangements, the Stock Exchange has granted a waiver from strict compliance with (i) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange subject however to the following conditions:

- (a) There shall be no change without independent non-executive Directors' approval;
- (b) There shall be no change without independent Shareholders' approval;
- (c) The Contractual Arrangements shall continue to enable the Group to receive the economic benefits derived from the VIE Entities;
- (d) The Contractual Arrangements may be renewed and/or reproduce (i) upon expiry or (ii) in relation to any existing, newly established or acquired wholly foreign-owned enterprise or operating company (including a branch company), engaging in the same business as that of the Group, without obtaining Shareholders' approval, on substantially the same terms and conditions as the Contractual Arrangements; and
- (e) The Group shall disclose details relating to the Contractual Arrangements on an ongoing basis.

As long as the Contractual Arrangements subsist, Jinrun Fude and Jinyi Hongkang will be treated as our subsidiary and the directors, chief executive or substantial shareholders of Jinrun Fude and Jinyi Hongkang and their respective associates will be treated as connected persons of our Company (excluding for this purpose, Jinrun Fude and Jinyi Hongkang), and transactions between these connected persons and the Group (including for this purpose, Jinrun Fude and Jinyi Hongkang), other than those under the Contractual Arrangements, will be subject to the requirements under Chapter 14A of the Listing Rules.

## *Annual Review by the Independent Non-executive Directors and the Auditor*

The independent non-executive Directors and the auditor of the Company, upon review of the overall performance of and compliance with the Contractual Arrangements, confirmed that:

- (a) the transactions carried out during the Reporting Period have been entered into in accordance with the relevant provisions of the Contractual Arrangements;
- (b) no dividends or other distributions have been made by the VIE Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group;
- (c) no dividends or other distributions have been made by each of Jinrun Fude and Jinyi Hongkang to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group; and
- (d) any new contracts entered into, renewed or reproduced between the Group and the VIE Entities during the Reporting Period are fair and reasonable, or advantageous to the Shareholders, so far the Group is concerned and in the interests of the Shareholders as a whole.

Further, each of Jinrun Fude and Jinyi Hongkang has undertaken that, for so long as the Shares are listed on the Stock Exchange, they will provide the Group's management and the Company's auditor full access to its relevant records for the purpose of their review of the continuing connected transactions under Chapter 14A of the Listing Rules.

## **2. MSA and Ancillary Arrangements**

On January 22, 2019, HRC Management entered into the HRC MSA together with the Ancillary Agreements (as defined below) with HRC Medical, pursuant to which HRC Medical engages HRC Management as its provider of certain management services, including but without limitation, office space, equipment, personnel, book-keeping, accounting services, information technology and network services, records maintenance, billing and collection activities and other non-medical services necessary to operate the medical practice of HRC Medical. The HRC MSA has been effective from January 1, 2019 for an initial term of 20 years, and such term shall be automatically extended for one additional year upon each anniversary, until and unless the HRC MSA is terminated in accordance with its terms.

Apart from the HRC MSA, HRC Management and HRC Medical entered into a consulting agreement on January 22, 2019 with three Physician Shareholders (the "**Consulting Agreement**") pursuant to which HRC Management will appoint such Physician Shareholders to assist HRC Management with physician management activities for an initial term of two years and will be automatically renewed upon its expiry subject to negotiation among the parties, and that such Physician Shareholders will each provide to HRC Management strategic advice regarding the operations, staffing, budget and capital improvement planning for HRC Management. For the year ended December 31, 2024, the service fee payable by HRC Medical under the HRC MSA and the consulting fee payable to the Physician Shareholders under the Consulting Agreement is US\$60,232,000 and US\$1,000 per Physician Shareholders, respectively.



HRC Management also entered into an amended and restated succession and indemnification agreements with each Physician Shareholder dated January 22, 2019 (the “**Succession and Indemnification Agreement**”, together with the HRC MSA and Consulting Agreement, the “**HRC MSA and Ancillary Agreements**”). Under each Succession and Indemnification Agreement, the Physician Shareholder may be required to transfer his or her share of common stock of HRC Medical upon the occurrence of a succession event stated below to maintain an orderly transition of ownership and management. For details, please refer to the section headed “Business – Our Management Agreements – Management Services Agreement” of the Prospectus.

### *Listing Rules Implications and Waivers from the Stock Exchange under the MSA and Ancillary Agreements*

HRC Medical is jointly-owned by Dr. Bradford A. Kolb (33.3%), Dr. Robert Boostanfar (33.3%) and Dr. John G. Wilcox (33.3%). Pursuant to Rule 14A.07 of the Listing Rules, HRC Medical is an associate of the Physician Shareholders, which are the substantial shareholders of the Company and thereby a connected person of the Company. Therefore, the transactions contemplated under the HRC MSA and Ancillary Agreements constitutes continuing connected transactions of the Company under the Listing Rules.

In consideration of the importance of the HRC MSA and Ancillary Agreements to the Company’s business and operations and the significant revenue contribution to the Group, the Directors (including the independent non-executive Directors) are of the view that the HRC MSA and Ancillary Agreements and the transactions contemplated thereunder (including the term thereof) are fundamental to the legal structure and business of the Group which allow us to enjoy the economic benefits derived from HRC Medical, while preventing possible leakages of assets and values of HRC Medical on an uninterrupted basis, and that such transactions have been, and will be, entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better and fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

In respect of the HRC MSA and Ancillary Agreements, the Stock Exchange has granted a waiver from strict compliance with (i) the announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the HRC MSA and Ancillary Agreements pursuant to Rule 14A.105 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under the HRC MSA and Ancillary Agreements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the HRC MSA and Ancillary Agreements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange subject however to the following conditions:

- (a) There shall be no change or waiver of management service fee without the independent non-executive Directors’ approval;
- (b) There shall be no change to the HRC MSA and Ancillary Agreements without the independent Shareholders’ approval;
- (c) The Company shall comply with the requirements under Chapter 14 and Chapter 14A of the Listing Rules if it makes any principal advances to HRC Medical pursuant to the HRC MSA and Ancillary Agreements;

- (d) The HRC MSA and Ancillary Agreements shall continue to enable the Group to receive a substantial portion of the economic benefits derived by HRC Medical through the business structure under which a fixed percentage of the gross revenue of HRC Medical will be paid to the Group as management service fees, subject to review by the Company and HRC Medical on an annual basis to ensure that the total compensation paid to HRC Management shall be commensurate with the fair market value for the services rendered;
- (e) The HRC MSA and Ancillary Agreements shall automatically be extended one additional year upon each anniversary in accordance with the terms thereof until and unless the HRC MSA is terminated in accordance with its terms, subject to compliance with California law and federal law of the United States; and
- (f) The Group shall disclose details relating to the HRC MSA and Ancillary Agreements on an ongoing basis.

### *Annual Review by the Independent Non-executive Directors and the Auditors*

The independent non-executive Directors and the auditor of the Company, upon review of the HRC MSA and Ancillary Agreements, confirmed that:

- (a) The transactions carried out during the year ended December 31, 2025 have been entered into in accordance with the relevant provisions of the HRC MSA and Ancillary Agreements, and have been operated in a manner so that a fixed percentage of the gross revenue of HRC Medical will be payable to HRC Management as management service fee, subject to review by the Company and HRC Medical and approval by the independent non-executive Directors on an annual basis, plus a discretionary bonus incentive;
- (b) The HRC MSA and Ancillary Agreements during the year ended December 31, 2025 were carried on in the ordinary course of business of the Group, on normal commercial terms or better and fair and reasonable, and in the interests of the Company and the Shareholders as a whole; and
- (c) The management fee received by the Company for the year ended December 31, 2025 had been duly reviewed and approved by the Board (including the independent non-executive Directors).



## ***Annual Review and Confirmation by the Auditor of the Company***

Deloitte Touche Tohmatsu, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Deloitte Touche Tohmatsu has issued its unqualified letter containing their findings and conclusions in respect of the continuing connected transactions for the year ended December 31, 2025 in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided to the Board of Directors.

Save as disclosed above, the related party transactions as disclosed in note 42 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, and except the continuing connected transactions and connected transaction that were granted full exemptions on the requirements under Chapter 14A of the Listing Rules by the Stock Exchange, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company during the Reporting Period in accordance with the provisions concerning the disclosure of connected transactions under Chapter 14A of the Listing Rules. In respect of the connected transaction and the continuing connected transactions entered into by the Company during the year of 2025, the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules (as amended from time to time).

## **DONATIONS**

For the year ended December 31, 2025, the Group made no charitable donations.

## **SIGNIFICANT LEGAL PROCEEDINGS**

For the year ended December 31, 2025, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

## **PERMITTED INDEMNITY PROVISION**

Under the Articles of Association, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he or she may incur or sustain in or about the execution of his or her duties in his or her office; be indemnified and secured harmless out of the assets of the Company; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty.

The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

## POST BALANCE SHEET EVENTS

Save as disclosed in this annual report and as at the date of this annual report, there were no material post balance sheet events.

## AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company had jointly reviewed with the management the accounting principles and policies adopted by the Group and discussed internal control and financial reporting matters (including the review of the audited consolidated financial statements of the Group for the year ended December 31, 2025).

## CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 93 to 110 of this annual report.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public at all times during the Reporting Period and as of the date of this annual report.

## AUDITOR

Deloitte Touche Tohmatsu was appointed as the auditor of the Company for the year ended December 31, 2025. The accompanying financial statements prepared in accordance with IFRSs have been audited by Deloitte Touche Tohmatsu.

There was no change in the auditor of the Company since the Listing Date.

On behalf of the Board

**Zhong Yong**

*Chairman and Non-Executive Director*

Hong Kong, March 26, 2026



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

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 of the Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions and principles under the CG Code during the year ended December 31, 2025 to enable the Shareholders to evaluate how the principles of corporate governance have been applied.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## THE BOARD

### *Responsibilities, Accountabilities and Contributions of the Board and Management*

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established five Board committees including the Audit and Risk Management Committee, the Remuneration Committee, the Nomination Committee, the Strategic Decisions Committee and the Medical Quality Control and R&D Committee (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the senior management of the Group. The Directors 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 and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

## **Board Composition**

During the Reporting Period and up to the date of this annual report, the Board comprises following Directors:

### **Executive Directors**

Dr. John G. Wilcox (*resigned on August 27, 2025*)

Mr. Dong Yang (*Chief Executive Officer and Acting Chief Financial Officer*)

Dr. Lyu Rong (*Co-chief Executive Officer*)

Dr. Geng Lihong

### **Non-executive Directors**

Mr. Zhong Yong (*Chairman*) (*re-designated as a non-executive Director on March 28, 2025*)

Mr. Fang Min (*resigned on September 25, 2025*)

Ms. Hu Zhe

Ms. Yan Xiaoqing

Mr. Chen Shuyun (*appointed on September 25, 2025*)

### **Independent Non-executive Directors**

Dr. Chong Yat Keung

Dr. Li Jianwei

Mr. Wang Xiaobo

Mr. Ye Changqing

Mr. Chen Shuyun, who has been appointed as a non-executive Director during the Reporting Period, has obtained legal advice on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on September 25, 2025, and he has confirmed he understood his obligations as a director of a listed issuer.

The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

Save as disclosed in the Directors’ biographies set out in the section headed “Directors and Senior Management” in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

During the year ended December 31, 2025, the Board has at all times met the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

During the year ended December 31, 2025, the Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

As each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules, the Company considers all of them to be independent parties.



As part of our corporate governance practice to provide transparency to the investor community and in compliance with the Listing Rules and the CG Code, independent non-executive Directors are identified as such in all corporate communications containing the names of the Directors. In addition, an updated list of Directors identifying the independent non-executive Directors and the roles and functions of the directors is maintained on the Company's website and the Stock Exchange's website.

## *Board Independence*

During the Reporting Period, the Company has in place various measures and mechanisms underpinning a strong independent Board and that independent views and input are conveyed to the Board. The measures and mechanisms are kept under annual review to ensure their effectiveness and to uphold good corporate governance. The Board reviewed and considered that such mechanisms were properly implemented during 2024 and were effective, they are as follows:

- **Board and Committees' structure.** The Company has been steered by a Board, comprising a majority of non-executive Directors. The Board comprises 11 members, with a majority of non-executive Directors and independent non-executive Directors. There are 3 executive Directors, including the Chief Executive Officer, Acting Chief Financial Officer and Co-Chief Executive Officer, the Chief Executive Officer and Co-Chief Executive Officer is the executive Directors on the Board, and 8 Directors are non-executive Directors or independent non-executive Directors. Separation of the role of the Chairman and the Chief Executive Officer ensures that there is a balance of power and authority. Members of all governance related committees are non-executive Directors or independent non-executive Directors.
- **Appointment of Directors.** In assessing suitability of the candidates, the Nomination Committee will review their character and integrity; qualifications including professional experience, skills and knowledge; diversity in all aspects, including but not limited to gender, age, cultural and educational background; having regard to the Board's composition, the selection criteria approved by the Board, the nomination policy and the board diversity policy.
- **Annual review of Directors' commitment and independence.** The Nomination Committee reviews annually each Director's time commitment to the Group's business. Each independent non-executive Director is required to inform the Stock Exchange as soon as practicable if there is any change in his or her personal particulars that may affect his or her independence. No such notification was received during the year ended December 31, 2025. The Company has received 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.
- **Conflict management.** A Director who has a material interest in any transaction, contract or arrangement shall not vote (nor shall be counted in the quorum) on any Board resolution approving the same.
- **Professional advice.** To facilitate proper discharge of their duties, 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.
- **Board evaluation.** The quality and efficiency of discussions at Board meetings are assessed during the annual evaluation of the Board's performance.

## *Board Diversity Policy*

The Company has adopted a board diversity policy (the “**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 the Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve diversity of the Board through the consideration of a number of factors when selecting candidates to the Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service.

The Directors have a balanced mix of knowledge and skills, including in management, strategic development, business development, sales, research and development, medical research, investment management, finance, risk management, science, medical and the ARS industry. They obtained degrees in various areas including economics, business administration, medicine, law, bioengineering, international finance, management, computer science, literature and journalism. The age of the Directors ranges from 39 years old to 61 years old.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee.

As at December 31, 2025, the Board was comprised of four female Directors and seven male Directors. The Board is of the view that the existing gender diversity in respect of the Board is sufficient. The Company will continue to devote efforts in integrating the principle of gender diversity into its recruitment processes and maintaining at least one-third of the Group’s management roles be held by women, with a view to create a promising career path for the Group’s outstanding female management personnel and to nurture potential female successors to the Board in the future.

As at December 31, 2025, we had a total of 3,494 employees and the share of female employees (including senior management) and male employees at the Group is 83.5% and 16.5%, respectively. Accordingly, the Company considers that gender diversity is also achieved in its workforce in a satisfactory manner.

The Nomination Committee will monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy annually to ensure its continued effectiveness.



## ***Nomination Policy***

The Board has adopted a nomination policy which sets out an approach to guide the Nomination Committee in relation to the selection, appointment and re-appointment of the Directors and ensures that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Company's business. The nomination policy sets out the criteria for the selection of a candidate, including but not limited to skills, qualifications and experiences, independence from the Company and its subsidiaries, reputation and integrity.

The nomination policy also sets out criteria for the evaluation and recommendation to the Board on the re-appointment of retiring Director(s), the position(s) of the independent non-executive Directors, and the process and procedures for the nomination of Directors. After receiving recommendations regarding the appointment of new directors or re-appointment of retiring directors, the chairman of the Nomination Committee will convene a Nomination Committee meeting to perform sufficient due diligence. Upon review by and approval from the Nomination Committee, the Company will convene a Board meeting where recommendations will be made to the Board for consideration and approval. As considered and approved by the Board, the proposed retiring directors will be subject to re-election at a general meeting.

The Nomination Committee will review the nomination policy, as appropriate, to ensure its effectiveness.

## ***Induction and Continuous Professional Development***

Each newly appointed Director is provided with necessary induction information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a Director.

According to the information provided by the Directors, a summary of training received by the Directors during the year ended December 31, 2025 is as follows:

Name of Directors	Nature of Continuous Professional Development Programme <sup>(1)</sup>
<i>Executive Directors</i>	
Mr. John G. Wilcox ( <i>resigned on August 27, 2025</i> )	A&B
Mr. Dong Yang ( <i>Chief Executive Officer and Acting Chief Financial Officer</i> )	A&B
Dr. Lyu Rong ( <i>Co-chief Executive Officer</i> )	A&B
Dr. Geng Lihong	A&B
<i>Non-executive Directors</i>	
Mr. Zhong Yong ( <i>Chairman</i> )	A&B
Mr. Fang Min ( <i>resigned on September 25, 2025</i> )	A&B
Ms. Hu Zhe	A&B
Ms. Yan Xiaoqing	A&B
Mr. Chen Shuyu ( <i>appointed on September 25, 2025</i> )	A&B
<i>Independent Non-executive Directors</i>	
Dr. Chong Yat Keung	A&B
Dr. Li Jianwei	A&B
Mr. Wang Xiaobo	A&B
Mr. Ye Changqing	A&B

*Note:*

(1) Nature of Continuous Professional Development Programme:

A: Attending training relevant to the Company's business conducted by lawyers

B: Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances

## **Chairman and Chief Executive Officer**

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

During the Reporting Period, the Chairman of the Board was Mr. Zhong Yong and the offices of the chief executive officers were separately co-held by Mr. Dong Yang and Dr. Lyu Rong with clear distinction in responsibilities with the Chairman. The Chairman of the Board is responsible for providing strategic advice and guidance on the business development of the Group, while the chief executive officers of the Group are responsible for the day-to-day operations of the Group.



## ***Appointment and Re-election of Directors***

Each of the executive Directors has entered into a service contract with the Company, under which they agreed to act as executive Directors for an initial term of three years commencing from their respective date of appointment, which may be terminated by not less than one month's/three months' notice (as the case may be) in writing served by either the executive Director or the Company. The appointments of the executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association and the applicable Listing Rules.

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with the Company for a term of one year with effect from their respective date of appointment. The appointments of non-executive Directors and independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association and the applicable Listing Rules.

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

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

## ***Board Meetings***

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the joint company secretaries with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

During the Reporting Period, four Board meetings and two general meetings were held, the attendance of each Director at the Board meetings and the general meeting is set out in the table below:

<b>Directors</b>	<b>Attended/Eligible to attend the Board meeting(s)</b>	<b>Attended/Eligible to attend the general meeting</b>
<i>Executive Directors</i>		
Dr. John G. Wilcox ( <i>resigned on August 27, 2025</i> )	3/4	1/2
Mr. Dong Yang ( <i>Chief Executive Officer and Acting Chief Financial Officer</i> )	4/4	2/2
Dr. Lyu Rong ( <i>Co-chief Executive Officer</i> )	4/4	2/2
Dr. Geng Lihong	4/4	2/2
<i>Non-executive Directors</i>		
Mr. Zhong Yong ( <i>Chairman</i> )( <i>re-designated as a non-executive Director on March 28, 2025</i> )	4/4	2/2
Mr. Fang Min ( <i>resigned on September 25, 2025</i> )	3/4	1/2
Ms. Hu Zhe	4/4	2/2
Ms. Yan Xiaoqing	4/4	2/2
Mr. Chen Shuyun ( <i>appointed on September 25, 2025</i> )	1/4	1/2
<i>Independent Non-executive Directors</i>		
Dr. Chong Yat Keung	4/4	2/2
Dr. Li Jianwei	4/4	2/2
Mr. Wang Xiaobo	4/4	2/2
Mr. Ye Changqing	4/4	2/2

## **Model Code for Securities Transactions**

The Company has adopted the Model Code as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the Reporting Period.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company during the Reporting Period.



## ***Delegation by the Board***

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

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

## ***Corporate Governance Function***

The Board recognizes that corporate governance should be the collective responsibility of the Directors which includes but not limited to the following:

1. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
2. to review and monitor the training and continuous professional development of Directors and senior management;
3. to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;
4. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on matters;
5. to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and
6. to review and monitor the Company's compliance with the Company's whistleblowing policy.

## **BOARD COMMITTEES**

### ***Audit and Risk Management Committee***

During the Reporting Period, the Audit and Risk Management Committee comprises five members and is chaired by an independent non-executive Director, Mr. Ye Changqing, and consists of another two independent non-executive Directors, Dr. Chong Yat Keung and Mr. Wang Xiaobo, and two non-executive Directors, Mr. Chen Shuyun and Ms. Hu Zhe.

The principal duties of the Audit and Risk Management Committee include the following:

1. reviewing the relationship with the Company's auditor by reference to the work performed by them, their remuneration and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the Company's auditor;

2. reviewing the financial statements and reports and considering any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the Company's auditor before submission to the Board; and
3. reviewing the adequacy and effectiveness of the Company's financial controls, risk management and internal control systems and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit and Risk Management Committee are available on the websites of the Stock Exchange and the Company.

During the year ended December 31, 2025, three meetings of the Audit and Risk Management Committee were held to discuss and consider the following matters:

- reviewed annual results of the Company and its subsidiaries for the year ended December 31, 2025;
- reviewed interim results of the Company and its subsidiaries for the six months ended June 30, 2025; and
- reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function), risk management systems and processes and the re-appointment of the Company's auditor, with respect to which the Board had not deviated from any recommendation given by the Audit and Risk Management Committee on the selection, appointment, resignation or dismissal of the Company's auditor.

Attendance of each Audit and Risk Management Committee member is set out in the table below:

<b>Directors</b>	<b>Attended/Eligible to attend</b>
Mr. Ye Changqing ( <i>Chairman</i> )	3/3
Dr. Chong Yat Keung	3/3
Mr. Fang Min ( <i>resigned on September 25, 2025</i> )	3/3
Ms. Hu Zhe	3/3
Mr. Wang Xiaobo	3/3
Mr. Chen Shuyun ( <i>appointed on September 25, 2025</i> )	0/3

## **Nomination Committee**

During the Reporting Period, the Nomination Committee comprises four members and is chaired by an independent non-executive Director, Mr. Wang Xiaobo, and consists of two independent non-executive Directors, Dr. Chong Yat Keung and Mr. Ye Changqing, and an executive Director, Mr. Dong Yang.



The principal duties of the Nomination Committee include the following:

1. reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. identifying individuals suitably qualified to become Directors and senior management and selecting or making recommendations to the Board on the selection of individuals nominated for directorships or senior management positions;
3. assessing the independence of the independent non-executive Directors;
4. making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer;
5. developing criteria for identifying and assessing the qualifications of and evaluating candidates for directorship, including but not limited the balance of skills, knowledge and board experience, and in the light of this evaluation preparing a description of the role and capabilities required for a particular appointment; and
6. performing other duties determined by the Board and stipulated in the Listing Rules or regulatory rules of the place where the shares of the Company are listed.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, one meeting of the Nomination Committee was held to discuss and consider the following matter:

- considered the globalized recruitment and training mechanism of the Group;
- confirmed the independence of the independent non-executive Directors; and
- considered the nomination of Directors for election at the AGM.

Attendance of each Nomination Committee member is set out in the table below:

<b>Directors</b>	<b>Attended/Eligible to attend</b>
Mr. Wang Xiaobo ( <i>Chairman</i> )	1/1
Dr. Lyu Rong	1/1
Dr. Chong Yat Keung	1/1
Dr. John G. Wilcox ( <i>resigned on August 27, 2025</i> )	1/1
Mr. Ye Changqing	1/1

## *Remuneration Committee*

The Remuneration Committee comprises five members and is chaired by an independent non-executive Director, Dr. Chong Yat Keung, and consists of another two independent non-executive Directors, Mr. Wang Xiaobo and Mr. Ye Changqing, one executive Director, Mr. Dong Yang and one non-executive Director, Mr. Chen Shuyun.

The principal duties of the Remuneration Committee include the following:

1. making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration;
2. reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. either (i) determining, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or (ii) making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
4. making recommendations to the Board on the remuneration of non-executive Directors;
5. considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
6. reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
7. performing other duties determined by the Board and stipulated in the Listing Rules or regulatory rules of the place where the shares of the Company are listed.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

During the year ended December 31, 2025, two meetings of the Remuneration Committee were held to discuss and consider the following matter:

- reviewed, considered and making recommendations to the Board on the adoption of the 2025 Share Scheme and the grant of restricted Shares to the grantees pursuant to the 2025 Share Scheme as part of remuneration package; and
- reviewed, considered and making recommendations to the Board on the remuneration of the Directors and senior management of the Company for the year 2025.



In particular, the Remuneration Committee is of the view that the grant of the restricted Shares pursuant to the 2025 Share Scheme to the grantees is in line with the Company's remuneration policy, as they serve as discretionary bonus and form part of the remuneration package of the grantees in recognition of their invaluable and substantial contributions to the Group. The number of the restricted Shares being granted to the grantees is derived based on the commercial assessment of the Board having taken into account a number of factors, including, without limitation, their roles and responsibilities, seniority, expertise, experience, historical and expected contributions to the Group as well as the overall business development and strategies of the Group and its relevant hospitals.

There are no performance targets attached to the options and the restricted Shares granted to the non-executive Directors and the independent non-executive Directors (the "**Non-Executive Grantees**") under the 2025 Share Scheme. Having considered that the main duties of the Non-executive Grantees include providing independent guidance and judgment and reviewing major decisions made by the Board, the Remuneration Committee is of the view that in order to preserve their objectivity and independence, the conditional grant of the options and the restricted Shares under the 2025 Share Scheme to the Non-executive Grantees without performance target is consistent with market expectation and the Company's remuneration policy, while it also aligns with the purposes of the share schemes of the Company.

Attendance of each Remuneration Committee member is set out in the table below:

<b>Directors</b>	<b>Attended/Eligible to attend</b>
Dr. Chong Yat Keung ( <i>Chairman</i> )	2/2
Mr. Dong Yang	2/2
Mr. Fang Min ( <i>resigned on September 25, 2025</i> )	2/2
Mr. Wang Xiaobo	2/2
Mr. Chen Shuyun ( <i>appointed on September 25, 2025</i> )	0/2

### **Remuneration of Directors and Senior Management**

Details of the remuneration by band of the members of the senior management of the Company (other than the Directors) for the year ended December 31, 2025, are set out below:

<b>Remuneration bands (RMB)</b>	<b>Number of persons</b>
5,000,001–10,000,000	0
1,000,001–5,000,000	2
0–1,000,000	0
<b>Total</b>	<b>2</b>

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 salaries, allowances, benefits in kind, performance-related bonuses and pension scheme contributions. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and 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 non-executive Directors and 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.

For additional information on the Directors' remuneration for the year ended December 31, 2025, please refer to note 13 to the consolidated financial statements.

## **DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS**

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

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

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Company's auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 111 to 115 of this annual report.



## RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is the responsibility of the Board for maintaining an adequate internal control system to safeguard shareholder investments and the Company's assets and reviewing the effectiveness of such system on an annual basis. The risk management and internal control 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 misstatements or loss.

The key elements of the Group's risk management and internal control structure are as follows:

- well-defined organizational structure with appropriate segregation of duties, limit of authority, reporting lines and responsibilities to minimize risk of errors and abuse;
- clear and written policies and procedures have been established and regularly reviewed for major functions and operations;
- adopted various measures and procedures regarding each aspect of our business operation, such as company code of conduct, anti-corruption and whistleblowing, policies of protection of intellectual property, environmental protection, legal and compliance, pharmacovigilance, product quality and safety, and occupational health and safety, etc;
- a sound risk management procedure, requiring all relevant departments to accurately identify, carefully assess, dynamically monitor and timely respond to risks within the scope of their duties, and perform their responsibility of risk control;
- important business functions or activities are managed by experienced, qualified and suitably trained staff;
- continuous monitoring of the key operating data and performance indicators, timely and up-to-date business and financial reporting, and taking immediate corrective actions where necessary; and
- internal audit function to perform independent appraisal of major operations on an ongoing basis.

The Group's internal audit department plays a major role in monitoring the internal governance of the Company. The major tasks of the internal audit department are reviewing the financial condition and internal control of the Company and conducting comprehensive audits of all branches and subsidiaries of the Company on a regular basis. The review covers all material controls including financial, operational, compliance controls and risk management. Apart from regular reporting, any urgent matters in relation to the relevant areas of internal control will be reported in a timely manner. Review results and recommendations in the form of written reports are submitted to the Audit and Risk Management Committee for discussion and review. Follow up actions will be taken up by the internal audit department to ensure that material weaknesses previously identified have been properly resolved.

The Group has established rules regulating information disclosures which stipulates the handling and disclosure procedures of inside information. The Group uses annual reports, interim reports, and results announcements and other announcements as required by the Listing Rules to disclose information to investors and the public to ensure timely disclosure of information in accordance with the Listing Rules and SFO. The Group strictly prohibits unauthorized use or dissemination of confidential or inside information.

During the Reporting Period, the Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group and considered the risk management and internal control systems to be effective and adequate. The Board also believes that the Company has sufficient resources, staff qualifications and experience, training programme and budget of accounting, internal audit and financial reporting functions, as well as those relating to the ESG performance and reporting. The Group continuously reviews the effectiveness of the risk management and internal control systems, and adopted measures and procedures in various aspects, such as fund management, budget management, and market activities, to strengthen the effectiveness of the risk management and internal control systems.

During the Reporting Period, the Board has conducted a review of the effectiveness of the internal control system of the Group and considered the internal control system to be effective and adequate.

## AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the Company's auditor to the Group for the year ended December 31, 2025 was approximately as follows:

Type of Services	Amount (RMB)
Audit services	4,367,000
Non-audit services	566,000
Total	4,933,000

## COMPANY SECRETARY

Ms. Zhai Yangyang ("**Ms. Zhai**") tendered resignation as a joint company secretary of the Company, and Ms. Ng Sau Mei ("**Ms. Ng**") tendered resignation as a joint company secretary of the Company and as an authorized representative of the Company ("**Authorized Representative**") under Rule 3.05 of the Listing Rules, both with effect from October 31, 2025. Ms. Zhai resigned due to her pursuit of personal career development while Ms. Ng resigned due to her other work arrangements.

Ms. Chung Man Nar Mona ("**Ms. Chung**") has been appointed as the company secretary of the Company and the Authorized Representative with effect from October 31, 2025. Ms. Chung is the director of company secretarial services department of TMF Hong Kong Limited, responsible for providing company secretarial and compliance services to clients. She has over 25 years of experience in the company secretarial field and possesses extensive knowledge and experience in corporate governance and compliance matters. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

During the year ended December 31, 2025, Ms. Chung has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.



## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

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

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

To promote effective communication, the Company maintains a website of the Company at [www.jxr-fertility.com](http://www.jxr-fertility.com), where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

During the Reporting Period, the Board has reviewed the implementation and effectiveness of the Shareholders' communication policy, including the multiple communication channels for Shareholders in place and the steps taken to handle Shareholders' enquiries, and considered that the Shareholders' communication policy has been properly implemented and effective.

## DIVIDEND POLICY

The Company adopted a dividend policy that sets out the principles and guidelines that the Company intends to apply in relation to the declaration and payment of dividends pursuant to code provision F.1.1 of the CG Code that became effective starting from June 25, 2019 and amended on March 26, 2026.

Subject to the Cayman Islands Companies Law and the Articles of Association, the Board has absolute discretion on whether to distribute dividends in any form but no dividend shall exceed the amount recommended by the Board. The dividend policy reflects the Board's current views on the Company's financial and cash flow position. It will continue to be reviewed by the Board from time to time and there can be no assurance that dividends will be paid in any particular amount, if at all, for any given period.

As of December 31, 2025, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

## SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

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

### *Convening of Extraordinary General Meeting and Putting Forward Proposals*

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as of date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or any one of the joint company secretaries of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may convene a physical meeting at only one location as specified in the meeting notice, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

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

### *Enquiries to the Board*

Shareholders who intend to put forward their enquiries or requisitions about the Company to the Board could send their enquiries to the headquarters of the Company at No. 301, North Jingsha Road, Jinjiang District, Chengdu, Sichuan, China (email address: pr@jxr-fertility.com).

## CHANGE IN CONSTITUTIONAL DOCUMENTS

On June 25, 2024, the Company adopted the fifth amended and restated Articles of Association in substitution for the then existing amended and restated memorandum of association and articles of association of the Company. During the year ended December 31, 2025, the fifth amended and restated memorandum and articles of association did not have any change.



## **TO THE SHAREHOLDERS OF JINXIN FERTILITY GROUP LIMITED**

錦欣生殖醫療集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

## **OPINION**

We have audited the consolidated financial statements of Jinxin Fertility Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 116 to 240, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 (“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 International Standards on Auditing (“ISAs”) as issued by International Auditing and Assurance Standard Board. 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 International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (the “IESBA Code”), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **KEY AUDIT MATTER**

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was 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 the matter.

## KEY AUDIT MATTER (Continued)

Key audit matter	How our audit addressed the key audit matter
<b><i>Impairment of goodwill and intangible assets on HRC Fertility Management, LLC</i></b>	
<p>We identified the impairment of goodwill and intangible assets, representing contractual right to provide management services and trademarks, arising from the acquisition of HRC Fertility Management, LLC and its subsidiary, as a key audit matter due to the significant management judgements involved in the impairment assessment and their significance to the consolidated financial statements as a whole.</p> <p>Determining whether goodwill and these intangible assets are impaired requires management's estimation when preparing the value in use of the relevant cash generating unit ("CGU") to which they have been allocated. The Group's management, with the support of an independent valuer, establishes the impairment assessment model and prepares a value-in-use calculation to estimate the future cash flows which is discounted in its present value taking into account key assumptions, including growth rates of revenue, gross margin rate and pre-tax discount rate.</p> <p>Goodwill related to HRC Fertility Management, LLC amounting to RMB631,594,000 has been fully impaired and impairment amounting to RMB320,819,000 has been allocated pro rata to intangible assets of the CGU, to the extent the carrying amount of these intangible assets are not reduced below the highest of their fair value less costs of disposal, their value in use and zero. Accordingly, the Group has recognised impairment loss of contractual right to provide management services and trademarks amounting to RMB215,556,000 and RMB105,263,000 respectively. Details of the impairment testing are disclosed in Note 23 to the consolidated financial statements.</p>	<p>Our procedures in relation to the impairment of goodwill and intangible assets on HRC Fertility Management, LLC included:</p> <ul style="list-style-type: none"> <li>• Understanding the Group's process relating to the preparation of cash flow forecasts and impairment assessment;</li> <li>• Obtaining an understanding of the method used to establish the impairment assessment model for the relevant CGU with the independent valuer appointed by the Group and evaluating the valuer's competence, capabilities and objectivity;</li> <li>• Leveraging internal valuation expert to assess the appropriateness of the impairment assessment model and the discount rate adopted by benchmarking the discount rate against market data of comparable entities;</li> <li>• Assessing the reasonableness of the key assumptions, by comparing the growth rates of revenue with market data and economic growth trends and comparing the gross margin rate of the relevant CGU with the Group's historical performance and business expansion plans; and</li> <li>• Evaluating the reliability of cash flow forecasts prepared by the management by comparing the historical forecast with the actual performance in the current year.</li> </ul>



## **OTHER INFORMATION**

The directors of the Company (the “Directors”) are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

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

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

## **RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 as issued by the IASB 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.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

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

From the matters communicated with those charged with governance, 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 matter. We describe the matter 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 the independent auditor's report is Chan, Benjie Pak Kin.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
26 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	5	2,649,073	2,811,596
Cost of revenue		(1,762,532)	(1,712,142)
Gross profit		886,541	1,099,454
Other income	6	27,803	35,081
Other expenses	7	(56,283)	(4,894)
Other gains and losses, net	8	(6,642)	(27,629)
Impairment losses under expected credit loss ("ECL") model	9	(99,009)	–
Impairment losses recognised on goodwill, licenses, contractual right to provide management services and trademarks	23	(992,579)	–
Research and development expenses		(20,647)	(24,691)
Selling and distribution expenses		(165,011)	(175,169)
Administrative expenses		(497,696)	(458,012)
Share of results of associates		12,653	3,912
Share of result of a joint venture		(1,036)	1,241
Finance costs	10	(71,055)	(57,406)
(Loss) profit before taxation	11	(982,961)	391,887
Income tax expenses	12	(924)	(118,420)
(Loss) profit for the year		(983,885)	273,467
<b>Other comprehensive (expense) income:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on equity instrument at fair value through other comprehensive income ("FVTOCI"), net of tax	27	(36,470)	–
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(56,903)	54,840
Other comprehensive (expense) income for the year		(93,373)	54,840
Total comprehensive (expense) income for the year		(1,077,258)	328,307
(Loss) profit for the year attributable to:			
– Owners of the Company		(976,146)	283,099
– Non-controlling interests		(7,739)	(9,632)
		(983,885)	273,467

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Total comprehensive (expense) income for the year attributable to:			
– Owners of the Company		<b>(1,068,668)</b>	337,199
– Non-controlling interests		<b>(8,590)</b>	(8,892)
		<b>(1,077,258)</b>	328,307
(Loss) earnings per share:	15		
– Basic (RMB)		<b>(0.36)</b>	0.11
– Diluted (RMB)		<b>(0.36)</b>	0.10

# Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	16	2,909,991	2,811,993
Right-of-use assets	17	484,160	458,909
Goodwill	18	2,873,085	3,506,618
Licenses	19	1,401,232	1,486,273
Non-compete agreement	20	16,135	18,186
Contractual right to provide management services	21	1,770,517	2,026,410
Trademarks	22	2,552,576	2,682,046
Interests in associates accounted for using equity method	24	392,266	391,626
Financial assets at FVTPL	25	–	80,000
Equity instrument at FVTOCI	27	35,676	84,303
Interest in a joint venture	26	25,298	26,334
Prepayments	29	13,290	–
Loans receivable	29	29,238	29,133
Refundable deposits		16,245	64,827
Amounts due from related parties	30(a)	13,500	76,253
Deferred tax assets	36	155,886	124,487
Life insurance policy	31	24,548	24,467
		<b>12,713,643</b>	13,891,865
<b>Current assets</b>			
Inventories	28	55,935	50,948
Accounts and other receivables	29	205,348	322,265
Amounts due from related parties	30(a)	15,243	86,955
Tax recoverable		67,180	58,940
Time deposits	32	–	24,625
Bank balances and cash	33	905,782	546,196
		<b>1,249,488</b>	1,089,929

# Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
<b>Current liabilities</b>			
Accounts and other payables	34	702,364	737,772
Amounts due to related parties	30(b)	25,191	20,459
Lease liabilities	35	52,353	53,505
Tax payables		38,245	30,178
Bank borrowings	37	622,890	1,277,537
		<b>1,441,043</b>	2,119,451
<b>Net current liabilities</b>			
		<b>(191,555)</b>	(1,029,522)
<b>Total assets less current liabilities</b>			
		<b>12,522,088</b>	12,862,343
<b>Non-current liabilities</b>			
Lease liabilities	35	333,004	281,372
Deferred tax liabilities	36	1,150,714	1,234,225
Bank borrowings	37	1,839,549	992,559
		<b>3,323,267</b>	2,508,156
<b>Net assets</b>			
		<b>9,198,821</b>	10,354,187
<b>Capital and reserves</b>			
Share capital	38	182	182
Reserves		9,143,364	10,274,237
Equity attributable to owners of the Company		9,143,546	10,274,419
Non-controlling interests		55,275	79,768
<b>Total equity</b>			
		<b>9,198,821</b>	10,354,187

The consolidated financial statements on pages 116 to 240 were approved and authorised for issue by the board of directors on 26 March 2026 and are signed on its behalf by:

**Dong Yang**  
DIRECTOR

**Yan Xiaoqing**  
DIRECTOR

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company										
	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Shares held for restricted share award scheme <i>RMB'000</i> <i>(Note 39(b))</i>	Capital reserve <i>RMB'000</i>	Translation reserve <i>RMB'000</i>	Statutory reserve <i>RMB'000</i> <i>(Note a)</i>	Equity-settled share-based payment reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Sub-total <i>RMB'000</i>	Non-controlling interests <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January, 2024	180	8,904,097	(2)	(402,668)	(74,927)	130,809	85,592	1,448,342	10,091,423	95,389	10,186,812
Profit (loss) for the year	-	-	-	-	-	-	-	283,099	283,099	(9,632)	273,467
Other comprehensive income for the year	-	-	-	-	54,100	-	-	-	54,100	740	54,840
Total comprehensive income (expense) for the year	-	-	-	-	54,100	-	-	283,099	337,199	(8,892)	328,307
Repurchase of shares <i>(Note c)</i>	-	(51,313)	*	-	-	-	-	-	(51,313)	-	(51,313)
Dividends recognised as distribution <i>(Note 14)</i>	-	(150,000)	-	-	-	-	-	-	(150,000)	-	(150,000)
Recognition of equity-settled share-based payment <i>(Note 39(b))</i>	-	-	-	-	-	-	47,285	-	47,285	-	47,285
Forfeiture of equity-settled share-based payment <i>(Note 39(b))</i>	-	-	-	-	-	-	(847)	847	-	-	-
Vesting of restricted shares <i>(Note 39)</i>	-	65,940	1	-	-	-	(65,941)	-	-	-	-
Issue of shares for Restricted Share Award Scheme (as defined and detailed in <i>Note 39(b)</i> )	2	-	(2)	-	-	-	-	-	-	-	-
Dividends to non-controlling interests <i>(Note b)</i>	-	-	-	-	-	-	-	-	-	(7,133)	(7,133)
Capital injection by non-controlling interests	-	-	-	(175)	-	-	-	-	(175)	404	229
Transfer to reserve <i>(Note a)</i>	-	-	-	-	-	21,681	-	(21,681)	-	-	-
At 31 December, 2024	182	8,768,724	(3)	(402,843)	(20,827)	152,490	66,089	1,710,607	10,274,419	79,768	10,354,187

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company											
	Share capital RMB'000	Share premium RMB'000	Shares held for restricted share award scheme RMB'000 (Note 39(b))	Capital reserve RMB'000	Translation reserve RMB'000	Statutory reserve RMB'000 (Note a)	Equity-settled share-based payment reserve RMB'000	Investment in equity instruments at FVTOCI revaluation reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January, 2025	182	8,768,724	(3)	(402,843)	(20,827)	152,490	66,089	-	1,710,607	10,274,419	79,768	10,354,187
Loss for the year	-	-	-	-	-	-	-	-	(976,146)	(976,146)	(7,739)	(983,885)
Other comprehensive expense for the year	-	-	-	-	(56,052)	-	-	(36,470)	-	(92,522)	(851)	(93,373)
Total comprehensive expense for the year	-	-	-	-	(56,052)	-	-	(36,470)	(976,146)	(1,068,668)	(8,590)	(1,077,258)
Repurchase of shares (Note c)	-	(90,746)	-	-	-	-	-	-	-	(90,746)	-	(90,746)
Recognition of equity-settled share-based payment (Note 39)	-	-	-	-	-	-	28,541	-	-	28,541	-	28,541
Vesting of restricted shares (Note 39)	-	29,978	*	-	-	-	(29,978)	-	-	-	-	-
Dividends to non-controlling interests (Note b)	-	-	-	-	-	-	-	-	-	-	(15,903)	(15,903)
Transfer to reserve (Note a)	-	-	-	-	-	82,880	-	-	(82,880)	-	-	-
At 31 December, 2025	182	8,707,956	(3)	(402,843)	(76,879)	235,370	64,652	(36,470)	651,581	9,143,546	55,275	9,198,821

\* The amount is less than RMB1,000.

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

## Notes:

- (a) Amount represented statutory reserve of the entities in the People's Republic of China (the "PRC"). According to the relevant laws in the PRC, companies established in the PRC with limited liability are required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.
- (b) During the year ended 31 December 2025, Jinxin Women Wellness Limited declared dividends amounted to RMB15,713,000 (2024: RMB4,818,000) to the non-controlling shareholders.

During the year ended 31 December 2025, Shenzhen Zhongshan Urological Hospital ("Shenzhen Zhongshan Hospital") declared dividends amounted to RMB190,000 (2024: RMB2,315,000) to the non-controlling shareholders.

- (c) During the year ended 31 December 2025, the Company repurchased its own ordinary shares through the Stock Exchange of Hong Kong Limited (the "Stock Exchange") as follows:

Month of repurchase	No. of ordinary shares	Price per share Hong Kong Dollar ("HK\$")	Aggregate consideration paid
December	39,662,000	2.52	HK\$99,882,000 (equivalent to RMB90,746,000)

The total consideration paid to repurchase the Company's ordinary shares amounted to RMB90,746,000 during the year ended 31 December 2025.

During the year ended 31 December 2024, a trustee purchased the Company's ordinary shares through the Stock Exchange for the satisfaction of awards to be granted under the 2022 RSU Scheme (as defined in Note 39(b)). The trustee purchased 9,374,273 of Company's shares with a total amount of RMB22,544,000.

During the year ended 31 December 2024, the Company repurchased 13,000,000 of its own ordinary shares through the Stock Exchange with a total amount of RMB28,769,000 as follows:

Month of repurchase	No. of ordinary shares	Price per share HK\$	Aggregate consideration paid
July	9,000,000	2.43	HK\$21,870,000 (equivalent to RMB20,015,000)
August	4,000,000	2.39	HK\$9,560,000 (equivalent to RMB8,754,000)

The total consideration paid to repurchase the Company's ordinary shares amounted to RMB51,313,000 during the year ended 31 December 2024, which includes RMB22,544,000 paid by the trustee and RMB28,769,000 paid by the Company.



# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
<b>Operating activities</b>		
(Loss) profit before taxation	<b>(982,961)</b>	391,887
Adjustments for:		
Depreciation of property, plant and equipment	<b>216,295</b>	157,123
Depreciation of right-of-use assets	<b>83,349</b>	74,323
Amortisation of licenses	<b>44,875</b>	44,875
Amortisation of non-compete agreement	<b>1,485</b>	1,480
Exchange loss, net	<b>8,699</b>	24,173
Interest income from banks	<b>(9,303)</b>	(5,257)
Interest income from time deposits	<b>(91)</b>	(2,014)
Imputed interest income from related parties	–	(205)
Interest expenses	<b>71,055</b>	57,406
Loss on disposal/write-off of property, plant and equipment	<b>493</b>	64
Share-based payment expense	<b>28,541</b>	47,285
Gain on fair value change of financial assets at FVTPL	<b>(2,062)</b>	–
Gain on fair value change of other financial assets at FVTPL	<b>(401)</b>	(2,158)
Loss on fair value change of investments in preferred shares measured at FVTPL	–	7,052
Impairment losses recognised on goodwill, licenses, contractual right to provide management services and trademarks	<b>992,579</b>	–
Impairment losses under ECL model	<b>99,009</b>	–
Gain on early termination of leases	<b>(373)</b>	(104)
Gain on a life insurance policy	<b>(634)</b>	(606)
Share of results of associates	<b>(12,653)</b>	(3,912)
Share of result of a joint venture	<b>1,036</b>	(1,241)
Operating cash flows before movements in working capital	<b>538,938</b>	790,171
(Increase) decrease in inventories	<b>(4,987)</b>	11,480
Decrease (increase) in accounts and other receivables	<b>117,498</b>	(61,378)
Decrease in amounts due from related parties	<b>52,244</b>	57,148
Decrease in accounts and other payables	<b>(35,408)</b>	(39,369)
Increase (decrease) in amounts due to related parties	<b>7,984</b>	(1,364)
<b>Cash generated from operations</b>	<b>676,269</b>	756,688
Income tax paid	<b>(87,376)</b>	(127,487)
<b>Net cash from operating activities</b>	<b>588,893</b>	629,201

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Investing activities</b>		
Interest received from banks	<b>9,303</b>	5,257
Interest received from time deposits	<b>91</b>	1,798
Capital injection of investment in an associate	–	(157,909)
Acquisition of investment in an associate	–	(46,402)
Purchase of property, plant and equipment	<b>(251,163)</b>	(262,357)
Prepayments for purchase of property, plant and equipment	<b>(13,290)</b>	–
Purchase of other financial assets at FVTPL	<b>(70,000)</b>	(836,200)
Proceeds from disposal of financial assets at FVTPL	<b>82,062</b>	–
Proceeds from disposal of other financial assets at FVTPL	<b>70,401</b>	979,927
Proceeds from disposal/write-off of property, plant and equipment	<b>42</b>	1,853
Repayment from related parties	–	683
Advances to related parties	<b>(2,029)</b>	(261)
Placement of time deposits	–	(452,100)
Withdrawal of time deposits	–	472,440
Refund of refundable deposit paid for a potential investment	<b>25,000</b>	–
<b>Net cash used in investing activities</b>	<b>(149,583)</b>	(293,271)



# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Financing activities</b>		
New bank borrowings raised	<b>3,121,013</b>	3,294,476
Repayment of bank borrowings	<b>(2,927,397)</b>	(3,183,799)
Interest paid	<b>(109,705)</b>	(121,010)
Payment on repurchase of shares	<b>(90,746)</b>	(51,313)
Advances from related parties	<b>5,074</b>	3,706
Repayments to related parties	<b>(8,326)</b>	(157)
Dividends paid	–	(150,000)
Repayments of loan payables	–	(129,530)
Repayments of lease liabilities	<b>(66,357)</b>	(97,052)
Interest paid for lease liabilities	<b>(24,199)</b>	(16,708)
Capital injection by non-controlling interests	–	229
Dividends paid to non-controlling interests	<b>(15,903)</b>	(7,133)
<b>Net cash used in financing activities</b>	<b>(116,546)</b>	(458,291)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>322,764</b>	(122,361)
<b>Cash and cash equivalents at beginning of the year</b>	<b>570,821</b>	691,331
<b>Effect of foreign exchange rate changes</b>	<b>12,197</b>	1,851
<b>Cash and cash equivalents at end of the year</b>	<b>905,782</b>	570,821
Bank balances and cash	<b>905,782</b>	546,196
Add: time deposits with original maturity of less than three months	–	24,625
	<b>905,782</b>	570,821

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 1. GENERAL INFORMATION

Jinxin Fertility Group Limited (the “Company”, together with its subsidiaries collectively referred to as the “Group”) was incorporated and registered as an exempted company in the Cayman Islands with limited liability under Companies Law (2018 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961) as amended or supplemented or otherwise modified from time to time on 3 May 2018 and the shares of the Company have been listed on the Stock Exchange since 25 June 2019. The addresses of the registered office of the Company and the principal place of business of the Company are disclosed in the section “Corporate Information” in the annual report.

The Company is an investment holding company. The major subsidiaries of the Company are principally engaged in the provision of (i) assisted reproductive and related services; (ii) management services; (iii) women health related services and others; (iv) obstetrics and related medical services; (v) sales of medical consumables and equipment.

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

Amendments to IAS 21

Lack of Exchangeability

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

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

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

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

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

### *IFRS 18 Presentation and Disclosure in Financial Statements*

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

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

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

### 3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

In preparing the Group's consolidated financial statements, the Directors have carefully considered the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by RMB191,555,000. The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern for a period of not less than twelve months from 31 December 2025.

As at 31 December 2025, the Group has unused banking facilities of approximately RMB1,101,672,000, which is available for drawdown and utilisation in the course of ordinary business from the date of the approval of these consolidated financial statements. Together with the Group's cash flow projections which cover a period of not less than twelve months from 31 December 2025, the Directors have a reasonable expectation that the Group will have sufficient liquidity to meet its financial obligations that will be due in the coming twelve months from 31 December 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.1 Basis of preparation of consolidated financial statements (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information

The material accounting policies are set out below.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

#### 3.2 *Material accounting policy information* (Continued)

##### ***Goodwill***

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

The Group's policy for goodwill arising on the acquisition of an associate is described below.

##### ***Investments in associates and a joint venture***

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 *Material accounting policy information* (Continued)

#### ***Investments in associates and a joint venture*** (Continued)

The results and assets and liabilities of associates and a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture accounted for using equity method may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Revenue from contracts with customers**

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

The Group recognises revenue from the following major services:

- Assisted reproductive services and related services;
- Management services;
- Women health related services and others;
- Obstetrics and related medical services; and
- Sales of medical consumables and equipment.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Revenue from contracts with customers** (Continued)

##### *Assisted reproductive services and related services*

For assisted reproductive services, the customers normally receive the services which contains various treatment components. It includes (i) consultation, (ii) revenue from sale of pharmaceutical products, (iii) in vitro fertilisation (“IVF”) treatment cycle revenue, and (iv) revenue from the ambulatory surgery centre facilities services, which are considered as separate performance obligation for out-patient services as described below.

Consultation includes initial consultation, pre-IVF cycle testing, services after pregnancy and other related services – these out-patient assisted reproductive medical services, are transferred at a point of time. Revenue is recognised when the customer obtains the control of the completed services and the Group has present right to payment and the collection of the consideration is probable.

Sale of pharmaceutical products – revenue is recognised when control of the products has been transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer’s acceptance of the products.

IVF treatment cycle revenue – the usual period of an IVF treatment cycle typically lasts for 12-20 days. Relevant revenue of an IVF treatment cycle involves the performance of a series of medical treatment and procedures that are not separately distinct and does not create benefits to the Group with an alternative use after the IVF treatment cycle starts, and is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards the complete satisfaction of performance obligation is measured by direct measurements of the value of individual services or product transferred by the Group to the customer. Once the patient enters into a cycle, the Group has an enforceable right to payment for the contracted price.

Revenue from the ambulatory surgery centre facilities services is recognised at a point in time when the related services have been rendered. Revenue is recognised when the customer obtains the control of the completed services and the Group has present right to payment and the collection of the consideration is probable.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Revenue from contracts with customers** (Continued)

###### *Management services*

For management services provided to IVF and fertility centers and maternity institutions which the control of the service is transferred when the Group has provided the related services over the service period, the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Revenue from provision of management services is recognised over the period in which the services are rendered.

The progress towards complete satisfaction of a performance obligation in respect of the management services contracts is measured based on output method, which is to recognise revenue based on time elapsed.

###### *Variable consideration*

For the management services arrangements that contain variable consideration, service fee is calculated based on pre-set formulas set out in the arrangements and subject to limitations primarily relating to the customer's net income before tax, the Group estimates the amount of consideration to which it will be entitled using the expected value method.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of reporting period, the Group updates the estimated transaction price to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

###### *Women health related services and others, obstetrics and related medical services*

Revenue from women health related services and others, obstetrics and related medical services is recognised when the related services have been rendered and includes out-patient services and in-patient services.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Revenue from contracts with customers** (Continued)

*Women health related services and others, obstetrics and related medical services* (Continued)

##### Out-patient services

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

##### In-patient services

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

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

For revenue from (ii) in-patient healthcare services, the corresponding revenue is recognised over the service period when customers simultaneously received the services and consumes the benefits provided by the Group's performance as the Group performs. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining healthcare services promised under the contract, that best depict the Group's performance in transferring control of services.

##### *Sales of medical consumables and equipment*

Revenue from sales of medical consumables and equipment is recognised at a point in time when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Leases**

##### *Definition of a lease*

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

##### *The Group as a lessee*

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Leases** (Continued)

##### *The Group as a lessee* (Continued)

##### Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

##### Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

#### 3.2 *Material accounting policy information* (Continued)

##### ***Property, plant and equipment***

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for provision of services or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

##### ***Intangible assets***

###### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

###### *Internally-generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Intangible assets** (Continued)

##### *Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination (including licenses, trademarks, contractual right to provide management services and non-compete agreement) are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### **Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill**

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill** (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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 a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### **Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Foreign currencies** (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

#### **Bank balances and cash**

Bank balances and cash presented on the consolidated statement of financial position include cash, which comprises of cash on hand and demand deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash as defined above and time deposits with originally maturity of three months or less.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost method. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Financial instruments** (Continued)

Financial assets and financial liabilities are initially measured at fair value except for accounts receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount on initial recognition.

#### *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Financial instruments** (Continued)

##### *Financial assets* (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment in equity instruments at FVTOCI revaluation reserve; and are not subject to impairment assessment.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the “other gains and losses, net” line item.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Financial instruments** (Continued)

##### *Financial assets* (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including bank balances and cash, time deposits, refundable deposits, accounts and other receivables, loan receivable, and amounts due from related parties) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for accounts receivables and trade-related amounts due from related parties. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Financial instruments** (Continued)

##### *Financial assets* (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

#### (i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Financial instruments** (Continued)

##### *Financial assets* (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

#### (ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

#### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries made are recognised in profit or loss.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Financial instruments** (Continued)

##### *Financial assets* (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

#### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### *Financial liabilities and equity*

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Financial instruments** (Continued)

##### *Financial liabilities and equity* (Continued)

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Financial liabilities at amortised cost

Financial liabilities including accounts and other payables, loan payables, amounts due to related parties and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 *Material accounting policy information* (Continued)

#### **Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income included in accounts and other payables in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

#### **Employee benefits**

##### *Retirement benefit costs*

Payments to defined contribution retirement benefit plans, including government-managed retirement benefit schemes, are recognised as an expense when employees have rendered service entitling them to the contributions.

##### *Short-term employee benefits*

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Share-based payments**

##### *Equity-settled share-based payment transactions*

Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (equity-settled share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payments reserve.

Where the vesting period varies depending on when performance conditions are satisfied, the Group estimates the length of the expected vesting period at grant date, based on the most likely outcome of the performance condition. If the performance condition is a market condition, the estimate of the length of the expected vesting period would be consistent with the assumptions used in estimating the fair value of the equity instruments granted, and is not be subsequently revised. If the performance condition is not a market condition, the Group revises its estimate of the expected vesting period if subsequent information indicates that the expected vesting period differs from previous estimates.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in equity-settled share-based payments reserve will be transferred to retained profits.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Share-based payments** (Continued)

##### *Equity-settled share-based payment transactions* (Continued)

Restricted share units (“RSUs”) granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (equity-settled share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

When RSUs granted under RSU Scheme (as defined and detailed in Note 39) are vested, the amount previously recognised in equity-settled share-based payments reserve, against the nominal value recognised in share held for restricted share award scheme, will be transferred to share premium.

#### **Taxation**

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss) profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

#### 3.2 Material accounting policy information (Continued)

##### **Taxation** (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interest in a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

### 3.2 Material accounting policy information (Continued)

#### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

#### **Contingent liabilities**

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. 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.

### *Critical judgements in applying accounting policies*

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### **Contractual arrangements**

According to the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2018) ("Negative List"), medical institutions fall within the "restricted" investment category, and therefore may not be held 100% by foreign investments, and foreign investments are restricted to the form of sino-foreign equity joint venture or cooperative joint venture. In view of the foreign ownership restriction, the provision of private specialised medical services is subject to foreign investment restriction in accordance with the Negative List.

Chengdu Jinjiang Xinan Clinic Co., Ltd ("Chengdu Xinan Clinic", previously known as Chengdu Xinan Gynecological Hospital Co., Ltd), Shenzhen Zhongshan Hospital, Sichuan Jinxin Xinan Women & Children Hospital Co., Ltd ("Sichuan Jinxin Xinan Hospital", previously known as Sichuan Jinxin Women and Children Hospital Co., Ltd.), Yunnan Jinxin Jiuzhou Hospital Co., Ltd ("Yunnan Jiuzhou Hospital"), and Kunming Jinxin Hewanjia Obstetrics and Gynecology Hospital Co., Ltd. ("Kunming Hewanjia Hospital") (collectively referred to as "VIE Entities") were established under the laws of the PRC. The Group does not directly own 100% equity interests in the VIE Entities. Chengdu Xinan Clinic is currently held by Sichuan Jinxin Fertility Medical Management Co., Ltd. ("Sichuan Jinxin Fertility") as to 90% and Chengdu Jinrun Fude Medical Management Co., Ltd. ("Jinrun Fude") as to 10%. Shenzhen Zhongshan Hospital is currently held by Sichuan Jinxin Fertility as to 70%, Jinrun Fude as to 29.90% and another shareholder for the remaining. Sichuan Jinxin Xinan Hospital is currently held by Chengdu Jinyi Hongkang Corporate Management Co., Ltd. ("Jinyi Hongkang") as to 100%. Yunnan Jiuzhou Hospital and Kunming Hewanjia Hospital is currently held by Sichuan Jinxin Fertility as to 66.50% and Jinrun Fude as to 30% respectively and another shareholder for the remaining.

For the year ended 31 December 2025

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### *Critical judgement in applying accounting policies* (Continued)

#### **Contractual arrangements** (Continued)

Through the shareholdings and the contractual arrangements, the Group has acquired (i) effective control over the financial and operational policies of Chengdu Xinan Clinic and has become entitled to all the economic benefits from its operations; (ii) effective control over the financial and operational policies of Shenzhen Zhongshan Hospital and has become entitled to 99.90% of the economic benefits from its operations; (iii) effective control over the financial and operational policies of Sichuan Jinxin Xinan Hospital and has become entitled to all the economic benefits from its operations; and (iv) effective control over the financial and operational policies of Yunnan Jiuzhou Hospital and Kunming Hewanjia Hospital and become entitled to 96.50% of the economic benefits from each operation. The Directors believe that the contractual arrangements are narrowly tailored as they are used to enable the Group to conduct businesses in industries that are subject to foreign investment restrictions in the PRC.

#### **Control over the IVF fertility centers and clinics under IVF specialty collaboration agreements and management services agreement (“MSA”)**

The Group entered into a series of IVF specialty collaboration agreements and MSA with certain IVF and fertility centers and clinics, Huntington Reproductive Centre Medical Group (“HRC Medical”) and University of Southern California (“USC”), which the Group agrees to manage and operate the centers and clinics and receive performance-based fees in which the terms will automatically be renewed indefinitely unless terminated. The management assessed whether or not the Group has control over these centers and clinics through the IVF specialty collaboration agreements and MSA based on whether the Group has the practical ability to direct the relevant activities of the center and clinics unilaterally. In making their judgement, the Directors considered the composition of the internal governance bodies and controlling parties which oversee the operations of the centers and clinics. After assessment, the Directors concluded that the Group does not obtain the decision making power over these bodies and committees to direct the relevant activities of the centers. Accordingly, the Group does not control and thus does not consolidate those centers and clinics. Instead, these agreements are considered as management contracts to generate management service income. Details of the revenue generated from these management contracts are set out in Note 5.

#### **Useful life of trademarks and contractual right to provide management services**

The Group determines the useful life of the trademarks for Shenzhen Zhongshan Hospital, the trademarks for HRC Medical held by HRC Fertility Management, LLC (“HRC Management”), the trademarks for Jinxin Women Wellness Limited and its subsidiaries (collectively refer to as “Jinxin Women Group”), the trademarks for JINXIN Medical Management (BVI) Group Limited and its subsidiaries (collectively referred to as the “Jinxin Medical Group”), and the trademarks for Guangzhou Yunzhicai Technology Co., Ltd. (“Guangzhou Yunzhicai”), Guangdong Kangzhi Hospital Management Co., Ltd. (“Guangdong Kangzhi”), Guangzhou Hejia Management Consulting Co., Ltd. (“Guangzhou Hejia”) and their subsidiaries (collectively refer to as “Kunming Group”) to be indefinite considering the nature of the renewal process and additional economic sacrifices, if any, required when renewing the trademarks.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### *Critical judgement in applying accounting policies* (Continued)

#### **Useful life of trademarks and contractual right to provide management services** (Continued)

The Directors are of the opinion that the Group will renew the trademarks continuously and has the ability to do so. As a result, the trademarks are considered by the Directors to have an indefinite useful life and will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that it may be impaired. As at 31 December 2025, the carrying amount of the trademarks are RMB2,552,576,000 (31 December 2024: RMB2,682,046,000), with details set out in Note 22.

The Directors determine the useful life of the contractual right to provide management services to be indefinite based on an analysis of the period of control over the use of the rights (including the extension of the service contracts upon their maturity automatically for one additional year on each anniversary date unless terminated). Based on this analysis, the Directors consider the useful life of such contractual right to be indefinite because the right is expected to generate net cash inflows for the Group indefinitely and will not be amortised until its useful life is determined to be finite. As at 31 December 2025, the carrying amount of the contractual right to provide management services is RMB1,770,517,000 (31 December 2024: RMB2,026,410,000), with details set out in Note 21.

#### **Determination on lease term of contracts with extension options**

The Group applies judgment to determine the lease term for lease contracts in which it is a lessee that include extension option, specifically, the leases relating to the clinics in the United States of America (“U.S.A.”).

The assessment of whether the Group is reasonably certain to exercise extension options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised. Re-assessment is performed upon the occurrence of either a significant event or a significant change in circumstances that is within the control of lessee and that affects the assessment.

When assessing reasonable certainty, the Group considers all relevant facts and circumstances including economic incentives/penalties for exercising or not exercising the options. Factors considered include:

- contractual terms and conditions for the optional periods compared with market rates (e.g. whether the amount of payments in the optional periods is below the market rates);
- the extent of leasehold improvements undertaken by Group; and
- costs relating to termination of the lease (e.g. relocation costs, costs of identifying another underlying asset suitable for the Group’s needs).

The Directors consider the Group has significant economic incentive in those clinics and therefore is reasonably certain for the Group to exercise such options in order to operate the clinics until the end of the useful lives of the related property, plant and equipment.

For the year ended 31 December 2025

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### *Key sources of estimation uncertainty*

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### ***Estimated impairment of goodwill and intangible assets with indefinite useful life***

Determining whether goodwill and intangible assets comprising contractual right to provide management services, trademarks and license with indefinite useful life is impaired requires an estimation of the recoverable amount of the CGU (or group of CGUs) to which goodwill and intangible assets with indefinite useful life has been allocated, which is the higher of the value in use or fair value less costs of disposal. The Group's management, with the support of an independent valuer (as necessary), establishes the impairment assessment model and prepares a value-in-use calculation to estimate the future cash flows expected to arise from the CGU (or group of CGUs), taking into account key assumptions including growth rates of revenue, gross margin rate and pre-tax discount rate. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss may arise. During the year ended 31 December 2025, goodwill related to HRC Management Group (as defined in Note 21) amounting to RMB631,594,000 has been fully impaired and impairment amounting to RMB320,819,000 has been allocated pro rata to intangible assets of the CGU directly related to HRC Management Group. The Group also recognised an impairment loss of RMB40,166,000 (2024: Nil) against the license recognised upon the acquisition of Jinrui Medical Center due to its closure of operation in Laos. As at 31 December 2025, the carrying amount of goodwill is RMB2,873,085,000 (31 December 2024: RMB3,506,618,000) and that of intangible assets comprising (i) contractual right to provide management services is RMB1,770,517,000 (31 December 2024: RMB2,026,410,000), (ii) trademarks of RMB2,552,576,000 (31 December 2024: RMB2,682,046,000) and (iii) licenses with indefinite useful life of Nil (31 December 2024: RMB40,166,000). Details are set out in Note 23.

### ***Useful lives, depreciation and amortisation of property, plant and equipment, licenses with finite lives and non-compete agreement***

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment, licenses with finite lives and non-compete agreement. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions and management's expectation on the useful lives of the licenses and non-compete agreement based on industry practice and regulatory landscapes. Management will increase the depreciation/amortisation charge where useful lives are expected to be shorter than previously estimated. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable/amortisation lives and therefore depreciation/amortisation expense in future periods.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### *Key sources of estimation uncertainty* (Continued)

#### **Useful lives, depreciation and amortisation of property, plant and equipment, licenses with finite lives and non-compete agreement** (Continued)

As at 31 December 2025, the carrying amount of property, plant and equipment is RMB2,909,991,000 (31 December 2024: RMB2,811,993,000), net of accumulated depreciation of RMB817,194,000 (31 December 2024: RMB639,067,000). Details are set out in Note 16.

As at 31 December 2025, the carrying amount of licenses with finite lives was RMB1,401,232,000 (31 December 2024: RMB1,446,107,000), net of accumulated amortisation and impairment of RMB293,755,000 in aggregate (31 December 2024: net of accumulated amortisation of RMB208,714,000). Details are set out in Note 19.

As at 31 December 2025, the carrying amount of non-compete agreement with finite lives was RMB16,135,000 (31 December 2024: RMB18,186,000), net of accumulated amortisation of RMB6,265,000 (31 December 2024: RMB4,780,000). Details are set out in Note 20.

## 5. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for assisted reproductive and related services, management services, women health related services and others, obstetrics and related medical services, and sales of medical consumables and equipment, net of discounts.

During the years ended 31 December 2025 and 2024, the Group's revenue is mainly contributed from its operations in Chengdu, Shenzhen, Wuhan, Kunming, the U.S.A. and Hong Kong Special Administrative Region ("Hong Kong").

Information reported to the chief executive officer, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The information reported to CODM is categorised into various jurisdictions, each of which is considered as a separate operating segment by the CODM.

The Group's operating and reportable segments under IFRS 8 Operating Segments are operations located in the Mainland China and Hong Kong ("Greater China"), and the U.S.A. and Lao People's Democratic Republic ("Laos") (collectively referred to as "Overseas") during the years ended 31 December 2025 and 2024. The following is an analysis of the Group's revenue and results by operating and reportable segments.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 5. REVENUE AND SEGMENT INFORMATION (Continued)

For the year ended 31 December 2025:

	Greater China <i>RMB'000</i>	Overseas <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Revenue			
Segment revenue from external customers	2,030,987	618,086	2,649,073
Segment profit (loss)	194,798	(37,502)	157,296
Unallocated administrative expenses			(72,251)
Share-based compensation benefits			(28,541)
Impairment losses recognised on goodwill, licenses, contractual right to provide management services and trademarks			(992,579)
Certain exchange loss, net			(7,862)
Certain interest income from banks			7,741
Certain interest income from time deposits			91
Interest on bank borrowings			(46,856)
Loss before taxation			(982,961)

For the year ended 31 December 2024:

	Greater China <i>RMB'000</i>	Overseas <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Revenue			
Segment revenue from external customers	2,207,206	604,390	2,811,596
Segment profit (loss)	608,435	(3,917)	604,518
Unallocated administrative expenses			(93,857)
Share-based compensation benefits			(47,285)
Certain exchange loss, net			(24,820)
Fair value changes of investments in preferred shares measured at FVTPL			(7,052)
Certain interest income from banks			328
Certain interest income from time deposits			753
Interest on bank borrowings			(40,698)
Profit before taxation			391,887

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 5. REVENUE AND SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss) profit before taxation for each respective segment excluding unallocated administrative expenses (including the corporate expenses), impairment losses recognised on goodwill, licenses, contractual right to provide management services and trademarks, share-based compensation benefits, certain net exchange loss, certain interest income resulted from the corporate bank balances (including time deposits), and interest on bank borrowings. (2024: excluding unallocated administrative expenses (including the corporate expenses), share-based compensation benefits, certain net exchange loss, fair value changes of investments in preferred shares measured at FVTPL, certain interest income resulted from the corporate bank balances (including time deposits), and interest on bank borrowings).

### *Segment assets and liabilities*

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

### *Disaggregation of revenue from contracts with customers*

	2025 RMB'000	2024 RMB'000
<b>Types of services</b>		
Assisted reproductive and related services	<b>1,383,345</b>	1,477,125
Management services*	<b>497,696</b>	544,799
Women health related services and others	<b>356,562</b>	343,248
Obstetrics and related medical services	<b>288,544</b>	324,989
Sales of medical consumables and equipment	<b>122,926</b>	121,435
<b>Total</b>	<b>2,649,073</b>	2,811,596

	2025 RMB'000	2024 RMB'000
<b>Timing of revenue recognition</b>		
A point in time recognition	<b>1,382,683</b>	1,522,095
Over time recognition	<b>1,266,390</b>	1,289,501
<b>Total</b>	<b>2,649,073</b>	2,811,596

\* During the year ended 31 December 2025, the Group provided management service to IVF and fertility centers and maternity institutions amounted to RMB487,443,000 and RMB10,253,000, respectively (2024: RMB516,349,000 and RMB28,450,000, respectively).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 5. REVENUE AND SEGMENT INFORMATION (Continued)

### *Segment assets and liabilities* (Continued)

#### **Disaggregation of revenue from contracts with customers** (Continued)

All services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. The Group applies the practical expedient of not disclosing the information about its remaining performance obligation when the performance obligation is part of a contract that has an original expected duration of one year or less.

#### **Geographical information**

At 31 December 2025, the non-current assets located in the Greater China and Overseas amounted to RMB8,880,708,000 and RMB3,582,390,000, respectively (31 December 2024: RMB9,070,095,000 and RMB4,362,767,000, respectively). Non-current assets as at 31 December 2025 exclude equity instrument at FVTOCI, loans receivable, refundable deposits, deferred tax assets and amounts due from related parties -non-current (31 December 2024: exclude equity instrument at FVTOCI, loans receivable, financial assets at FVTPL, refundable deposits, deferred tax assets and amounts due from related parties -non-current).

#### **Information about major customers**

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Overseas:		
HRC Medical	476,074	468,891

## 6. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income from banks	9,303	5,257
Interest income from time deposits	91	2,014
Government grants ( <i>Note</i> )	5,062	12,335
Consulting service income	3,597	4,165
Others	9,750	11,310
	<b>27,803</b>	35,081

*Note:* The government grants mainly comprise the basic medical subsidies, which is compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, and incentives received related to enhancing healthcare facility development, which are asset-related and recognised as deferred income as disclosed in Note 34 and then amortised in profit or loss systematically.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 7. OTHER EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contribution to Jinjiang District Maternity and Child Health Hospital ("Jinjiang Maternity") ( <i>Note</i> )	50,000	–
Compensations	2,439	1,744
Others	3,844	3,150
	<b>56,283</b>	4,894

*Note:* During the current year, the Group provided one-off contribution amounted to RMB50,000,000 to Jinjiang Maternity with the special aim of enhancing Jinjiang Maternity's capacity and sustainability of the management service (2024: Nil). Jinjiang Maternity is a non-profit maternity and child healthcare hospital established in the PRC and the Group provides management service to Jinjiang Maternity in return for management service fees. Jinjiang Maternity is no longer a related party as the entity does not have the same beneficial shareholders with the Company since 19 January 2024.

## 8. OTHER GAINS AND LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss on disposal/write-off of property, plant and equipment	(493)	(64)
Exchange loss, net	(8,699)	(24,173)
Fair value change of other financial assets at FVTPL	401	2,158
Fair value change of investments in preferred shares measured at FVTPL	–	(7,052)
Gain on early termination of leases	373	104
Fair value change of financial assets at FVTPL ( <i>Note 25</i> )	2,062	–
Others	(286)	1,398
	<b>(6,642)</b>	(27,629)

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 9. IMPAIRMENT LOSSES UNDER ECL MODEL

	2025 RMB'000	2024 RMB'000
Impairment losses recognised in respect of		
– Refundable deposit ( <i>Note</i> )	20,000	–
– Amounts due from related parties ( <i>Note 30</i> )	79,009	–
	<b>99,009</b>	–

*Note:*

Pursuant to the subscription deposit agreement entered into between the Group and an independent party on 15 June 2021, the Group paid a refundable deposit of RMB50,000,000 for a potential investment. In accordance with the final arbitration dated 15 May 2025, the independent third party shall refund RMB25,000,000 to the Group. As a result, the Group has recognised an ECL provision of RMB20,000,000 (2024: Nil) and written off the carrying amounts of this refundable deposit during the year ended 31 December 2025. The carrying amount of the refundable deposits to the independent third party was Nil as at 31 December 2025 (2024: RMB45,000,000).

## 10. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on bank borrowings ( <i>Note</i> )	46,856	40,698
Interest on lease liabilities	24,199	16,708
	<b>71,055</b>	57,406

*Note:*

	2025 RMB'000	2024 RMB'000
Total borrowing costs	109,705	122,462
Less: amounts capitalised in construction in progress	(62,849)	(81,764)
	<b>46,856</b>	40,698

Borrowing costs capitalised during the year ended 31 December 2025 arose on the specific borrowings with a weighted average rate of 3.40% (2024: 3.69%) per annum and general borrowings are calculated by applying a capitalization rate of 4.97% (2024: Nil) per annum to expenditure on qualifying assets.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 11. (LOSS) PROFIT BEFORE TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss) profit before taxation has been arrived at after charging:		
Auditor's remuneration	<b>4,367</b>	5,799
Employee benefit expense (including directors' remuneration) ( <i>Note 13</i> )		
– salaries, allowances and other benefits	<b>773,524</b>	771,577
– retirement benefit schemes contributions	<b>106,885</b>	97,691
– share-based compensation benefits	<b>28,541</b>	47,285
<b>Total staff costs</b>	<b>908,950</b>	916,553
Cost of inventories recognised as expenses (representing pharmaceutical products and consumables used, included in cost of revenue)	<b>803,868</b>	757,425
Amortisation of licenses (included in administrative expenses)	<b>44,875</b>	44,875
Amortisation of non-compete agreement (included in administrative expenses)	<b>1,485</b>	1,480
Depreciation of property, plant and equipment	<b>216,295</b>	157,123
Depreciation of right-of use assets	<b>87,064</b>	78,038
Less: capitalised in building under construction	<b>(3,715)</b>	(3,715)
Depreciation of right-of-use assets recognised in profit and loss	<b>83,349</b>	74,323

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 12. INCOME TAX EXPENSES

	2025 RMB'000	2024 RMB'000
Current tax:		
PRC Enterprise Income Tax ("EIT")	78,801	112,130
Over provision in respect of prior year	(2,373)	(14,136)
Hong Kong Profits Tax	4,154	3,443
California State Income Tax	538	159
	<b>81,120</b>	101,596
Withholding tax	<b>14,323</b>	3,586
Deferred tax:		
Current year ( <i>Note 36</i> )	<b>(94,519)</b>	13,238
	<b>924</b>	118,420

The Company is tax exempted under the laws of the Cayman Islands and its subsidiaries incorporated in the BVI are also tax exempted under the laws of the BVI from a BVI tax perspective.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for years 2025 and 2024.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT Law, the statutory EIT rate of subsidiaries of the Company operating in the PRC is 25%, except for certain subsidiaries that are engaged in "the Encouraged Industries in the Western Region" and eligible for the preferential EIT rate at 15%. The Company's subsidiaries that are tax residents in the PRC are subject to the PRC dividend withholding tax of 10% for the non-PRC tax resident immediate holding Company established in Hong Kong, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after 1 January 2008.

Certain subsidiaries of the Company (the "US Entities") are subject to U.S.A. corporate tax representing 21% of the applicable U.S.A. Federal Income Tax rate and an average of 8.84% for California State Income Tax rate for the years ended 31 December 2025 and 2024 for their operations in the U.S.A. During the years ended 31 December 2025 and 2024, no U.S.A Federal Income Tax was recognised as the US Entities were in a loss position at the consolidated level.

Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to the retained profits of the PRC subsidiaries amounting to approximately RMB560,924,000 as at 31 December 2025 (31 December 2024: RMB1,147,074,000), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 12. INCOME TAX EXPENSES (Continued)

The income tax expenses for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss) profit before taxation	<b>(982,961)</b>	391,887
Tax at PRC EIT rate of 25%	<b>(245,740)</b>	97,972
Tax effect of share of results of associates	<b>(3,163)</b>	(978)
Tax effect of share of results of a joint venture	<b>259</b>	(310)
Tax effect of expenses not deductible for tax purposes	<b>175,843</b>	1,706
Over provision in respect of prior year	<b>(2,373)</b>	(14,136)
Tax effect of income not taxable for tax purpose	<b>(6,827)</b>	(6,044)
Tax effect of research and development expense additional deduction	<b>(5,865)</b>	(6,666)
Effect of tax exemption and concessions granted to PRC subsidiaries	<b>(33,827)</b>	(55,126)
Utilisation of tax losses previously not recognised	-	(216)
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>(9,970)</b>	(5,033)
Withholding tax on interest income among subsidiaries	<b>4,323</b>	3,586
Withholding tax on dividend income among subsidiaries	<b>10,000</b>	-
Tax effect of tax loss not recognised	<b>118,264</b>	103,665
Income tax expenses	<b>924</b>	118,420

At the end of the reporting period, the Group has accumulated unused tax losses of RMB1,822,412,000 (2024: RMB1,346,839,000), subject to approval of relevant tax authorities, available for offset against future profits and recognised accumulated tax losses of RMB465,835,000 (2024: RMB463,320,000) as deferred tax asset. The unrecognised tax losses of RMB274,306,000 (2024: RMB159,834,000) will expire in various years before 2030 (2024: 2029) and other unrecognised tax losses may be carried forward indefinitely.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 13. DIRECTORS', CHIEF EXECUTIVE AND EMPLOYEES' EMOLUMENTS

### (a) Directors and the chief executive

Details of the emoluments paid or payable to the Directors and chief executive of the Company for the year for his services rendered to the entities comprising the Group are as follows:

	Fees RMB'000	Share-based compensation benefits* RMB'000	Salaries and allowances RMB'000	Performance- related incentive payments** RMB'000	Retirement benefit schemes contributions RMB'000	Total RMB'000
<b>For the year ended 31 December 2025</b>						
<b>Executive directors:</b>						
Mr. Dong Yang (董陽)	-	1,643	507	805	8	2,963
Dr. Lyu Rong (呂蓉)	-	66	947	2,221	103	3,337
Dr. Geng Lihong (耿麗紅)	-	-	861	445	1	1,307
Dr. John G. Wilcox (Note ii)	-	2,778	-	-	-	2,778
<b>Chairman and non-executive director</b>						
Mr. Zhong Yong (鐘勇) (Note ii)	450	-	292	1,366	16	2,124
<b>Non-executive directors:</b>						
Mr. Fang Min (方敏) (Notes i&ii)	-	-	-	-	-	-
Mr. Chen Shuyun (陳樹云) (Note ii)	275	-	-	-	-	275
Ms. Hu Zhe (胡喆)	-	-	-	-	-	-
Ms. Yan Xiaoping (嚴曉晴)	-	-	961	400	17	1,378
<b>Independent non-executive directors:</b>						
Mr. Ye Changqing (葉長青)	275	-	-	-	-	275
Mr. Wang Xiaobo (王曉波)	275	-	-	-	-	275
Dr. Chong Yat Keung (莊一強)	275	-	-	-	-	275
Dr. Li Jianwei (李建偉)	275	-	-	-	-	275
	1,825	4,487	3,568	5,237	145	15,262

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 13. DIRECTORS', CHIEF EXECUTIVE AND EMPLOYEES' EMOLUMENTS

(Continued)

### (a) Directors and the chief executive (Continued)

	Fees RMB'000	Share-based compensation benefits* RMB'000 (restated)	Salaries and allowances RMB'000	Performance- related incentive payments** RMB'000	Retirement benefit schemes contributions RMB'000	Total RMB'000 (restated)
<b>For the year ended 31 December 2024</b>						
<b>Chairman and chief executive director</b>						
Mr. Zhong Yong (鍾勇)	-	2,684	1,217	1,229	16	5,146
<b>Executive directors:</b>						
Mr. Dong Yang (董陽)	-	-	439	-	8	447
Dr. Lyu Rong (呂蓉)	-	2,231	1,015	1,813	88	5,147
Dr. Geng Lihong (耿麗紅)	-	247	866	527	53	1,693
Dr. John G. Wilcox	-	2,149	-	-	-	2,149
<b>Non-executive directors:</b>						
Mr. Fang Min (方敏) (Note i)	-	-	-	-	-	-
Ms. Hu Zhe (胡喆)	-	-	-	-	-	-
Ms. Yan Xiaoqing (嚴曉晴)	-	-	914	-	82	996
<b>Independent non-executive directors:</b>						
Mr. Ye Changqing (葉長青)	274	-	-	-	-	274
Mr. Wang Xiaobo (王嘯波)	274	-	-	-	-	274
Dr. Chong Yat Keung (莊一強)	274	-	-	-	-	274
Dr. Li Jianwei (李建偉)	274	-	-	-	-	274
	1,096	7,311	4,451	3,569	247	16,674

\* Share-based compensation benefits for both years represent the gains arising from RSUs that vested during the respective years, in respect of services rendered to the Group, under the Company's RSU Scheme. The RSUs are measured at the market price of shares of the Company at the date of vesting. The comparative figures for the year ended 31 December 2024 have been restated on the same basis, so as to conform with the presentation adopted in the current year. No share options granted to the Directors vested during the years ended 31 December 2024 and 2025.

\*\* Performance-related incentive payments are determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 13. DIRECTORS', CHIEF EXECUTIVE AND EMPLOYEES' EMOLUMENTS

(Continued)

### (a) Directors and the chief executive (Continued)

Notes:

- i. Mr. Fang Min did not receive any emoluments from the Group during the years ended 31 December 2025 and 2024.
- ii. During the year ended 31 December 2025, Mr. Zhong Yong has been redesignated from an executive director to a non-executive director of the Company on 28 March 2025, Dr. John G. Wilcox resigned as the executive director of the Company on 27 August 2025, Mr. Fang Min resigned as the executive director of the Company on 25 September 2025 and Mr. Chen Shuyun was appointed as the executive director of the Company on 25 September 2025.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were for their services as Directors and its subsidiaries, if applicable. The independent non-executive directors' emoluments shown above were for their services as Directors.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the years ended 31 December 2025 and 2024.

### (b) Employees

The five highest paid individuals of the Group during the year included one director for the year ended 31 December 2025 (2024: two directors). Details of the remuneration for the year of the remaining four (2024: three) who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and allowances	21,670	19,872
Performance-related incentive payments	3,967	1,337
Retirement benefit schemes contributions	70	70
Share-based compensation benefits ( <i>Note</i> )	-	1,531
	<b>25,707</b>	22,810

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 13. DIRECTORS', CHIEF EXECUTIVE AND EMPLOYEES' EMOLUMENTS

(Continued)

### (b) *Employees* (Continued)

The number of the highest paid employees (including directors) whose remuneration fell within the following bands is as follows:

	2025	2024 (Note)
Hong Kong dollars ("HK\$") 3,500,001 to HK\$4,000,000	4	–
HK\$4,000,001 to HK\$4,500,000	–	1
HK\$5,500,001 to HK\$6,000,000	–	3
HK\$15,000,001 to HK\$15,500,000	–	1
HK\$16,000,001 to HK\$16,500,000	1	–
	<b>5</b>	<b>5</b>

*Note:* Share-based compensation benefits are determined on the same basis as the directors' emoluments disclosed in (a) above and the comparative figures for the year ended 31 December 2024 have been restated.

During the years ended 31 December 2025 and 2024, certain non-directors and non-chief executive highest paid employees were granted RSUs, in respect of their services to the Group under the RSU Scheme of the Company. Details of the RSUs are set out in Note 39 to the Group's consolidated financial statements.

During the years ended 31 December 2025 and 2024, no emolument was paid by the Group to the Directors, or the five highest paid individuals (including the Directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors nor the five highest paid individuals waived any emoluments during the years ended 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 14. DIVIDENDS

	2025 RMB'000	2024 RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 final – Nil (2024: 2023 final – HK\$5.95 cents) <i>(Note)</i>	–	150,000

*Note:* No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025. Final cash dividend in respect of the year ended 31 December 2025 of HK\$4.18 cents (equivalent to RMB3.70 cents) per ordinary share, in an aggregate amount of RMB100,000,000, has been proposed by the board of directors on 26 March 2026 and is subject to approval by the shareholders in the forthcoming annual general meeting.

Final cash dividend in respect of the year ended 31 December 2023 of HK\$5.95 cents (equivalent to RMB5 cents) per ordinary share, in an aggregate amount of RMB150,000,000, has been proposed by the Directors and approved by the shareholders in the annual general meeting held on 25 June 2024.

## 15. (LOSS) EARNINGS PER SHARE

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

	2025 RMB'000	2024 RMB'000
<b>Earnings</b>		
(Loss) earnings for the purpose of basic (loss) earnings per share		
(Loss) profit for the year attributable to owners of the Company	<b>(976,146)</b>	283,099

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 15. (LOSS) EARNINGS PER SHARE (Continued)

	2025 '000	2024 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<b>2,742,365</b>	2,680,805
Effect of dilutive potential ordinary shares:		
– Restricted Shares Units (“RSUs”)	–	38,377
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	<b>2,742,365</b>	2,719,182

For the years ended 31 December 2025 and 2024, the weighted average number of ordinary shares for the purpose of calculation of basic (loss) earnings per share has been adjusted for the effect of ordinary shares held by the nominee under the RSU Scheme by the RSU Scheme’s Nominee and the effect of the ordinary shares issued by the Company as described in Note 38.

For the years ended 31 December 2024, the weighted average number of ordinary shares for the purpose of calculation of diluted (loss) earnings per share has been adjusted for the effect of assumption of the conversion of all potential dilutive ordinary shares arising from RSUs.

For the year ended 31 December 2025, the Group incurred a net loss attributable to ordinary shareholders of RMB976,146,000. The assumed exercise of all potential ordinary shares, including RSUs and share options, would result in a reduction in the loss per share and is therefore anti-dilutive. Accordingly, such potential ordinary shares have not been included in the computation of diluted loss per share. As a result, diluted loss per share is same as basic loss per share.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 16. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Medical equipment <i>RMB'000</i>	Office equipment, furniture and fixtures <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
<b>COST</b>							
At 1 January 2024	813,043	355,266	200,437	130,063	8,351	1,578,852	3,086,012
Additions	-	20,249	39,904	14,710	721	296,956	372,540
Disposals/write-off	-	(467)	(10,805)	(712)	(184)	-	(12,168)
Reclassification	20,386	246	38	-	-	(20,670)	-
Exchange realignment	-	2,718	1,075	746	4	133	4,676
At 31 December 2024	833,429	378,012	230,649	144,807	8,892	1,855,271	3,451,060
Additions	4,394	26,989	39,507	22,122	99	224,616	317,727
Disposals/write-off	(3,288)	(739)	(24,816)	(3,373)	(634)	-	(32,850)
Reclassification	1,710,933	312,203	8,782	41,026	-	(2,072,944)	-
Exchange realignment	-	(5,318)	(1,888)	(1,370)	(3)	(173)	(8,752)
At 31 December 2025	<b>2,545,468</b>	<b>711,147</b>	<b>252,234</b>	<b>203,212</b>	<b>8,354</b>	<b>6,770</b>	<b>3,727,185</b>
<b>DEPRECIATION</b>							
At 1 January 2024	202,198	133,915	91,139	59,020	4,499	-	490,771
Provided for the year	41,825	47,475	39,529	26,878	1,416	-	157,123
Eliminated on disposals/write-off	-	(90)	(9,478)	(508)	(175)	-	(10,251)
Exchange realignment	-	647	86	691	-	-	1,424
At 31 December 2024	244,023	181,947	121,276	86,081	5,740	-	639,067
Provided for the year	44,457	99,556	47,837	23,720	725	-	216,295
Eliminated on disposals/write-off	(3,123)	(440)	(24,815)	(3,373)	(564)	-	(32,315)
Exchange realignment	-	(3,632)	(1,250)	(970)	(1)	-	(5,853)
At 31 December 2025	<b>285,357</b>	<b>277,431</b>	<b>143,048</b>	<b>105,458</b>	<b>5,900</b>	<b>-</b>	<b>817,194</b>
<b>CARRYING VALUES</b>							
At 31 December 2024	589,406	196,065	109,373	58,726	3,152	1,855,271	2,811,993
At 31 December 2025	<b>2,260,111</b>	<b>433,716</b>	<b>109,186</b>	<b>97,754</b>	<b>2,454</b>	<b>6,770</b>	<b>2,909,991</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Note:

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives, using the straight-line method and at the following rates per annum:

Buildings	5%
Leasehold improvements	10% to 20% or lease term, whichever is shorter
Medical equipment	10% to 15%
Office equipment, furniture and fixtures	20%
Motor vehicles	20%

## 17. RIGHT-OF-USE ASSETS

	<b>Leasehold land</b>	<b>Leased properties</b>	<b>Equipment</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2024</b>				
Carrying amount	163,122	289,838	5,949	458,909
<b>As at 31 December 2025</b>				
Carrying amount	<b>159,408</b>	<b>319,536</b>	<b>5,216</b>	<b>484,160</b>
<b>For the year ended 31 December 2025</b>				
Depreciation charge	<b>3,714</b>	<b>81,061</b>	<b>2,289</b>	<b>87,064</b>
<b>For the year ended 31 December 2024</b>				
Depreciation charge	3,715	72,068	2,255	78,038

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 17. RIGHT-OF-USE ASSETS (Continued)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Expense relating to short-term leases	<b>3,335</b>	2,990
Expense relating to lease of low-value assets, excluding short-term leases of low-value assets	<b>334</b>	71
Total cash outflow for leases	<b>94,225</b>	116,821
Additions to right-of-use assets	<b>121,356</b>	7,085

During the years ended 31 December 2025 and 2024, the Group leases various clinics, offices, hospital, equipment and land use right for its operations. Lease contracts are entered into for fixed term of 2 to 50 years (2024: 2 to 50 years), but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for property. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

During the year ended 31 December 2025, the Group early terminated one lease in the PRC which right-of-use assets of approximately RMB4,491,000 and lease liabilities of approximately RMB4,864,000 have been de-recognised (2024: the Group early terminated one lease in U.S.A. which right-of-use assets of approximately RMB426,000 and lease liabilities of approximately RMB530,000 have been de-recognised).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 17. RIGHT-OF-USE ASSETS (Continued)

### *Extension options*

The Group has extension options in a number of leases for leased properties in the U.S.A.. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The potential exposures to these future lease payments for extension options in which the Group is not reasonably certain to exercise is summarised below:

	<b>Lease liabilities recognised as at 2025</b>	<b>Potential future lease payments not included in lease liabilities (undiscounted) 2025</b>	<b>Lease liabilities recognised as at 2024</b>	<b>Potential future lease payments not included in lease liabilities (undiscounted) 2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Clinics – U.S.A.	<b>54,337</b>	<b>128,957</b>	65,159	131,885
Office – U.S.A.	<b>7,733</b>	<b>17,424</b>	11,058	17,820

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 December 2025 and 2024, there is no such triggering event.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 18. GOODWILL

	<i>RMB'000</i>
<b>COST</b>	
At 1 January 2024	3,495,983
Exchange realignment	10,635
At 31 December 2024	3,506,618
Impairment loss recognised in the year ( <i>Note 23</i> )	(631,594)
Exchange realignment	(1,939)
At 31 December 2025	<b>2,873,085</b>

Particulars regarding impairment testing on goodwill are disclosed in Note 23.

## 19. LICENSES

	<i>RMB'000</i>
<b>COST</b>	
At 1 January 2024, 31 December 2024 and 2025	1,694,987
<b>AMORTISATION</b>	
At 1 January 2024	163,839
Provided for the year	44,875
At 31 December 2024	208,714
Provided for the year	44,875
At 31 December 2025	<b>253,589</b>
<b>IMPAIRMENT</b>	
At 1 January 2024 and 31 December 2024	–
Impairment loss recognised in the year ( <i>Note 23</i> )	40,166
At 31 December 2025	<b>40,166</b>
<b>CARRYING VALUES</b>	
At 31 December 2024	1,486,273
At 31 December 2025	<b>1,401,232</b>

## 19. LICENSES (Continued)

At 31 December 2025, the carrying amount of RMB1,401,232,000 (2024: RMB1,486,273,000) of licenses mainly comprises of licenses in Shenzhen, Wuhan, Chengdu and Kunming (2024: Shenzhen, Wuhan, Chengdu, Kunming and Laos).

### Notes:

a. License with finite useful life in Shenzhen

The amount is determined based on the acquisition-date fair value of the medical practice license ("Medical Practice License") upon the acquisition of Shenzhen Zhongshan Hospital on 31 January 2017. Based on the capabilities and successful history without incurring significant expenses on the renewals of the Medical Practice License and the passing of the inspection on the assisted reproduction technology practice in Shenzhen Zhongshan Hospital to maintain certification, the Directors believe that it is appropriate and in line with industry practice to estimate continuous renewals of the Medical Practice License, which has a legal life of 2.4 years at date of acquisition and is renewable every 5 years, and hence an estimated useful life of 32.4 years at its acquisition in January 2017.

b. License with indefinite useful life in Laos

The acquisition-date fair value of the Medical Practice License was recognised upon the acquisition of Jinrui Medical Center with a consideration of RMB40,166,000 on 29 February 2020. The license has a legal life of one year but is renewable every year at minimal cost. The Directors are of the opinion that the Group would renew the license continuously and has the ability to do so. The license is considered by the management of the Group to have an indefinite useful life because it is expected to contribute to net cash inflows indefinitely and will not be amortised until its useful lives are determined to be finite. Instead it is tested for impairment annually and whenever there is an indication that it may be impaired. During the year ended 31 December 2025, the Group recognised an impairment loss of RMB40,166,000 (2024: Nil) against the license recognised upon the acquisition of Jinrui Medical Center due to its closure of operations in Laos.

c. License with finite useful life in Wuhan

The acquisition-date fair value of the Medical Practice License was recognised upon the acquisition of Wuhan Jinxin Integrated Gynecology and Obstetrics Hospital Co., Ltd ("Wuhan Jinxin Hospital") on 14 July 2020. Based on the capabilities and successful history without incurring significant expenses on the renewals of the Medical Practice License and the passing of the inspection on the assisted reproduction technology practice in Wuhan Jinxin Hospital to maintain certification, the Directors believe that it is appropriate and in line with industry practice to estimate continuous renewals of the Medical Practice License, which has a legal life of 9.5 years at date of acquisition and is renewable every 15 years, and hence an estimated useful life of 39.5 years at its acquisition in July 2020.

d. License with finite useful life in Chengdu

The acquisition-date fair value of the Medical Practice License was recognised upon the acquisition of Jinxin Medical Group on 26 November 2021. Based on the capabilities and successful history without incurring significant expenses on the renewals of the Medical Practice License in Jinxin Medical Group to maintain certification, the Directors believe that it is appropriate and in line with industry practice to estimate continuous renewals of the Medical Practice License, which has a legal life of 10.1 years at date of acquisition and is renewable every 15 years, and hence an estimated useful life of 40.1 years at its acquisition in November 2021.

e. License with finite useful life in Kunming

The acquisition-date fair value of the Medical Practice License was recognised upon the acquisition of Kunming Group on 13 July 2022. Based on the capabilities and successful history without incurring significant expenses on the renewals of the Medical Practice License in Kunming Group to maintain certification, the Directors believe that it is appropriate and in line with industry practice to estimate continuous renewals of the Medical Practice License, which has a legal life of 6 years at date of acquisition and is renewable every 15 years, and hence an estimated useful life of 36 years at its acquisition in July 2022.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 20. NON-COMPETE AGREEMENT

RMB'000

### **COST**

At 1 January 2024	22,474
Exchange realignment	492
At 31 December 2024	22,966
Exchange realignment	(566)
At 31 December 2025	<b>22,400</b>

### **AMORTISATION**

At 1 January 2024	3,300
Provided for the year	1,480
Exchange realignment	*
At 31 December 2024	4,780
Provided for the year	1,485
Exchange realignment	*
At 31 December 2025	<b>6,265</b>

### **CARRYING VALUES**

At 31 December 2024	18,186
At 31 December 2025	<b>16,135</b>

\* The amount is less than RMB1,000.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 21. CONTRACTUAL RIGHT TO PROVIDE MANAGEMENT SERVICES

RMB'000

### COST

At 1 January 2024	1,996,613
Exchange realignment	29,797
At 31 December 2024	2,026,410
Exchange realignment	(40,337)
At 31 December 2025	<b>1,986,073</b>

### IMPAIRMENT

At 1 January 2024 and 31 December 2024	–
Impairment loss recognised in the year (Note 23)	215,556
At 31 December 2025	<b>215,556</b>

### CARRYING AMOUNT

At 31 December 2024	2,026,410
At 31 December 2025	<b>1,770,517</b>

Contractual right to provide management services was acquired through the acquisition of HRC Management and its subsidiary (collectively referred to as “HRC Management Group”) on 24 December 2018.

Contractual right to provide management services represents the MSA with HRC Medical for a period of 20 years which will automatically be extended for one additional year on each anniversary date unless terminated.

On 22 January 2019, the overall management service arrangement was reviewed by the Group and, among others, the MSA was replaced with the new MSA (“New MSA”) to optimise the overall business arrangement. The scope of service under the MSA and the New MSA generally remains the same. Under the New MSA, the management fee is equal to 90% of all gross revenue of HRC Medical accrued during the preceding month, subject to adjustment stated in the New MSA. The New MSA has a term of 20 years commencing from 1 January 2019 and shall automatically extend for one additional year on each anniversary date unless terminated.

Contractual right to provide management services is considered by the management of the Group to have an indefinite useful life because it is expected to contribute to net cash inflows indefinitely and will not be amortised until its useful life is determined to be finite. Instead, it is tested for impairment annually and whenever there is an indication that they may be impaired. During the year ended 31 December 2025, the Group has recognised impairment loss of contractual right to provide management services amounting to RMB215,556,000 (2024: Nil). Particulars regarding impairment testing are disclosed in Note 23.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 22. TRADEMARKS

	<i>RMB'000</i>
<b>COST</b>	
At 1 January 2024 ( <i>Note</i> )	2,664,197
Exchange realignment	17,849
At 31 December 2024	2,682,046
Exchange realignment	(24,207)
At 31 December 2025	<b>2,657,839</b>
<b>IMPAIRMENT</b>	
At 1 January 2024 and 31 December 2024	–
Impairment loss recognised in the year ( <i>Note 23</i> )	105,263
At 31 December 2025	105,263
<b>CARRYING VALUES</b>	
At 31 December 2024	2,682,046
At 31 December 2025	<b>2,552,576</b>

*Note:*

The Group's trademarks as at 1 January 2024 were acquired through the acquisition of Shenzhen Zhongshan Hospital, HRC Management Group, an asset acquisition in the U.S.A, Jinxin Women Group, Jinxin Medical Group and Kunming Group on 31 January 2017, 24 December 2018, 25 September 2020, 5 September 2021, 26 November 2021 and 13 July 2022, respectively. The trademark acquired from Shenzhen Zhongshan Hospital has a legal life of 10 years but is renewable every 10 years at minimal cost, the trademarks of HRC Medical from the acquisition of HRC Management Group have legal lives of 10 years and are renewable for same consecutive period six months before expiry at minimal cost, the trademark acquired from an asset acquisition in the U.S.A. for the use of HRC Management Group has legal life of 10 years and is renewable for every 10 years at minimal cost, the trademarks acquired from Jinxin Women Group has a legal life of one year but is renewable every year at minimal cost and the trademark acquired from Jinxin Medical Group and Kunming Group have a legal life of 10 years and is renewable for every 10 years at minimal cost.

The Directors are of the opinion that the Group would renew the trademarks continuously and has the ability to do so. The trademarks are considered by the management of the Group to have an indefinite useful life because they are expected to contribute to net cash inflows indefinitely and will not be amortised until their useful lives are determined to be finite. The acquisition-date fair value is determined by the Directors, and comprises the aggregate value of the trademarks as determined using the discounted cash flow method under income approach, which is, among others, based on the projected cash flows generated from the use of their respective trademarks. The estimated future cash flows involves key assumptions including growth rates of revenue, gross margin rate and pre-tax discount rate. These trademarks are tested for impairment annually and whenever there is an indication that they may be impaired. During the year ended 31 December 2025, the Group has recognised impairment loss of trademarks related to HRC Management Group amounting to RMB105,263,000 (2024: Nil). Particulars regarding impairment testing of the trademarks acquired from Shenzhen Zhongshan Hospital, HRC Management Group, an asset acquisition in U.S.A., Jinxin Women Group, Jinxin Medical Group and Kunming Group are disclosed in Note 23.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

For the purposes of impairment testing, goodwill, contractual right to provide management services, trademarks, licenses and non-compete agreement acquired set out in Notes 18, 21, 22, 19 and 20, respectively, have been allocated to seven (2024: seven) individual CGUs and a group of CGUs (2024: a group of CGUs). The carrying amounts of goodwill, contractual right to provide management services, trademarks, licenses and non-compete agreement as at 31 December 2025 and 2024 allocated to these CGUs are as follows:

	Goodwill		Contractual right to provide management services		Trademarks		Licenses		Non-compete agreement	
	as at 31 December		as at 31 December		as at 31 December		as at 31 December		as at 31 December	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Shenzhen Zhongshan Hospital	221,637	221,637	-	-	246,900	246,900	309,198	322,353	-	-
HRC Management Group	-	631,990	1,770,517	2,026,410	996,984	1,124,951	-	-	-	-
Wuhan Jinxin Hospital	118,865	118,865	-	-	-	-	323,319	332,824	-	-
Jinrui Medical Center	-	-	-	-	-	-	-	40,166	-	-
Jinxin Women Group	61,096	62,639	-	-	59,523	61,026	-	-	16,135	18,186
Jinxin Medical Group	1,953,063	1,953,063	-	-	940,073	940,073	467,256	480,219	-	-
Kunming Group	470,973	470,973	-	-	309,096	309,096	301,459	310,711	-	-
Sichuan Jinxin Reproductive Life and Health Research Co., Ltd. ("Yongshenghengfu")*	47,451	47,451	-	-	-	-	-	-	-	-
	<b>2,873,085</b>	<b>3,506,618</b>	<b>1,770,517</b>	<b>2,026,410</b>	<b>2,552,576</b>	<b>2,682,046</b>	<b>1,401,232</b>	<b>1,486,273</b>	<b>16,135</b>	<b>18,186</b>

\* The goodwill acquired by the Group during the business combination of Yongshenghengfu on 22 December 2022 has, from the acquisition date, been allocated to a group of CGUs that are expected to benefit from the synergies of the business combination. The group of CGUs includes Jinxin Medical Group and Chengdu Xinan Clinic (collectively refer to "Chengdu Group").

For the year ended 31 December 2025

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(Continued)

During the six months ended 30 June 2025, the operating performance of HRC Management and its subsidiaries (collectively referred to as the “HRC Management Group”) fell below projections and the implementation of California’s insurance coverage for IVF under Senate Bill 729 was postponed. In response, the Group adjusted its strategic direction and performed revision on its cash flow projections accordingly. The recoverable amount of HRC Management Group is determined based on a value in use calculation. The Group has consequently recognised impairment of goodwill and intangible assets directly related to HRC Management Group amounting to RMB952,413,000 (2024: Nil). Goodwill related to HRC Management Group amounting to RMB631,594,000 has been fully impaired and impairment amounting to RMB320,819,000 has been allocated pro rata to intangible assets of the CGU directly related to HRC Management Group, to the extent that the carrying amount of these intangible assets are not reduced below the highest of (i) fair value less costs of disposal, (ii) value in use, and (iii) zero. Accordingly, the Group has recognised impairment loss of contractual right to provide management services and trademarks amounting to RMB215,556,000 and RMB105,263,000 respectively (2024: Nil impairment of contractual right to provide management services and trademarks was recognised). As at 31 December 2025, based on the assessment of the Group, the recoverable amount of HRC Management Group exceeds its carrying amount by RMB23,104,000. Although headroom exists for HRC Management Group, no significant improvement in forecast assumptions was identified compared with 30 June 2025, and accordingly no change was made to the impairment loss recognised during the interim period. The recoverable amount of the HRC Management Group amounted to RMB2,110,552,000 as at 31 December 2025 (2024: RMB3,229,087,000).

During the year ended 31 December 2025, the Group recognised an impairment loss of RMB40,166,000 (2024: Nil) against the license recognised upon the acquisition of Jinrui Medical Center due to its closure of operations in Laos. Given that no future cash inflow are expected, the non-current assets of the CGU directly related to Jinrui Medical Center have been fully impaired. The impairment loss of the license has been classified within impairment losses recognised on goodwill, license, contractual right to provide management services and trademark in the consolidated statement of profit or loss and other comprehensive income.

The impairment assessments are based on valuation performed by an independent professional valuer engaged by the Group.

In addition to goodwill, contractual right to provide management services, trademarks, licenses, and non-compete agreement above, property, plant and equipment and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill, contractual right to provide management services, trademarks, licenses and non-compete agreement are also included in the respective CGU for the purpose of impairment assessment.

The basis of the recoverable amount of the above CGUs and its major underlying assumptions are summarised below. The recoverable amounts of these units and assets have been determined based on a value in use calculation.

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(Continued)

The calculation uses cash flow projections based on financial forecasts approved by management covering a five-year period, a pre-tax discount rate of 16.0%, and declining growth rates of 21.9% to 5.0% for Shenzhen Zhongshan Hospital at 31 December 2025 (2024: a five-year period, a pre-tax discount rate of 17.3%, and declining growth rates of 11.5% to 5.0%). The remaining forecast cash flows beyond that five-year period are extrapolated for a one-year period using declining growth rate 5% for Shenzhen Zhongshan Hospital at 31 December 2025 (2024 a one-year period using declining growth rate 3.1%), and then a steady 2% growth rate for the units thereafter (2024: 3%).

The calculation uses cash flow projections based on financial forecasts approved by management covering a five-year period, a pre-tax discount rate of 17.8%, and declining growth rates of 22.6% to 10.9% to for HRC Management Group at 31 December 2025 (2024: a five-year period, a pre-tax discount rate of 17.8%, and declining growth rates of 26.8% to 13.1%). The remaining forecast cash flows beyond that five-year period are extrapolated for a two-year period from 7.9% to 7.6% for HRC Management Group at 31 December 2025 (2024: a two-year period from 6.0% to 4.0%), and then a steady 3% growth rate for the units thereafter (2024: 3%).

The calculation uses cash flow projections based on financial forecasts approved by management covering a five-year period, a pre-tax discount rate of 16.0%, and declining growth rates of 47.2% to 10.0% for Wuhan Jinxin Hospital at 31 December 2025 (2024: a five-year period, a pre-tax discount rate of 17.3%, and declining growth rates of 36.9% to 18.8%). The remaining forecast cash flows beyond that five-year period are extrapolated for a three-year period using declining growth rates from 10.3% to 5.3% for Wuhan Jinxin Hospital at 31 December 2025 (2024: a three-year period using declining growth rates from 12.4% to 4.4%), and then a steady 2% growth rate for the units thereafter (2024: 3%).

During the year ended 31 December 2025, the non-current assets of the CGU directly related to Jinrui Medical Center have been fully impaired upon the acquisition of Jinrui Medical Center due to its closure of operations in Laos. (2024: a ten-year period, a pre-tax discount rate of 32%, and declining growth rates of 61.5% to 10.5%, and then a steady 3% growth rate for the units thereafter)

The calculation uses cash flow projections based on financial forecasts approved by management covering a five-year period, a pre-tax discount rate of 14.5%, and declining growth rates of 8% to -1% for Jinxin Women Group at 31 December 2025 (2024: a five-year period, a pre-tax discount rate of 16.2%, and declining growth rates of 6% to 4%), and then a steady 2% growth rate for the units thereafter (2024: 3%).

The calculation uses cash flow projections based on financial forecasts approved by management covering a five-year period, a pre-tax discount rate of 12.9%, and declining growth rates of 10.1% to 5.9% for Jinxin Medical Group at 31 December 2025 (2024: a five-year period, a pre-tax discount rate of 14.1%, and declining growth rates of 14.2% to 9.9% for Jinxin Medical Group at 31 December 2024). The remaining forecast cash flows beyond that five-year period are extrapolated for a three-year period using declining growth rates from 6.5% to 3.5% for Jinxin Medical Group at 31 December 2025 (2024: a three-year period using declining growth rates from 8.2% to 4.7%), and then a steady 2% growth rate for the units thereafter (2024: 3%).

For the year ended 31 December 2025

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(Continued)

The calculation uses cash flow projections based on financial forecasts approved by management covering a five-year period, a pre-tax discount rate of 15.3%, and declining growth rates of 19.4% to 5.8% for Kunming Group at 31 December 2025 (2024: a five-year period, a pre-tax discount rate of 15.0%, and declining growth rates of 16.7% to 12.2%). The remaining forecast cash flows beyond that five-year period are extrapolated for a five-year period using declining growth rates from 8.0% to 5.0% for Kunming Group at 31 December 2025 (2024: a five-year period using declining growth rates from 12.8% to 7.0%), and then a steady 2% growth rate for the units thereafter (2024: 3%).

The calculation uses cash flow projections based on financial forecasts approved by management covering a five-year period, a pre-tax discount rate of 12.9%, and declining growth rates of 12.1% to 5.1% for Chengdu Group at 31 December 2025 (2024: a five-year period, a pre-tax discount rate of 14.1%, and declining growth rates of 13.4% to 6.4%). The remaining forecast cash flows beyond that five-year period are extrapolated for a three-year period using declining growth rates from 4.3% to 2.8% for Chengdu Group at 31 December 2025 (2024: a three-year period using declining growth rates from 3.6% to 3.2%), and then a steady 2% growth rate for the units thereafter (2024: 3%).

Key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include growth rates of revenue and gross margin rate. Such estimation is based on the relevant unit's past performance and management's expectations for the market development. For the financial forecasts used for the value in use calculation of Shenzhen Zhongshan Hospital, HRC Management Group, Wuhan Jinxin Hospital, Jinxin Women Group, Jinxin Medical Group, Kunming Group and Chengdu Group are over five-year period as the Group is confident that these projections are reliable and they can demonstrate its ability, based on past experience, to forecast cash flows accurately over the respective extrapolated periods.

The recoverable amounts of the CGUs of Shenzhen Zhongshan Hospital, HRC Management Group, Wuhan Jinxin Hospital, Jinxin Women Group, Jinxin Medical Group, Kunming Group and Chengdu Group exceeds its carrying amount by RMB311,568,000, RMB23,104,000, RMB14,084,000, RMB33,475,000, RMB109,690,000, RMB50,900,000 and RMB4,234,247,000 as at 31 December 2025 (2024: the recoverable amount of the CGU of Shenzhen Zhongshan Hospital, HRC Management Group, Wuhan Jinxin Hospital, Jinrui Medical Center, Jinxin Women Group, Jinxin Medical Group, Kunming Group and Chengdu Group exceeds its carrying amount by RMB166,838,000, RMB61,367,000, RMB12,573,000, RMB884,000, RMB17,387,000, RMB34,909,000, RMB66,478,000 and RMB3,917,664,000).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(Continued)

The table below sets forth (i) each key assumption that is used in goodwill, trademarks, contractual right to provide management services, licenses and non-compete agreement impairment testing at 31 December 2025 and 2024; and (ii) the effect of the reasonably possible change in each of the key assumptions as determined by the Directors (with all other variables remained constant) on the calculation of value in use of the CGUs of Shenzhen Zhongshan Hospital, HRC Management Group, Wuhan Jinxin Hospital, Jinrui Medical Center, Jinxin Women Group, Jinxin Medical Group, Kunming Group:

### *Shenzhen Zhongshan Hospital*

**At 31 December 2025**

Key assumption	Base case	Changes in key assumption	Surplus (deficits) of recoverable amount of the CGU over/below its carrying amounts RMB'000
Annual growth rate of revenue	21.9 to 2.0%	Decrease by 1% Decrease by 2%	117,275 (69,106)
Gross margin rate	46.5% to 41.2%	Decrease by 1% Decrease by 2%	267,357 223,146
Pre-tax discount rate	16.0%	Increase by 0.5% Increase by 1%	268,756 229,226

*At 31 December 2024*

Key assumption	Base case	Changes in key assumption	(Deficits) surplus of recoverable amount of the CGU below/over its carrying amounts RMB'000
Annual growth rate of revenue	11.5% to 3.0%	Decrease by 1% Decrease by 2%	(13,477) (186,252)
Gross margin rate	47.0% to 44.2%	Decrease by 1% Decrease by 2%	127,251 87,663
Pre-tax discount rate	17.3%	Increase by 0.5% Increase by 1%	133,909 103,465

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(Continued)

### *HRC Management Group*

**At 31 December 2025**

Key assumption	Base case	Changes in key assumption	Deficits of recoverable amount of the CGU below its carrying amounts RMB'000
Annual growth rate of revenue	22.6% to 3.0%	Decrease by 1%	(620,819)
		Decrease by 2%	(1,232,606)
Gross margin rate	50.9% to 42.1%	Decrease by 1%	(103,450)
		Decrease by 2%	(229,996)
Pre-tax discount rate	17.8%	Increase by 0.5%	(103,450)
		Increase by 1%	(219,109)

*At 31 December 2024*

Key assumption	Base case	Changes in key assumption	Deficits of recoverable amount of the CGU below its carrying amounts RMB'000
Annual growth rate of revenue	26.8% to 3.0%	Decrease by 1%	(655,050)
		Decrease by 2%	(1,335,145)
Gross margin rate	37.0% to 46.0%	Decrease by 1%	(80,280)
		Decrease by 2%	(221,935)
Pre-tax discount rate	17.8%	Increase by 0.5%	(120,744)
		Increase by 1%	(287,349)

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(Continued)

### *Wuhan Jinxin Hospital*

**At 31 December 2025**

Key assumption	Base case	Changes in key assumption	(Deficits) surplus of recoverable amount of the CGU below/ over its carrying amounts <i>RMB'000</i>
Annual growth rate of revenue	47.3% to 2.0%	Decrease by 1% Decrease by 2%	(56,348) (123,123)
Gross margin rate	51.8% to 29.9%	Decrease by 1% Decrease by 2%	826 (12,432)
Pre-tax discount rate	16.0%	Increase by 0.5% Increase by 1%	(5,271) (23,148)

*At 31 December 2024*

Key assumption	Base case	Changes in key assumption	Deficits of recoverable amount of the CGU below its carrying amounts <i>RMB'000</i>
Annual growth rate of revenue	36.9% to 3.0%	Decrease by 1% Decrease by 2%	(56,377) (121,872)
Gross margin rate	27.8% to 55.4%	Decrease by 1% Decrease by 2%	(935) (14,444)
Pre-tax discount rate	17.3%	Increase by 0.5% Increase by 1%	(10,795) (32,288)

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(Continued)

### *Jinrui Medical Center*

During the year ended 31 December 2025, the non-current assets of the CGU directly related to Jinrui Medical Center have been fully impaired upon the acquisition of Jinrui Medical Center due to its closure of operation in Laos.

*At 31 December 2024*

Key assumption	Base case	Changes in key assumption	Deficits of recoverable amount of the CGU below its carrying amounts <i>RMB'000</i>
Annual growth rate of revenue	61.5% to 3.0%	Decrease by 1%	(4,314)
		Decrease by 2%	(9,235)
Gross margin rate	33.0% to 72.0%	Decrease by 1%	(161)
		Decrease by 2%	(1,207)
Pre-tax discount rate	32.0%	Increase by 0.5%	(461)
		Increase by 1%	(1,745)

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(Continued)

### *Jinxin Women Group*

**At 31 December 2025**

Key assumption	Base case	Changes in key assumption	Surplus (deficits) of recoverable amount of the CGU over/ below its carrying amounts <i>RMB'000</i>
Annual growth rate of revenue	<b>8.0% to (1.0%)</b>	<b>Decrease by 1%</b> <b>Decrease by 2%</b>	<b>11,217</b> <b>(10,275)</b>
Gross margin rate	<b>51.8%</b>	<b>Decrease by 1%</b> <b>Decrease by 2%</b>	<b>27,897</b> <b>22,319</b>
Pre-tax discount rate	<b>14.5%</b>	<b>Increase by 0.5%</b> <b>Increase by 1%</b>	<b>24,896</b> <b>16,972</b>

*At 31 December 2024*

Key assumption	Base case	Changes in key assumption	(Deficits) surplus of recoverable amount of the CGU below/ over its carrying amounts <i>RMB'000</i>
Annual growth rate of revenue	6.0% to 3.0%	Decrease by 1% Decrease by 2%	(4,167) (24,985)
Gross margin rate	50.0%	Decrease by 1% Decrease by 2%	11,881 6,376
Pre-tax discount rate	16.2%	Increase by 0.5% Increase by 1%	9,966 3,087

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(Continued)

### *Jinxin Medical Group*

**At 31 December 2025**

Key assumption	Base case	Changes in key assumption	(Deficits) surplus of recoverable amount of the CGU below/ over its carrying amounts <i>RMB'000</i>
Annual growth rate of revenue	10.1% to 3.5%	Decrease by 1% Decrease by 2%	(469,454) (1,015,670)
Gross margin rate	41.0% to 38.6%	Decrease by 1% Decrease by 2%	8,966 (91,758)
Pre-tax discount rate	12.9%	Increase by 0.5% Increase by 1%	(41,473) (179,311)

*At 31 December 2024*

Key assumption	Base case	Changes in key assumption	Deficits of recoverable amount of the CGU below its carrying amounts <i>RMB'000</i>
Annual growth rate of revenue	14.2% to 3.0%	Decrease by 1% Decrease by 2%	(538,765) (1,079,598)
Gross margin rate	36.9% to 39.1%	Decrease by 1% Decrease by 2%	(62,731) (160,369)
Pre-tax discount rate	14.1%	Increase by 0.5% Increase by 1%	(107,394) (237,144)

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

(Continued)

### *Kunming Group*

**At 31 December 2025**

Key assumption	Base case	Changes in key assumption	(Deficits) surplus of recoverable amount of the CGU below/ over its carrying amounts <i>RMB'000</i>
Annual growth rate of revenue	19.4% to 2.0%	Decrease by 1% Decrease by 2%	(172,737) (381,248)
Gross margin rate	52.0% to 43.9%	Decrease by 1% Decrease by 2%	16,639 (17,623)
Pre-tax discount rate	15.0%	Increase by 0.5% Increase by 1%	(3,510) (53,563)

*At 31 December 2024*

Key assumption	Base case	Changes in key assumption	(Deficits) surplus of recoverable amount of the CGU below/ over its carrying amounts <i>RMB'000</i>
Annual growth rate of revenue	16.7% to 3.0%	Decrease by 1% Decrease by 2%	(193,160) (435,152)
Gross margin rate	52.7% to 42.7%	Decrease by 1% Decrease by 2%	26,929 (12,621)
Pre-tax discount rate	15.0%	Increase by 0.5% Increase by 1%	7,065 (47,236)

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 24. INTERESTS IN ASSOCIATES

### *Interests in associates accounted for using equity method*

	2025 RMB'000	2024 RMB'000
At 1 January	391,626	159,431
Addition	–	225,876
Share of profit	12,653	3,912
Exchange realignment	(12,013)	2,407
At 31 December	392,266	391,626

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of entities	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
			2025	2024	2025	2024	
Jinxin International Medical Service Company Limited ("Jinxin International") (Note i)	Cayman Islands	U.S.A.	49%	49%	49%	49%	Assisted reproduction agency
PT Morula Indonesia ("PT Morula") (Note ii)	Indonesia	Indonesia	30%	30%	30%	30%	Assisted reproduction agency
SHEDOOR GLOBAL LIMITED	BVI	U.S.A.	23.07%	23.07%	23.07%	23.07%	Assisted reproduction agency

#### Notes:

- i During the years ended 31 December 2025 and 2024, the Group hold 49% interest in Jinxin International, and considering that two of the five directors of Jinxin International were appointed by the Group, the Group is able to exercise significant influence over Jinxin International.
- ii On 19 July 2024, the Group acquired 30% equity interests in aggregate in PT Morula, pursuant to which the Group agreed to subscribe 25% shares in PT Morula and acquire another 5% of equity interests held by certain independent third-parties at a total consideration of approximately RMB204,311,000. The Group has fully paid the consideration as of 31 December 2024. The Group is able to exercise significant influence over PT Morula because it has the power to appoint one out of four directors of PT Morula under its articles of association. Therefore, the interest in PT Morula is accounted for using equity method.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 24. INTERESTS IN ASSOCIATES (Continued)

### *Summarised financial information of material associates*

Set out below are the summarised financial information for PT Morula which are accounted for using the equity method. The summarised financial information has been adjusted to reflect adjustments made by the Group when using the equity method, including fair value adjustments for difference in accounting policy.

#### **PT Morula**

##### *Summarised statement of financial position*

	<b>As at 31 December 2025 RMB'000</b>	As at 31 December 2024 RMB'000
Current assets	<b>197,127</b>	123,963
Non-current assets	<b>215,237</b>	250,396
Current liabilities	<b>(53,288)</b>	(25,243)
Non-current liabilities	<b>(90,094)</b>	(87,761)

##### *Summarised statement of profit or loss*

	<b>For the year ended 31 December 2025 RMB'000</b>	From 19 July 2024 (acquisition date) to 31 December 2024 RMB'000
Revenue	<b>209,792</b>	215,531
Profit	<b>9,521</b>	3,394
Other comprehensive income	<b>588</b>	(1,320)
Total comprehensive income	<b>10,109</b>	2,074

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 24. INTERESTS IN ASSOCIATES (Continued)

### *Summarised financial information of material associates* (Continued)

#### **PT Morula** (Continued)

#### *Reconciliation of summarised financial information*

	<b>As at 31 December 2025 RMB'000</b>	As at 31 December 2024 RMB'000
Net assets of PT Morula	<b>268,982</b>	261,355
Less: non-controlling interests of PT Morula's subsidiaries	<b>(12,732)</b>	(12,622)
	<b>256,250</b>	248,733
Proportion of the Group's ownership interest in PT Morula	<b>30%</b>	30%
The Group's share of net assets of PT Morula	<b>76,875</b>	74,620

## 25. FINANCIAL ASSETS AT FVTPL

On 26 November 2023, Xizang Jinli Enterprise Management Co., Ltd., a subsidiary of the Group, acquired 7.52% of the aggregate committed capital in WP Healthcare Investment (Wuxi Yixing) Partnership (Limited Partnership) ("WP Partnership"), a comprehensive investment fund, as a limited partner with a total subscribe capital of RMB200,000,000. As of 31 December 2024, the capital amounting to RMB80,000,000 had been injected by the Group.

On 17 November 2025, the Group disposed its investment in WP Partnership, with the consideration of RMB82,062,000 settled in cash. During the year ended 31 December 2025, fair value gain of RMB2,062,000 was recognised in profit or loss, as detailed in Note 8. As of 31 December 2025, the carrying amount of financial assets at FVTPL was Nil (2024: RMB80,000,000).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 26. INTEREST IN A JOINT VENTURE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of interest in a joint venture	28,500	28,500
Share of result of a joint venture	(3,202)	(2,166)
	<b>25,298</b>	26,334

Details of the Group's joint venture at the end of the reporting period are as follows:

Name of entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
			2025	2024	2025	2024	
成都錦欣尚輝企業管理有限公司 Chengdu Jinxin Shanghui Enterprise Management Co.,Ltd ("Jinxin Shanghui")*	China	China	50%	50%	50%	50%	Information marketing

Note:

\* English name is for identification only.

No summarised financial information in respect of the interest in a joint venture is disclosed as the joint venture is immaterial.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 27. EQUITY INSTRUMENT AT FVTOCI

The balance represents a 19.4% interests in Chengdu Jincheng Hongda Enterprise Management Co., Ltd (“Jincheng Hongda”). In December 2022, the Group entered an investment agreement with Jincheng Hongda, which is the holding company of Chengdu Jinxin Aijian Hospital Co., Ltd. (“Jinxin Aijian”), and mutually agreed to transfer the amounts due from Jinxin Aijian amounting to RMB132,188,000 as the prepayment to future equity investment in Jincheng Hongda. On 24 December 2024, The Group entered an supplemental agreement with Jincheng Hongda, RMB84,303,000 of the prepayment has been utilised as the consideration to acquire 19.4% in Jincheng Hongda, and the remaining amount of RMB47,885,000 has been recognised as loan receivable from Jincheng Hongda as disclosed in note 30(a).

The Directors have elected to designate this unlisted investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in this unlisted investment’s fair value on profit or loss would not be consistent with the Group’s strategy of holding this unlisted investment for long-term purposes and realising its performance potential in the long run. The Group does not have the power to direct the relevant activities of Jincheng Hongda, nor have joint control over or the right to participate in the financial and operating policy decisions over Jincheng Hongda under the shareholders’ agreement.

During the year ended 31 December 2025, loss on fair value change of equity investment at FVTOCI amounted to RMB48,627,000 and related deferred tax impact amounted to RMB12,157,000, resulting in a net impact of RMB36,470,000 (2024:Nil) was recognised due to Jincheng Hongda’s unsuccessful investment in andrology business by Chengdu Jinxin Aijian Hospital Co., Ltd. (“Jinxin Aijian”), a wholly owned subsidiary of Jincheng Hongda. As of 31 December 2025, the fair value of the equity investment at FVTOCI was RMB35,676,000 (2024: RMB84,303,000).

## 28. INVENTORIES

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Pharmaceutical products	<b>31,443</b>	20,388
Consumables and others	<b>24,492</b>	30,560
	<b>55,935</b>	50,948

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 29. ACCOUNTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Accounts receivables	137,791	234,406
Other receivables and prepayment:		
Prepayments to a director of a subsidiary ( <i>Note i</i> )	–	13,001
Prepayments to suppliers	45,878	52,239
Loans receivable ( <i>Note ii</i> )	29,238	29,133
Others	34,969	22,619
	<b>247,876</b>	351,398
Less: Prepayments classified as non-current assets	<b>(13,290)</b>	–
Loans receivable classified as non-current assets ( <i>Note ii</i> )	<b>(29,238)</b>	(29,133)
Accounts and other receivables classified as current assets	<b>205,348</b>	322,265

*Notes:*

- i. With effect from 1 December 2022 to 30 November 2025, a director of Shenzhen Zhongshan Hospital is entitled to an aggregate remuneration of HK\$43,300,000 (equivalent to approximately RMB40,100,000). As of 31 December 2025, the amount has been fully recognised as administrative expenses.
- ii. The amount represent US\$3,205,000 (equivalent to approximately RMB22,526,000) (2024: US\$3,115,000 (equivalent to approximately RMB22,391,000)) loans receivable from a shareholder of an associate and US\$955,000 (equivalent to approximately RMB6,712,000) (2024: US\$938,000 (equivalent to approximately RMB6,742,000)) loans receivable from IVF Universal, LLC, a supplier to the Group. These amounts are unsecured, interest-free and repayable on demand. The loans receivables from a supplier and a shareholder of an associate are not expected to collected within one year and are therefore classified as non-current assets (2024: non-current assets) in the consolidated statement of financial position.

As at 1 January 2024, accounts receivables amounted to RMB73,086,000.

The individual customers of Chengdu Xinan Clinic, Shenzhen Zhongshan Hospital, Wuhan Jinxin Hospital, Hong Kong Assisted Reproduction Centre Ltd (“HK ARC”), Hong Kong Reproductive Health Centre Ltd (“HK RHC”), Sichuan Jinxin Xinan Hospital, Yunnan Jiuzhou Hospital and Kunming Hewanjia Hospital generally settle payments by cash, credit cards, debit cards or governments’ social insurance schemes. Payments under government social insurance schemes are normally settled by the local social insurance bureau and similar government departments responsible for the reimbursement of medical expenses for patients who are covered by the government medical insurance schemes within 90 days (2024: 90 days) from the transaction date.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 29. ACCOUNTS AND OTHER RECEIVABLES (Continued)

The individual customers of HRC Management Group usually settle by cash or payments through insurance schemes. Payments through insurance schemes are normally settled by commercial insurance companies from 60 to 365 days from the transaction date.

The corporate customers of Chengdu Xinan Clinic and Sichuan Jinxin Xinan Hospital usually settle by cash and the payment terms are normally from 60 to 180 days from the transaction date.

The Directors are of the view that there have been no significant increase in credit risk of default because the amounts are from local social insurance bureau, similar government departments or insurance companies with good credit rating and continuous repayment.

The accounts receivables are assessed individually for impairment allowance based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forward-looking information at the reporting date. The Directors considered that the ECL for accounts receivables is insignificant as at 31 December 2024 and 2025.

In determining the recoverability of accounts receivables, the management of the Group considers any change in the credit quality of the accounts receivables from the date credit was initially granted up to the end of the reporting period.

The following is an aged analysis of accounts receivables, presented based on the invoice date.

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Within 90 days	<b>126,693</b>	208,840
91 to 180 days	<b>2,148</b>	15,405
Over 180 days	<b>8,950</b>	10,161
	<b>137,791</b>	234,406

The Directors closely monitor the credit quality of accounts and other receivables and consider the debts are of a good credit quality.

Details of impairment assessment of accounts and other receivables are set out in Note 44.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 30. AMOUNTS DUE FROM/TO RELATED PARTIES

### (a) Amounts due from related parties

	2025 RMB'000	2024 RMB'000
<b>Trade in nature</b>		
成都錦欣潤怡醫療管理有限公司 (Chengdu Jinxin Runyi Medical Management Co., Ltd.) (Notes i & iii)*	-	25,238
HRC Medical (Note iv)	731	25,456
Jinxin International Medical Service Limited (Note v)	-	5,469
Chengdu Jinxin Investment and its other affiliates (Notes i & ii)	9,911	11,964
	<b>10,642</b>	68,127
	2025 RMB'000	2024 RMB'000
<b>Non-trade in nature</b>		
Loan receivable:		
成都錦霖企業管理有限公司 (Chengdu Jinlin Enterprise Management Co., Ltd.) (Notes i & vi)*	13,500	28,368
Jincheng Hongda (Note vii)	-	47,885
Other receivables:		
Chengdu Jinxin Investment and its other affiliates (Notes i, ii & vii)	4,601	18,828
	<b>18,101</b>	95,081
Total	<b>28,743</b>	163,208
Analysed as:		
Current	15,243	86,955
Non-current	13,500	76,253
	<b>28,743</b>	163,208

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 30. AMOUNTS DUE FROM/TO RELATED PARTIES (Continued)

### (a) Amounts due from related parties (Continued)

Notes:

- \* The English names of these entities registered in the PRC represent the best efforts made by the Directors to directly translate their Chinese names as they did not register any official English names.
- (i) These related parties and Chengdu Jinxin Investment have the same beneficial shareholders with the Company. The amounts are unsecured, interest-free and repayable on demand.
- (ii) The balances were all aged within 365 days (2024: 365 days) at the end of the reporting period.
- (iii) The amount represents receivable from Chengdu Jinxin Runyi Medical Management Co., Ltd. in relation to management services provided in accordance with the IVF specialty collaboration agreements. The Group allows a credit period of within 365 days to Chengdu Jinxin Runyi Medical Management Co., Ltd.
- (iv) The related party is jointly controlled by certain shareholders of HRC Investment. Holding, LLC (“HRC Investment”). The amount represents receivables from HRC Medical in relation to management services provided in accordance with the management services agreement. The amount is unsecured and interest-free. The trade balance at 31 December 2025 based on invoice date is aged within 90 days (2024: 90 days) and not past due nor impaired.
- (v) The entity is a subsidiary of an associate of the Company. The amount was unsecured, interest-free and repayable on demand.
- (vi) During the year ended 31 December 2025, the Group conducted an individual assessment of the amount due from Chengdu Jinlin Enterprise Management Co., Ltd (“Chengdu Jinlin”) and provided ECL of RMB14,868,000 (2024: Nil). The carrying amount of the receivable from Chengdu Jinlin, net of ECL, was approximately RMB13,500,000 as at 31 December 2025 (2024: RMB28,368,000). In assessing the ECL of the amount due from Chengdu Jinlin, the Group considered all possible collection efforts, including collection by Chengdu Jinlin on a receivable from a third party. As at 31 December 2024 and 2025, the amount is expected by the Directors not to be collected within one year and is therefore classified as non-current.
- (vii) During the year ended 31 December 2025, the Group conducted an individual assessment of the amount due from Jincheng Hongda and the amount due from Jinxin Aijian, provided ECL of RMB47,885,000 (2024: Nil) and RMB16,256,000 (2024: Nil), respectively, due to unforeseen obstacles resulting in unsuccessful investment in andrology business by Jinxin Aijian. The carrying amount of the amount due from Jincheng Hongda, net of ECL and the amount due from Jinxin Aijian, net of ECL was Nil and Nil as at 31 December 2025, respectively (2024: approximately RMB47,885,000 and RMB16,256,000, respectively).

The following is an aged analysis of amounts due from related parties which are trade in nature presented based on the invoice date at the end of the reporting period.

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Within 90 days	<b>3,157</b>	36,478
91 to 180 days	<b>1,003</b>	1,828
Over 180 days	<b>6,482</b>	29,821
	<b>10,642</b>	68,127

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 30. AMOUNTS DUE FROM/TO RELATED PARTIES (Continued)

### (b) Amounts due to related parties

	2025 RMB'000	2024 RMB'000
<b>Trade in nature</b>		
成都錦欣信息科技有限公司 (Chengdu Jinxin Information Technology Co., Ltd.) (Note ii)*	1,509	657
四川省邁可多醫療用品有限公司 (Sichuan Mocodo Medical Products Co., Ltd) ("Sichuan Mocodo") (Note i)*	1,989	154
Chengdu Jinxin Investment and its other affiliates (Note i)	11,296	5,999
	<b>14,794</b>	6,810
<b>Non-trade in nature</b>		
Sichuan Mocodo* (Notes i)	–	1,960
HRC Medical (Notes iii)	1,940	8,306
Chengdu Jinxin Investment and its other affiliates (Notes i)	8,457	3,383
	<b>10,397</b>	13,649
<b>Total</b>	<b>25,191</b>	20,459

Notes:

- \* The English names of these entities registered in the PRC represent the best efforts made by the Directors to directly translate their Chinese names as they did not register any official English names.
- (i) The related party and Chengdu Jinxin Investment have the same beneficial shareholders with the Company. The amount was unsecured, interest-free and repayable on demand.
- (ii) The entity is a subsidiary of the joint venture of the Company. The amount was unsecured, interest-free and repayable on demand.
- (iii) The related party is jointly controlled by certain shareholders of HRC Investment. The amounts are unsecured, interest-free and repayable on demand.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 30. AMOUNTS DUE FROM/TO RELATED PARTIES (Continued)

### (b) Amounts due to related parties (Continued)

The following is an aged analysis of amounts due to related parties which are trade in nature presented based on the invoice date at the end of the reporting period.

	2025 RMB'000	2024 RMB'000
Within 90 days	6,573	4,046
91 to 180 days	2,381	1,531
Over 180 days	5,840	1,233
	<b>14,794</b>	6,810

## 31. LIFE INSURANCE POLICY

During the year ended 31 December 2022, the Company entered into a life insurance policy with an insurance company, HSBC Life (International) Limited, to insure Dr. Chan Chi Wai, a doctor and director of HK ARC and HK RHC. Under the policy, the Company is the beneficiary and policy holder and the total insured sum is US\$10,000,000 (equivalent to approximately RMB70,827,000). The Company is required to pay an upfront deposit of US\$3,367,000 (equivalent to approximately RMB23,849,000). The Company can terminate the policy at any time and receive cash back based on the account value ("Account Value") of the policy at the date of withdrawal, which is determined by the upfront payment plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge. In addition, if the withdrawal is made between the first to eighteenth policy years, there is a specified amount of surrender charge deducted from the Account Value. The insurance company will pay the Company a guaranteed interest of 4.25% for the first year and a variable return per annum afterwards (with minimum guaranteed interest rate of 2% per annum) during the effective period of the policy. The Company does not have intention to terminate the insurance within twelve months after the end of the reporting period and therefore the insurance is classified as non-current assets in the consolidated statement of financial position.

The life insurance policy is measured at the value quoted by the insurance company at end of reporting period. The net gain on the life insurance policy are recognised in profit or loss.

## 32. TIME DEPOSITS

During the year ended 31 December 2025, no time deposit was placed in banks.

During the years ended 31 December 2024, the Group entered into two deposit placements with banks in the U.S.A. The bank guaranteed 100% of the invested principal amount and fixed interest rate of 2% per annum. The contract is with a maturity of 12 months as specified in the agreement. Both deposits became due and were withdrawn in the current year.

Details of impairment assessment of time deposits are set out in Note 44.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 33. BANK BALANCES AND CASH

Bank balances carried interest at market rates which range from 0.0001% to 3.5% per annum as at 31 December 2025 (2024: from 0.01% to 3.5% per annum).

Details of impairment assessment of bank balances are set out in Note 44.

## 34. ACCOUNTS AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Accounts payables	<b>228,181</b>	216,965
Other payables:		
Construction payables	<b>89,727</b>	72,916
Loans payables ( <i>Note i</i> )	<b>110,004</b>	110,004
Refundable customers' deposits	<b>88,461</b>	149,874
Accrued employee expenses (including social insurances and housing fund contributions)	<b>116,930</b>	121,928
Value-added tax and other tax payables	<b>3,521</b>	7,905
Deferred income ( <i>Note ii</i> )	<b>10,620</b>	12,752
Interest payables	<b>1,028</b>	3,816
Others	<b>53,892</b>	41,612
	<b>474,183</b>	520,807
Total accounts and other payables as current liabilities	<b>702,364</b>	737,772

### Notes:

- (i) The amounts represent unsecured, interest-free loans payables to the former shareholders of 深圳市恆裕聯翔投資發展有限公司 (Shenzhen Hengyu Lianxiang Investment Development Co., Ltd) ("Shenzhen Hengyu")\*. Pursuant to the equity transfer agreement entered into on 4 February 2022, certain consideration is payable by the Group to the former shareholders upon completion of certain construction milestone, which is due to be settled within one year as at 31 December 2025 (31 December 2024: certain consideration is payable by the Group to the former shareholders upon completion of certain construction milestone, which is due to be settled within one year).
- \* The English names of these entities registered in the PRC represent the best efforts made by the Directors to directly translate their Chinese names as they did not register any official English names.
- (ii) The amount mainly represents government grants received for research and development projects but with conditions not yet fulfilled.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 34. ACCOUNTS AND OTHER PAYABLES (Continued)

The credit period of accounts payables is from 30 to 90 days from the invoice date.

The following is an aged analysis of accounts payables presented based on the invoice date at the end of the reporting period.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	<b>206,314</b>	155,863
91 to 180 days	<b>6,177</b>	27,840
181 to 365 days	<b>8,203</b>	18,840
Over 365 days	<b>7,487</b>	14,422
	<b>228,181</b>	216,965

## 35. LEASE LIABILITIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Lease liabilities payable:</b>		
Within one year	<b>52,353</b>	53,505
Within a period of more than one year but not more than two years	<b>71,731</b>	66,071
Within a period of more than two years but not more than five years	<b>135,076</b>	133,301
Within a period of more than five years	<b>126,197</b>	82,000
	<b>385,357</b>	334,877
Less: Amount due for settlement with 12 months shown under current liabilities	<b>(52,353)</b>	(53,505)
Amount due for settlement after 12 months shown under non-current liabilities	<b>333,004</b>	281,372

The weighted average incremental borrowing rates applied to lease liabilities is 4.09% per annum (2024: 4.27%).

As at 31 December 2025, RMB42,490,000 of lease liabilities payable is related to the lease entered with related parties (2024: RMB73,128,000), as further disclosed in Note 42.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 36. DEFERRED TAXATION

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation <i>RMB'000</i>	Fair value adjustment arising from acquisition of subsidiaries <i>RMB'000</i>	Tax losses <i>RMB'000</i>	ECL provision <i>RMB'000</i>	Fair value adjustment arising from FVTOCI <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	5,228	1,205,477	(121,068)	–	–	1,089,637
(Credited) charged during the year ( <i>Note 12</i> )	(1,345)	16,751	(2,168)	–	–	13,238
Exchange realignment	–	8,114	(1,251)	–	–	6,863
At 31 December 2024	3,883	1,230,342	(124,487)	–	–	1,109,738
Credited to profit or loss during the year ( <i>Note 12</i> )	(527)	(72,778)	(1,462)	(19,752)	–	(94,519)
Credited to other comprehensive income during the year	–	–	–	–	(12,157)	(12,157)
Exchange realignment	–	(10,207)	1,973	–	–	(8,234)
At 31 December 2025	<b>3,356</b>	<b>1,147,357</b>	<b>(123,976)</b>	<b>(19,752)</b>	<b>(12,157)</b>	<b>994,828</b>

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Deferred tax liabilities	<b>(1,150,714)</b>	(1,234,225)
Deferred tax assets	<b>155,886</b>	124,487
	<b>(994,828)</b>	(1,109,738)

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 37. BANK BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank borrowings, guaranteed	<b>2,462,439</b>	2,270,096
The carrying amounts of the above borrowings are repayable:		
Within one year	<b>622,890</b>	1,277,537
Within a period of more than one year but not exceeding two years	<b>357,860</b>	288,327
Within a period of more than two years but not exceeding five years	<b>1,418,442</b>	646,470
Within a period of more than five years	<b>63,247</b>	57,762
	<b>2,462,439</b>	2,270,096
Less: Amounts due within one year shown under current liabilities	<b>(622,890)</b>	(1,277,537)
Amounts shown under non-current liabilities	<b>1,839,549</b>	992,559

During the year ended 31 December 2025, the Group obtained new loans amounting to RMB3,121,013,000 (2024: RMB3,294,476,000) and made repayments amounting to approximately RMB2,927,397,000 (2024: RMB3,183,799,000). The borrowings carry a weighted average annual interest rate of 4.36% during the year end 31 December 2025 (2024: 5.87%) and are repayable between 2026 and 2034 (31 December 2024: repayable between 2025 and 2034).

As at 31 December 2025, certain bank borrowings were secured by (i) the joint and several liability guarantees by subsidiaries of the Company, (ii) certain of the buildings owned by Shenzhen Hengyu.

During the years ended 31 December 2025 and 2024, certain subsidiaries of the Company are required to comply with some financial covenants, which were complied with at each test date on or before the end of the reporting period and classified the related bank loans balances as non-current.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 38. SHARE CAPITAL

The movements in the Company's issued ordinary share capital during the period are as follows:

	<b>Number of shares</b>	<b>Share capital US\$</b>	<b>Share capital RMB'000</b>
Ordinary shares of US\$0.00001 each			
Authorised:			
At 1 January 2024, 31 December 2024 and 31 December 2025	5,000,000,000	50,000	345
Issued:			
At 1 January 2024	2,720,913,796	27,210	180
Issue of shares ( <i>Note</i> )	36,792,247	368	2
At 31 December 2024 and 31 December 2025	<b>2,757,706,043</b>	<b>27,578</b>	<b>182</b>

*Note:* During the year ended 31 December 2024, 36,792,247 ordinary shares had been issued by the Company to the second RSU Scheme's nominee.

For the year ended 31 December 2025

## 39. SHARE-BASED PAYMENTS TRANSACTIONS

### *(a) Equity-settled share option scheme of the Company*

The Company's share option scheme (the "2025 Share Option Scheme") was adopted pursuant to a shareholders' resolution passed on 5 December 2025 for the primary purpose of providing incentives to eligible participants, including directors and eligible employees. The 2025 Share Option Scheme will be valid and effective for a period of ten years, commencing from 5 December 2025. Under the 2025 Share Option Scheme, the Directors may grant options to eligible participants of the 2025 Share Option Scheme, including directors of the Company and its subsidiaries, to subscribe for shares of the Company.

At 31 December 2025, the number of shares in respect of which options had been granted and remained outstanding under the 2025 Share Option Scheme was 139,335,000 (2024: Nil), representing approximately 5% (2024: Nil) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the 2025 Share Option Scheme is not permitted to exceed 7% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 0.7% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. During the year ended 31 December 2025, the number of share options granted to Mr. Dong Yang, Dr. Lyu Rong and Ms. Duan Hongmei under the 2025 Share Option Scheme represent approximately 3%, 1%, and 1% of the shares of the Company in issue as at 5 December 2025, respectively. The share options granted has been approved by the Company's shareholders on 5 December 2025.

Options may be exercised at any time from 12 months from the date of grant of the share option to the 10th anniversary of the date of grant. The exercise price was determined by the Directors, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

# Notes to the Consolidated Financial Statements

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## 39. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

### (a) Equity-settled share option scheme of the Company (Continued)

Details of specific categories of share options granted on 5 December 2025 are as follows:

Option type	Share numbers of grant	Vesting period	Exercise period	Exercise Price	Grant date incremental fair value per option
<b>Granted to executive directors and chief operating officer</b>					
Tranche 1	34,308,750	5/12/2025 – 4/12/2035	5/12/2026 – 4/12/2035	HK\$2.82	HK\$0.91
Tranche 2	34,308,750	5/12/2025 – 4/12/2035	5/12/2026 – 4/12/2035	HK\$2.82	HK\$0.89
Tranche 3	34,308,750	5/12/2025 – 4/12/2035	5/12/2026 – 4/12/2035	HK\$2.82	HK\$0.87
Tranche 4	34,308,750	5/12/2025 – 4/12/2035	5/12/2026 – 4/12/2035	HK\$2.82	HK\$0.80
<b>Granted to non-executive directors and independent non-executive directors</b>					
Tranche 1	700,000	5/12/2025 – 4/12/2026	5/12/2026 – 4/12/2035	HK\$2.82	HK\$0.94
Tranche 2	700,000	5/12/2025 – 4/12/2027	5/12/2027 – 4/12/2035	HK\$2.82	HK\$0.94
Tranche 3	700,000	5/12/2025 – 4/12/2028	5/12/2028 – 4/12/2035	HK\$2.82	HK\$0.93

On 5 December 2025 (being the date of grant), the Company has conditionally granted a total of 137,235,000 share options under the 2025 Share Option Scheme to Mr. Dong Yang, Dr. Lyu Rong and Ms. Duan Hongmei (the "Grant"), as well as a total of 2,100,000 share options to several non-executive directors ("Non-executive Grantees"). The Grant consists of 4 vesting tranches, 34,308,750 share options per tranche, with a vesting schedule based entirely on the attainment of market conditions, assuming continued employment through each vesting date. Each of the 4 vesting tranches of the share options will vest upon the average market capitalisation of the Company reaches HK\$10,000,000,000, HK\$15,000,000,000, HK\$20,000,000,000 and HK\$25,000,000,000, respectively, for any 20 consecutive trading days over the ten years starting from 5 December 2025 and ending 4 December 2035. No performance targets are attached to the options granted to Non-executive Grantees. Each Non-executive Grantee shall vest 33.33% of the full award on the each of the three anniversaries of the date of grant.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 39. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

### (a) Equity-settled share option scheme of the Company (Continued)

The following table discloses movements of the 2025 Share Option Scheme during the year:

	Outstanding at 1 January 2025	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at 31 December 2025
<b>Executive directors</b>					
Mr. Dong Yang (董陽)	-	82,341,000	-	-	82,341,000
Dr. Lyu Rong (呂蓉)	-	27,447,000	-	-	27,447,000
<b>Chief operating officer</b>					
Ms. Duan Hongmei (段紅梅)	-	27,447,000	-	-	27,447,000
<b>Chairman and non-executive director</b>					
Mr. Zhong Yong (鍾勇)	-	300,000	-	-	300,000
<b>Non-executive directors</b>					
Ms. Yan Xiaoqing (嚴曉晴)	-	300,000	-	-	300,000
Mr. Chen Shuyun (陳樹云)	-	300,000	-	-	300,000
<b>Independent non-executive directors</b>					
Dr. Chong Yat Keung (莊一強)	-	300,000	-	-	300,000
Dr. Li Jianwei (李建偉)	-	300,000	-	-	300,000
Mr. Wang Xiaobo (王嘯波)	-	300,000	-	-	300,000
Mr. Ye Changqing (葉長青)	-	300,000	-	-	300,000
	-	139,335,000	-	-	139,335,000

The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 10 years (2024: Nil).

Out of outstanding share options of 139,335,000, no option was exercisable as at 31 December 2025. (2024: Nil).

The share options were granted on 5 December 2025, and the estimated fair values of the options granted on that date is RMB110,178,000 (equivalent to HK\$121,200,000).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 39. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

### (a) *Equity-settled share option scheme of the Company* (Continued)

Monte Carlo model was used to determine the fair value of the options granted. The inputs into the model were as follows:

	<b>Share option granted on 5 December 2025</b>
Exercise price	<b>HK\$2.82</b>
Expected volatility	<b>43.82%</b>
Expected life	<b>3 or 10 years</b>
Risk-free rate	<b>2.928%</b>
Expected dividend yield	<b>4.000%</b>

The Directors estimated the risk-free rate based on the yield of the China government bonds with a maturity life close to the option life of the share option. Expected volatility was estimated at grant date based on the average of historical volatilities of the comparable companies with length commensurable to the time of maturity of the share options. Expected dividend yield is based on management estimation at the grant date.

The Group recognised the total expense of RMB3,415,000 for the year ended 31 December 2025 (2024: Nil) in relation to share options granted by the Company.

For the year ended 31 December 2025

## 39. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

### *(b) Restricted Share Units Scheme (“RSU Scheme”)*

On 15 February 2019 (the “First Adoption Date”), the Company approved the RSU Scheme (the “2019 RSU Scheme”), which commences on the First Adoption Date and remains valid and effective unless and until being terminated upon the expiry of the period of ten years from such date, unless terminated earlier by a resolution of the board of directors of the Company. During the year ended 31 December 2024, after due and careful consideration, the Directors decided that no further grant shall be made under the 2019 RSU Scheme and has resolved to terminate it after due and careful consideration, provided that the awards previously granted under the 2019 RSU Scheme shall continue to be in full force and effect in accordance with the provisions thereof.

On 17 February 2022 (the “Second Adoption Date”), the Company approved a new RSU Scheme (the “2022 RSU Scheme”). The purposes of the 2022 RSU Scheme are to (i) provide the selected participants of the 2022 RSU Scheme (the “2022 Selected Participants”) with the opportunity to acquire proprietary interests in the Company; (ii) encourage the 2022 Selected Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole; and (iii) provide the Company with a flexible means of either retaining, incentivizing, reward, remunerating, compensating and/or providing benefits to the 2022 Selected Participants. The 2022 RSU Scheme commences on the Second Adoption Date and remains valid and effective unless and until being terminated upon the expiry of the period of ten years from such date, unless terminated earlier by a resolution of the board of directors of the Company.

The total number of the 2022 restricted share units (the “2022 RSUs”) underlying all grants made pursuant to the 2022 RSU Scheme shall not exceed in total approximately 3% (i.e. 75,227,514 shares) of the Company’s issued share capital as at the Second Adoption Date (the “2022 RSU Scheme Limit”), provided that no account shall be taken into the calculation of the 2022 RSU Scheme Limit of any Shares where the right to acquire such Shares has been released, lapsed or vested in accordance with the 2022 RSU Scheme.

On 5 December 2025 (the “Third Adoption Date”), the Company approved a new RSU Scheme (the “2025 RSU Scheme”). The purposes of the 2025 RSU Scheme are to (i) provide the selected participants of the 2025 RSU Scheme (the “2025 Selected Participants”) with the opportunity to acquire proprietary interests in the Company; (ii) encourage the 2025 Selected Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole; and (iii) provide the Company with a flexible means of either retaining, incentivizing, reward, remunerating, compensating and/or providing benefits to the 2025 Selected Participants. The 2025 RSU Scheme commences on the Third Adoption Date and remains valid and effective unless and until being terminated upon the expiry of the period of ten years from such date, unless terminated earlier by a resolution of the board of directors of the Company.

The above shares held for RSU Scheme were regarded as treasury shares and had been deducted from shareholders’ equity as shown in the consolidated statement of changes in equity under shares held for restricted share award scheme and share premium.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 39. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

### (b) Restricted Share Units Scheme ("RSU Scheme") (Continued)

As at 31 December 2025, the restricted shares granted to the Directors, key management personnel, eligible employees and doctors (2024: granted to the Directors, key management personnel, eligible employees and doctors.) are as follows:

RSU granted to	Number of shares granted	Grant date	Expiry date	Fair value at grant date	Vesting period
Partner doctor of HRC Medical	3,921,700	15 February 2019	14 February 2029	17,733,000	1 – 5 years
Key management personnel	2,141,839	6 January 2020	14 February 2029	20,810,000	1 – 3 years
Eligible employees and doctors of HRC Medical	5,672,970	6 January 2020	14 February 2029	55,120,000	1 – 3 years
Key management personnel	2,098,932	10 January 2021	14 February 2029	26,591,000	6 months – 3 years
Key management personnel	500,000	1 June 2021	14 February 2029	8,703,000	8 months – 3 years
Key management personnel	100,000	1 January 2022	14 February 2029	712,000	1 month – 2 years
Eligible employees and doctors of HRC Medical	1,393,500	31 January 2022	14 February 2029	11,836,000	1 month – 4 years
Partner doctor of HRC Medical	1,990,710	31 January 2022	14 February 2029	12,639,000	1 – 5 years
Key management personnel	100,000	1 March 2022	14 February 2029	721,000	10 months – 3 years
A director of the Company	10,000,000	27 March 2023	16 February 2032	47,272,000	1 – 5 years
The Directors	18,062,247	23 August 2023	16 February 2032	62,869,000	1 – 5 years
Key management personnel and eligible employees	29,108,000	23 August 2023	16 February 2032	101,319,000	1 – 5 years
Key management personnel and eligible employees	15,447,354	19 April 2024	16 February 2032	31,808,000	1 – 4 years
The Directors	1,050,000	5 December 2025	5 December 2035	2,450,000	1 – 3 years

The grantees of the RSU are not required to pay for the grant of any RSU under the RSU Scheme or for the exercise of the RSU.

The Directors used the quoted prices in active market for the RSUs granted on 19 April 2024 and 5 December 2025. The fair value of the RSUs granted on 19 April 2024 and 5 December 2025 were assessed to be RMB31,808,000 and RMB2,450,000, respectively.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 39. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

### (b) Restricted Share Units Scheme ("RSU Scheme") (Continued)

The table below discloses movement of the Company's RSUs granted held by the Selected Participants at the end of the reporting period:

	Number of Awarded Shares				Outstanding at 31 December 2025
	Outstanding at 1 January 2025	Granted during the year	Exercised during the year	Forfeited during the year	
RSU granted to:					
Key management personnel	874,468	-	(125,000)	(749,468)	-
Key management personnel	125,000	-	(125,000)	-	-
Eligible employees and doctors of HRC Medical	696,750	-	(278,700)	-	418,050
Partner doctor of HRC Medical	1,194,426	-	(398,142)	-	796,284
Key management personnel	33,334	-	(33,334)	-	-
The Directors	19,554,115	-	(1,650,885)	(2,000,000)	15,903,230
Key management personnel and eligible employees	22,354,646	-	(1,631,639)	(289,408)	20,433,599
Key management personnel and eligible employees	14,447,354	-	(4,478,300)	-	9,969,054
The Directors	-	1,050,000	-	-	1,050,000
	59,280,093	1,050,000	(8,721,000)	(3,038,876)	48,570,217

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 39. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

### (b) Restricted Share Units Scheme ("RSU Scheme") (Continued)

	Number of Awarded Shares				Outstanding at 31 December 2024
	Outstanding at 1 January 2024	Granted during the year	Exercised during the year	Forfeited during the year	
RSU granted to:					
Key management personnel					
Partner doctor of HRC Medical	1,568,680	-	(1,568,680)	-	-
Key management personnel	19,880	-	(19,880)	-	-
Eligible employees and doctors of HRC Medical	418,821	-	(418,821)	-	-
Key management personnel	1,151,849	-	(277,381)	-	874,468
Key management personnel	312,500	-	(187,500)	-	125,000
Key management personnel	33,334	-	(33,334)	-	-
Eligible employees and doctors of HRC Medical	1,114,800	-	(418,050)	-	696,750
Partner doctor of HRC Medical	1,990,710	-	(796,284)	-	1,194,426
Key management personnel	66,667	-	(33,333)	-	33,334
The Directors	28,062,247	-	(3,508,132)	(5,000,000)	19,554,115
Key management personnel and eligible employees	29,108,000	-	(6,753,354)	-	22,354,646
Key management personnel and eligible employees	-	15,447,354	(1,000,000)	-	14,447,354
	63,847,488	15,447,354	(15,014,749)	(5,000,000)	59,280,093

The Group recognised the total expense of RMB25,126,000 for the year ended 31 December 2025 (2024: RMB47,285,000) in relation to RSUs granted by the Company.

At the end of reporting period, the Group revises its estimates of the number of RSUs that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the equity-settled share-based payment reserve.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. CAPITAL COMMITMENTS

	2025 RMB'000	2024 RMB'000
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements	97,390	139,904
Commitment to WP Partnership (Note 25)	-	120,000
	<b>97,390</b>	259,904

## 41. RETIREMENT BENEFIT PLANS

The Group participates a Mandatory Provident Fund Scheme (“the MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately. The only obligation of the Group with respect to the MPF scheme is to make the specified contributions under the scheme.

The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

HRC Management maintains multiple qualified contributory savings plans as allowed under Section 401(k) of the Internal Revenue Code in the U.S.A. These plans are defined contribution plans covering substantially all its qualifying employees and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees’ contributions are primarily based on specified dollar amounts or percentages of employee compensation.

The only obligation of HRC Management with respect to the retirement benefits plans is to make the specified contributions under the plans.

The total costs charged to profit and loss, amounted to RMB106,885,000 for the year ended 31 December 2025 (2024: RMB97,691,000) representing contributions paid to the retirement benefit scheme by the Group.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 42. RELATED PARTY DISCLOSURES

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group also entered into the following related party transactions:

Name of related companies	Relationship	Nature of transactions	2025 RMB'000	2024 RMB'000
成都錦欣信息科技有限公司 Chengdu Jinxin Information Technology Co., Ltd.*	Entity controlled by Jinxin Shanghai	Rendering of IT services	1,788	1,055
		Provision of catering services	-	37
Jinxin International Medical Service Limited	Entity controlled by Jinxin International	Marketing expense	(30,649)	(26,726)
HRC Medical and its other affiliates (Note i)	Controlled or jointly controlled by certain shareholders of HRC Investment	Management service income	436,356	428,955
		Pre-implantation genetic screening testing income	35,266	35,227
		Ambulatory surgery centre facilities income	4,452	4,709
		Repayment of lease liability	(5,088)	(5,225)
		Finance cost on lease liability	(522)	(599)
		Marketing expense	-	(1,175)
Chengdu Jinxin Investment and its other affiliates (Note ii)	These related parties and Chengdu jinxin investment have the same beneficial shareholders with the company	Sales of medical consumables and equipment by the group	8,465	9,929
		Provision of rental services	-	101
		Provision of catering services	3,842	3,783
		Provision of pathological examination services	848	531
		Rendering of dormitory rental	39	281
		Rendering labor services	-	2,525
		Finance cost on lease liability	(2,804)	(4,046)
		Rendering cleaning services to the Group	(9,094)	(9,749)
		Repayment of lease liability	(24,717)	(25,366)

### Notes:

\* English name is for identification only identification purpose only.

(i) The amount of lease liabilities as at 31 December 2025 is RMB16,823,000 (31 December 2024: RMB20,087,000).

(ii) The amount of lease liabilities as at 31 December 2025 is RMB25,667,000 (31 December 2024: RMB53,041,000).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 42. RELATED PARTY DISCLOSURES (Continued)

### *Compensation of key management personnel*

The remuneration of the key management is determined based on performance of individuals and market trends.

Key management includes executive directors and senior management. The remuneration of the Directors and other members of key management during the year was as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries and allowances	<b>5,509</b>	8,774
Performance-related incentive payments	<b>6,523</b>	7,946
Retirement benefit schemes contributions	<b>315</b>	507
Share-based payment expenses	<b>11,946</b>	13,990
	<b>24,293</b>	31,217

## 43. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the year.

The capital structure of the Group consists of net debt, which includes the additional advance from related parties or the repayment of their existing advances, lease liabilities and bank borrowings disclosed in Notes 30 (b), 35 and 37 respectively, net of cash equivalents and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debt, if necessary.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 44. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

	<b>The Group</b>	
	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Financial assets</b>		
Financial assets at		
– Amortised cost	<b>1,152,768</b>	1,085,014
– FVTPL	–	80,000
– FVTOCI	<b>35,676</b>	84,303
	<b>1,188,444</b>	1,249,317
<b>Financial liabilities</b>		
Financial liabilities at		
– Amortised cost	<b>3,058,923</b>	2,885,742
Lease liabilities	<b>385,357</b>	334,877

### (b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, accounts and other receivables, refundable deposits, loans receivable, amounts due from/to related parties, other financial assets at FVTPL, equity instrument at FVTOCI, time deposits, bank balances and cash, accounts and other payables, loans payables, bank borrowings, lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### **Market risk**

##### *Currency risk*

Several subsidiaries of the Company have foreign currency bank balances and bank borrowings against the functional currencies of the relevant group entities which expose the Group to foreign currency risk.

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 44. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### Market risk (Continued)

##### Currency risk (Continued)

The carrying amounts of the Group's foreign bank balances and bank borrowings at the reporting date are as follows:

	2025 RMB'000	2024 RMB'000
<b>Assets</b>		
US\$	1,049	2,485
HK\$	277	8,139

	2025 RMB'000	2024 RMB'000
<b>Liabilities</b>		
US\$	527,160	408,942

#### Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in the subsidiaries' functional currency against the relevant foreign currencies 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates. The Group's sensitivity to a 5% increase in its functional currency against US\$ will lead to an increase in loss for the year of RMB19,729,000 (2024: decrease in profit for the year of RMB15,242,000). For a 5% weakening of its functional currency against US\$, there would be an equal but opposite impact on the profit/loss and other comprehensive income/expense for the year. During year ended 31 December 2025 and 2024, the sensitivity of HK\$ against the relevant currency is immaterial.

	US\$	
	2025 RMB'000	2024 RMB'000
Profit or loss	(19,729)	(15,242)

## 44. FINANCIAL INSTRUMENTS (Continued)

### (b) *Financial risk management objectives and policies* (Continued)

#### **Market risk** (Continued)

##### *Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (see Note 33 for details) and bank borrowings (see Note 37 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and bank borrowings.

The Directors consider that the overall interest rate risk is not significant and no sensitivity analysis is presented for the Group.

During the years ended 31 December 2025 and 2024, The fair value interest rate risk on the fixed rate time deposits, is limited because the periods of these deposits are short, which within one year.

The Group is also exposed to fair value interest rate risk in relation to lease liabilities and bank borrowings (see Notes 35 and 37 for details) and the Directors consider that the exposure of such interest rate risk arising from lease liabilities and bank borrowings is insignificant.

##### *Other price risk*

The Group is exposed to equity price risk through its investments in equity investments measured at FVTOCI as disclosed in Note 27 and financial assets at FVTPL as disclosed in Note 25. The Group has appointed a special team to monitor the price risk of this investment.

During the year ended 31 December 2025, if the fair value of the FVTOCI had been 5% higher/lower, the other comprehensive income would increase/decrease by RMB1,784,000 (2024: RMB4,215,000).

During the year ended 31 December 2024, If the fair value of financial assets at FVTPL had been 5% higher/lower, the post-tax profit would increase/decrease by RMB4,000,000.

For the year ended 31 December 2025

## 44. FINANCIAL INSTRUMENTS (Continued)

### *(b) Financial risk management objectives and policies* (Continued)

#### **Credit risk and impairment assessment**

At the end of reporting period, the carrying amount of the respective recognised financial assets of the Group as stated in the consolidated statement of financial position best represents the Group's maximum exposure to credit risk which will cause a financial loss to the Group and due to failure to discharge an obligation by the counterparties. The average loss rates for majority of the financial assets measured at amortised cost are assessed to be less than 1%.

In order to minimise the credit risk for accounts receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debt at the end of reporting period to ensure that adequate impairment losses are made and other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment under ECL model on trade balances individually. In this regard, the Directors consider that the Group's credit risk is significantly reduced. The loss allowance measured under lifetime ECL for accounts receivables of RMB137,791,000 (2024: RMB234,406,000) for the Group is considered insignificant.

For loans receivables, other receivables and refundable deposits, the management makes periodic individual assessment on the recoverability of loans receivables, other receivables and refundable deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2025 and 2024, the Group assessed the ECL for loans receivables, other receivables and refundable deposits are insignificant and thus no loss allowance is recognised.

The loss allowance of loans receivables, other receivables and refundable deposits are measured under 12m ECL which is considered insignificant in respect of loans receivables, other receivables and refundable deposits amounting to RMB80,452,000 (2024: RMB113,642,000) as at 31 December 2025.

For the amounts due from related parties, the Directors make individual assessment on the recoverability of the amounts based on historical settlement records and past experience. In addition to those related parties already have impairment losses disclosed in Note 9, in view of the good repayment history of these related parties and/or considered the future prospects of the industry in which other related parties operate, the Directors consider the risk of default is low, and accordingly, no impairment was recognised in respect of the amounts due from related parties amounting to RMB28,743,000 (2024: RMB163,208,000) as at 31 December 2025.

## 44. FINANCIAL INSTRUMENTS (Continued)

### (b) *Financial risk management objectives and policies* (Continued)

#### **Credit risk and impairment assessment** (Continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The 12m ECL for time deposits, bank balances and interest receivables, of the Group amounting to RMB905,782,000 (2024: RMB571,263,000) as at 31 December 2025 is considered to be insignificant.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk as at 31 December 2025 and 2024.

#### **Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the management, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

In addition, the following table details the Group's liquidity analysis for its financial liabilities.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 44. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### Liquidity risk (Continued)

The tables include both interest, if any, and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of reporting period.

#### Liquidity table

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1 - 2 years RMB'000	2 - 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
<b>At 31 December 2025</b>							
Accounts and other payables	-	461,289	-	-	-	461,289	461,289
Amounts due to related parties	-	25,191	-	-	-	25,191	25,191
Loans payables	-	110,004	-	-	-	110,004	110,004
Bank borrowings	4.36	664,698	389,927	1,473,705	67,127	2,595,457	2,462,439
Lease liabilities	4.09	74,900	92,978	176,260	143,760	487,898	385,357
		<b>1,336,082</b>	<b>482,905</b>	<b>1,649,965</b>	<b>210,887</b>	<b>3,679,839</b>	<b>3,444,280</b>
<b>At 31 December 2024</b>							
Accounts and other payables	-	485,183	-	-	-	485,183	485,183
Amounts due to related parties	-	20,459	-	-	-	20,459	20,459
Loans payables	-	110,004	-	-	-	110,004	110,004
Bank borrowings	5.87	1,321,171	303,337	649,935	62,516	2,336,959	2,270,096
Lease liabilities	4.27	67,367	81,324	153,196	86,776	388,663	334,877
		<b>2,004,184</b>	<b>384,661</b>	<b>803,131</b>	<b>149,292</b>	<b>3,341,268</b>	<b>3,220,619</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 44. FINANCIAL INSTRUMENTS (Continued)

### (c) Fair value measurement of financial instruments

#### **Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

The Group's financial assets are measured at fair value at 31 December 2025 are disclosed in notes 25 and 27. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2025 RMB'000	2024 RMB'000				
Financial assets at FVTPL	-	80,000	Level 3	Net Value Model Key inputs: Net value of underlying investment	The net value of underlying investment	The higher the net value of underlying investment, the higher the fair value.
Equity instrument at FVTOCI	35,676	84,303	Level 3 (2024: Level 2)	Income approach Key inputs: discount rate and market rent (2024: Recent transaction price)	The discount rate (2024: N/A)	The higher the discount rate, the lower the fair value, and vice versa. (2024: N/A)

During the year ended 31 December 2025, equity instrument at FVTOCI was transferred from level 2 to level 3 of the fair value hierarchy in the absence of observable recent transaction prices. There was no transfer between levels during the year ended 31 December 2024.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 44. FINANCIAL INSTRUMENTS (Continued)

### (c) Fair value measurement of financial instruments (Continued)

#### Reconciliation of level 3 fair value measurement

	<b>Financial assets at FVTPL</b> <i>RMB'000</i>
At 1 January 2024 and 31 December 2024	80,000
Total gain	
– in profit or loss	2,062
Disposal	(82,062)
At 31 December 2025	–
	<b>Equity instrument at FVTOCI</b> <i>RMB'000</i>
At 31 December 2024	–
Transfer into level 3 ( <i>Note</i> )	84,303
Total loss	–
– in other comprehensive income	(48,627)
At 31 December 2025	<b>35,676</b>

*Note:*

The Group owns 19.4% equity interest in Jincheng Hongda which is classified as a financial asset at FVTOCI and is measured at fair value at each reporting date. The fair value of the investment as at 31 December 2025 was amounted to RMB35,676,000 (2024: RMB84,303,000). The fair value of the investment as at 31 December 2024 was measured as recent transaction price per table above and hence was classified as Level 2 of the fair value hierarchy. During the year ended 31 December 2025, there are no recent comparable transactions available for reference, and accordingly, the fair value of the investment as at 31 December 2025 was determined based on a valuation technical with significant unobservable inputs and was classified as Level 3 of the fair value hierarchy.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 44. FINANCIAL INSTRUMENTS (Continued)

### (c) Fair value measurement of financial instruments (Continued)

#### **Fair value of financial instruments that are recorded at amortised cost**

The fair values of financial assets and financial liabilities recorded at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

## 45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Loan payable	Dividends payables	Lease liabilities	Non-trade amounts due to related parties	Bank borrowing	Interest payable	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	236,075	–	421,925	4,090	2,127,468	14,015	2,803,573
Financing cash flows	(129,530)	(157,133)	(113,760)	3,549	110,677	(121,010)	(407,207)
Non-cash changes:							
New leases entered	–	–	7,085	–	–	–	7,085
Interest expenses	–	–	16,708	–	11,651	29,047	57,406
Interest expenses capitalised	3,459	–	–	–	–	81,764	85,223
Leases early terminated	–	–	(530)	–	–	–	(530)
Dividends declared	–	157,133	–	–	–	–	157,133
Offset of amount due from related parties	–	–	–	6,010	–	–	6,010
Exchange realignment	–	–	3,449	–	20,300	–	23,749
At 31 December 2024	110,004	–	334,877	13,649	2,270,096	3,816	2,732,442
Financing cash flows	–	(15,903)	(90,556)	(3,252)	170,480	(86,569)	(25,800)
Non-cash changes:							
New leases entered	–	–	121,356	–	–	–	121,356
Interest expenses	–	–	24,199	–	25,924	20,932	71,055
Interest expenses capitalised	–	–	–	–	–	62,849	62,849
Leases early terminated	–	–	(4,864)	–	–	–	(4,864)
Dividends declared	–	15,903	–	–	–	–	15,903
Exchange realignment	–	–	345	–	(4,061)	–	(3,716)
At 31 December 2025	<b>110,004</b>	<b>–</b>	<b>385,357</b>	<b>10,397</b>	<b>2,462,439</b>	<b>1,028</b>	<b>2,969,225</b>

# Notes to the Consolidated Financial Statements

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## 46. PARTICULARS OF SUBSIDIARIES

At the end of the reporting period, the Company has the following subsidiaries comprising the Group:

Name of subsidiaries	Place and date of establishment	Paid-up/ share capital	Attributable equity interest to the Group		Principal activities
			2025	2024	
<i>Directly held:</i>					
BVI Holdco	BVI 1 March 2018	-	100%	100%	Investment holding
Willson BVI	BVI 31 March 2017	US\$205,600,000	100%	100%	Investment holding
JINXIN Medical Management (BVI) Group Limited	BVI 13 October 2021	-	100%	100%	Investment holding
Smiling Charm Limited	BVI 9 October 2019	US\$50,000	100%	100%	Investment holding
<i>Indirectly held:</i>					
Jinxin Fertility HK	Hong Kong 14 March 2018	HK\$1	100%	100%	Investment holding
Sichuan Jinxin Fertility (Note i)	PRC 12 September 2016	Registered capital RMB2,554,841,600	100%	100%	Investment holding
Chengdu Xinan Clinic (Note i)	PRC 1 September 2016	Registered capital RMB22,222,222	100%	100%	Assisted reproductive services and management services
Shenzhen Zhongshan Hospital (Note i)	PRC 18 May 2004	Registered capital RMB20,000,000	99.90%	99.90%	Assisted reproductive services and ancillary medical services
Chengdu Jinyi Enterprise Management Co., Ltd. (Note i)	PRC 27 December 2018	Registered capital RMB1,000,000	100%	100%	Property investment
Shenzhen Yuji Property Services Co., Ltd. (Note i)	PRC 16 September 2009	Registered capital RMB300,000	100%	100%	Property management services to group companies

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 46. PARTICULARS OF SUBSIDIARIES (Continued)

At the end of the reporting period, the Company has the following subsidiaries comprising the Group (Continued):

Name of subsidiaries	Place and date of establishment	Paid-up/ share capital	Attributable equity interest to the Group		Principal activities
			2025	2024	
武漢錦欣中西醫結合婦產 醫院有限公司 Wuhan Jinxin Integrated Gynecology and Obstetrics Hospital Co., Ltd (Note i)*	PRC 17 February 2006	Registered capital RMB80,000,000	70%	70%	Assisted reproductive services and ancillary medical services
錦瑞醫療中心 Jinrui Medical Center (Note ii)	Laos 20 March 2020	Registered capital Lao Kip 25,000,000,000	100%	100%	Assisted reproductive services
HRC Management	U.S.A. 3 November 2015	US\$80,000	100%	100%	Provision for management services and surgery centre facilities
NexGenomics, LLC	U.S.A. 4 February 2015	US\$100	100%	100%	PGS Testing services
Jinxin Women Wellness Limited	BVI 7 July 2021	US\$1,000	51%	51%	Investment holding
上海錦霄醫療管理有限公司 Shanghai Jinxiao Medical Management Co., Ltd (Note i)*	PRC 9 December 2020	Registered capital RMB1,000,000	100%	100%	Management consultancy
深圳市萊恩服務諮詢有限公司 Shenzhen Laien Service Consulting Co., Ltd (Note i)*	PRC 3 April 2020	Registered capital RMB100,000	100%	100%	Management consultancy
JXR New Hope Limited	BVI 27 February 2020	US\$1	100%	100%	Investment holding
成都錦欣輝明企業管理 有限公司 Chengdu Jinxin Huiming Enterprise Management Co., Ltd (Note i)*	PRC 19 November 2021	Registered capital RMB1,100,000,000	100%	100%	Management consultancy

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 46. PARTICULARS OF SUBSIDIARIES (Continued)

At the end of the reporting period, the Company has the following subsidiaries comprising the Group (Continued):

Name of subsidiaries	Place and date of establishment	Paid-up/ share capital	Attributable equity interest to the Group		Principal activities
			2025	2024	
Jinxin Women Wellness Limited	BVI 7 July 2021	US\$1,000	51%	51%	Investment holding
Hong Kong Assisted Reproduction Centre Limited	Hong Kong 3 May 2011	HK\$10,000	51%	51%	Assisted reproductive services
Hong Kong Reproductive Health Centre Limited	Hong Kong 25 March 2020	HK\$10,000	51%	51%	Assisted reproductive services and ancillary medical services
Jinxin Asia Healthcare Investment Ltd.	Cayman 6 June 2024	US\$50,000	100%	100%	Investment holding
Jinxin Asia Investment Ltd.	BVI 25 June 2024	US\$1	100%	100%	Investment holding
JINXIN LIFE ASIA HEALTHCARE INVESTMENT GROUP PTE. LTD.	Singapore 8 July 2024	US\$1	100%	100%	Investment holding
JINXIN Hospital Management Group Limited	Cayman 31 January 2018	US\$50,000	100%	100%	Investment holding
Jinxin Global Medical Company Limited	BVI 11 April 2018	US\$1	100%	100%	Investment holding
Jinxin Investment Group Limited	Hong Kong 22 December 2017	HK\$1	100%	100%	Investment holding
錦欣醫療投資有限公司 Jinxin Medical Investment Company Ltd (Note i)*	PRC 25 August 2015	Registered capital RMB1,000,000	100%	100%	Investment holding

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 46. PARTICULARS OF SUBSIDIARIES (Continued)

At the end of the reporting period, the Company has the following subsidiaries comprising the Group (Continued):

Name of subsidiaries	Place and date of establishment	Paid-up/ share capital	Attributable equity interest to the Group		Principal activities
			2025	2024	
成都市錦邁創新實驗檢測 有限公司 (“Chengdu Jinmai”) (Note i)*	PRC 17 June 2019	Registered capital RMB1,000,000	51%	51%	Sales of medical consumables and equipment
成都錦欣健康管理有限公司 Chengdu Jinxin Health Management Co., Ltd (Note i)*	PRC 24 December 2014	Registered capital RMB4,850,000	100%	100%	Sales of medical consumables and equipment
四川錦欣西因婦女兒童醫院 有限公司 Jinxin Women and Children Hospital (Note i)*	PRC 9 December 2016	Registered capital RMB125,386,636	100%	100%	Obstetrics, gynecology and pediatrics medical services
四川錦欣醫療管理有限公司 Sichuan Jinxin Medical Management Co., Ltd (Note i)*	PRC 8 December 2021	Registered capital US\$1,000,000	100%	100%	Management consultancy
成都錦欣產康健康管理諮詢 有限公司 Chengdu Jinxin Chankang Health Management Consulting Co., Ltd (Note i)*	PRC 18 April 2022	Registered capital RMB5,000,000	57%	57%	Postpartum and rehabilitation care services
成都龍泉驛錦欣產康診所 有限公司 Chengdu Longquanyi Jinxin Chankang Clinic Co., Ltd. (Note i)*	PRC 23 May 2022	Registered capital RMB1,000,000	57%	57%	Postpartum and rehabilitation care services
海南三亞錦舒企業管理 有限公司 Hainan Sanya Jinshu Enterprise Management Co., Ltd. (“Hainan Sanya”) (Note i)*	PRC 23 November 2021	Registered capital RMB2,100,000,000	100%	100%	Real estate development and operation

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 46. PARTICULARS OF SUBSIDIARIES (Continued)

At the end of the reporting period, the Company has the following subsidiaries comprising the Group (Continued):

Name of subsidiaries	Place and date of establishment	Paid-up/ share capital	Attributable equity interest to the Group		Principal activities
			2025	2024	
Shenzhen Hengyu <i>(Note i)</i>	PRC 30 June 2014	Registered capital RMB10,000,000	100%	100%	Real estate development and operation
Kunming Hewanjia Hospital <i>(Note i)</i>	PRC 15 January 2014	Registered capital RMB55,714,286	96.50%	96.50%	Assisted reproductive services and ancillary medical services
Yunnan Jiuzhou Hospital <i>(Note i)</i>	PRC 24 September 2003	Registered capital RMB42,857,143	96.50%	96.50%	Assisted reproductive services and ancillary medical services
Guangzhou Yunzhicai <i>(Note i)</i>	PRC 18 March 2021	Registered capital RMB13,720,000	89.80%	89.80%	Investment holding
Guangzhou Hejia <i>(Note i)</i>	PRC 14 May 2021	Registered capital RMB19,130,000	89.80%	89.80%	Investment holding
Guangdong Kangzhi <i>(Note i)</i>	PRC 5 March 2018	Registered capital RMB49,300,000	100%	100%	Investment holding
雲南咪寶母嬰護理有限公司 Yunnan Mibao Maternal- Child Nursing Co., Ltd. <i>(Note i)*</i>	PRC 10 November 2017	Registered capital RMB1,000,000	100%	100%	Maternal-Child nursing services
成都錦薈科技有限公司 Chengdu Jinhui Technology Co., Ltd <i>(Note i)*</i>	PRC 4 March 2020	Registered capital RMB87,285,000	100%	100%	Investment holding
四川錦欣生殖生命健康研究 有限公司 Sichuan Jinxin Reproductive Life and Health Research Co., Ltd. <i>(Notes i)*</i>	PRC 23 June 2021	Registered capital RMB200,000,000	100%	100%	Research and development of IVF related projects, including scientific research and related commercialisation

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 46. PARTICULARS OF SUBSIDIARIES (Continued)

At the end of the reporting period, the Company has the following subsidiaries comprising the Group (Continued):

Name of subsidiaries	Place and date of establishment	Paid-up/ share capital	Attributable equity interest to the Group		Principal activities
			2025	2024	
深圳市錦欣醫療科技創新中心 有限公司 Jinxin Medical Innovation Research Center (Note i)*	PRC 24 March 2020	Registered capital RMB71,300,000	100%	100%	Research and development of IVF related projects, including scientific research and related commercialisation
成都錦久匯美餐飲管理 有限公司 Chengdu Jinjiu Huimei Catering Management Co., Ltd. (Note i)*	PRC 12 May 2023	Registered capital RMB1,000,000	100%	100%	Operating restaurant
成都欣孕來藥房有限公司 Chengdu Xinyunlai Pharmacy Co., Ltd. (Notes i)*	PRC 20 May 2024	Registered capital RMB1,000,000	100%	100%	Sales of medicines consumables and equipment
成都欣生康健大藥房有限 責任公司 Chengdu Xinsheng Kangjian Pharmacy Co., Ltd. (Notes i)*	PRC 2 December 2024	Registered capital RMB50,000	100%	100%	Sales of medicines consumables and
成都惠普康大藥房有限公司 Chengdu Huipukang (Notes i)*	PRC 12 November 2020	Registered capital RMB1,000,000	100%	100%	Sales of medicines consumables and equipment
深圳中山生殖與遺傳研究所 Shenzhen Zhongshan Reproductive Institute (Note i)*	PRC 19 January 2009	Registered capital RMB1,000,000	100%	100%	Research and development of IVF related projects, including scientific research and related commercialisation
北海錦誠投資合夥企業 (有限合夥) Beihai Jincheng Investment Partnership (Limited Partnership) (Note i)*	PRC 20 April 2022	Registered capital RMB100,000	100%	100%	Investment holding

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 46. PARTICULARS OF SUBSIDIARIES (Continued)

At the end of the reporting period, the Company has the following subsidiaries comprising the Group (Continued):

Name of subsidiaries	Place and date of establishment	Paid-up/ share capital	Attributable equity interest to the Group		Principal activities
			2025	2024	
北海錦欣旭逸醫療管理 合夥企業(有限合夥) Beihai Jinxin Xuyi Medical Management Partnership (Limited Partnership) (Note i)*	PRC 20 April 2022	Registered capital RMB100,000	100%	100%	Investment holding
西藏錦理企業管理有限公司 Xizang Jinli Enterprise Management Co., Ltd. (Note i)*	PRC 7 November 2023	Registered capital RMB200,000,000	100%	100%	Management consultancy
成都欣運生藥房有限公司 Chengdu Xinyunsheng Pharmacy Co., Ltd. (Note i)*	PRC 18 May 2023	Registered capital RMB1,000,000	100%	100%	Sales of medical consumables and equipment
成都錦欣韻餐飲有限公司 Chengdu Jinxinyun Catering Co., Ltd. (Note i and ii)*	PRC 16 November 2023	Registered capital RMB50,000	N/A	57%	Operating restaurant
成都天府新區錦欣宜診所 有限公司 Chengdu Tianfu New District Jinxinyi Clinic Co., Ltd. (Note i)*	PRC 9 November 2023	Registered capital RMB1,000,000	57%	57%	Other hospital- derived services
奇凌有限公司 Miracle Legend Limited*	Hong Kong 26 February 2011	HK\$2	100%	100%	Investment holding
茂名奇凌林業有限公司 Maoming Qijun Forestry Co., Ltd. (Notes i)*	PRC 21 November 2011	Registered capital US\$400,000	100%	100%	Property investment
昆明報喜星健康管理有限公司 Kunming Baoxixing Health Management Co., Ltd. (Note i and ii)*	PRC 14 June 2024	Registered capital RMB100,000	N/A	100%	Management consultancy

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 46. PARTICULARS OF SUBSIDIARIES (Continued)

At the end of the reporting period, the Company has the following subsidiaries comprising the Group (Continued):

Name of subsidiaries	Place and date of establishment	Paid-up/ share capital	Attributable equity interest to the Group		Principal activities
			2025	2024	
<i>Structured entity:</i>					
成都錦潤福德醫療管理 有限公司 Jinrun Fude (Note i)*	PRC 9 May 2018	Registered capital RMB300,000	100%	100%	Investment holding
成都錦逸弘康企業管理 有限公司 Jinyi Hongkang (Note i)*	PRC 5 February 2018	Registered capital RMB100,000	100%	100%	Investment holding

*Notes:*

- \* The English names of these entities registered in the PRC represent the best efforts made by the Directors to directly translate their Chinese names as they did not register any official English names.
- i The company is a wholly foreign owned enterprise established in PRC.
- ii The subsidiary had been deregistered during the year ended 31 December 2025.

As at 31 December 2025 and 2024, none of non-wholly-owned subsidiaries of the Group have material non-controlling interests.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>		
Investments in subsidiaries ( <i>Note</i> )	9,648,266	10,555,144
Amounts due from subsidiaries	350,540	342,340
Loan receivable	22,526	22,391
Life insurance policy	24,548	24,467
	<b>10,045,880</b>	10,944,342
<b>Current assets</b>		
Prepayment and other receivables	8,255	23,377
Amounts due from subsidiaries	373,379	192,554
Bank balances and cash	41,141	7,107
	<b>422,775</b>	223,038
<b>Current liabilities</b>		
Other payables	2,113	5,319
Amounts due to subsidiaries	2,569,406	2,611,042
Bank Borrowings	203,947	793,942
	<b>2,775,466</b>	3,410,303
<b>Net current liabilities</b>	<b>(2,352,691)</b>	(3,187,265)
<b>Total assets less current liabilities</b>	<b>7,693,189</b>	7,757,077
<b>Non-current liabilities</b>		
Bank Borrowings	1,016,302	–
	<b>1,016,302</b>	–
<b>Net assets</b>	<b>6,676,887</b>	7,757,077
<b>Capital and Reserves</b>		
Share capital ( <i>Note 38</i> )	182	182
Reserves	6,676,705	7,756,895
<b>Total equity</b>	<b>6,676,887</b>	7,757,077

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Note:

During the year ended 31 December 2025, impairment of investment in subsidiaries amounting RMB931,850,000 have been recognised due to the impairment of goodwill and intangible assets of the subsidiaries of the Company. Details are set out on Note 23.

### Movement in Company's reserve

	Share premium RMB'000	Shares held for restricted share award scheme RMB'000	Equity- settled share-based payment reserve RMB'000	Accumulated losses RMB'000	Translation reserve RMB'000	Total RMB'000
At 1 January 2024	8,904,097	(2)	85,592	(310,722)	(666,757)	8,012,208
Loss for the year	-	-	-	(101,468)	-	(101,468)
Other comprehensive income	-	-	-	-	185	185
Total comprehensive (expense) income for the year	-	-	-	(101,468)	185	(101,283)
Repurchase of shares	(51,313)	*	-	-	-	(51,313)
Issue of new shares pursuant to the Restricted Share Award Scheme	-	(2)	-	-	-	(2)
Dividends recognised as distribution	(150,000)	-	-	-	-	(150,000)
Recognition of equity-settled share-bases payment (Note 39)	-	-	47,285	-	-	47,285
Forfeiture of equity-settled share- based payment (Note 39(b))	-	-	(847)	847	-	-
Vesting of restricted shares (Note 39)	65,940	1	(65,941)	-	-	-
At 31 December 2024	8,768,724	(3)	66,089	(411,343)	(666,572)	7,756,895
Loss for the year	-	-	-	(1,017,985)	-	(1,017,985)
Loss and total comprehensive expense for the year	-	-	-	(1,017,985)	-	(1,017,985)
Repurchase of shares	(90,746)	-	-	-	-	(90,746)
Recognition of equity-settled share-bases payment (Note 39)	-	-	28,541	-	-	28,541
Vesting of restricted shares (Note 39)	29,978	*	(29,978)	-	-	-
At 31 December 2025	8,707,956	(3)	64,652	(1,429,328)	(666,572)	6,676,705

\* The amount is less than RMB1,000.

For the year ended 31 December 2025

## 48. MAJOR NON-CASH TRANSACTIONS

Other than disclosed elsewhere in the consolidated financial statements, the Group also entered into the following non-cash transactions:

During the year ended 31 December 2025, the Group entered into new lease agreements for HRC Fertility Management for the use of leased properties for 10.5 and 10 years respectively. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of RMB97,628,098 and RMB97,628,098.

During the year ended 31 December 2024, the consideration of the investment in Jincheng Hongda with amount of RMB84,303,000, accounted as equity instrument at FVTOCI, was utilised by the prepayment on acquisition of equity interests.

During the year ended 31 December 2024, the Group entered into a new lease agreement for Jinxin Investment Group Limited for 3 years without extension options. On the lease commencements, the Group recognised RMB6,023,000 of right-of-use assets and RMB6,023,000 lease liabilities.

## 49. CONTINGENT LIABILITIES

The Group has been involved in legal proceedings and claims during the current period that arise in the ordinary course of business, which primarily include medical and labour dispute claims brought by the former patients or employees over the past few years.

The Group has been vigorously defending these legal proceedings and claims. The Directors believe that the final outcome of these outstanding legal proceedings and claims will not have a material impact on the financial position or operations of the Group or the amount of outflow, if any, cannot be determined with sufficient reliability prior to judicial appraisals. Accordingly, no material provision has been made regarding these legal proceedings and claims during the current period.

In this annual report, the following expressions have the meanings set out below unless the context otherwise requires:

“2022 Contractual Arrangements”	the series of contractual arrangements, as the case may be, entered into by, among others, Jinxin Medical Investment, the Jinyi Hongkong Registered Shareholders, Jinyi Hongkong and Sichuan Jinxin Xinan Hospital (Jingxiu Campus), Jinxin Women and Child Hospital details of which are described in the Company’s announcement dated November 26, 2021
“2022 Share Award Scheme”	the 2022 restricted share award scheme conditionally adopted by the Company on February 17, 2022 and amended by the Company on June 25, 2024, the principal terms of which are summarized in the circular of the Company dated May 31, 2024
“2025 Share Scheme”	the 2025 share scheme adopted by the Company on December 5, 2025, the principal terms of which are summarized in the circular of the Company dated November 19, 2025
“AGM”	annual general meeting of the Company
“ARC”	Hong Kong Assisted Reproduction Centre Limited (香港輔助生育中心有限公司), a company established in Hong Kong with limited liability on May 3, 2011, the Group’s indirect subsidiary
“ARS”	assisted reproductive service(s)
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“Audit and Risk Management Committee”	the audit and risk management committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“BVI”	British Virgin Islands
“Cayman Islands Companies Law”	the Companies Law (2018 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the Chairman of the Board

“Chengdu Xinan Clinic”	Chengdu Jinjiang Xinan Clinic Co., Ltd* (成都錦江西囡診所有限公司) (previously known as Chengdu Xinan Gynecological Hospital Co., Ltd. (成都西囡婦科醫院有限公司)), a company established in Chengdu, Sichuan Province, the PRC with limited liability on November 10, 2015, the Group’s subsidiary
“China”, “Mainland China” or the “PRC”	the People’s Republic of China excluding, for the purpose of this annual report, Hong Kong, Macau Special Administrative Region and Taiwan
“Company”, “Jinxin Fertility”, “we” or “our”	Jinxin Fertility Group Limited (錦欣生殖醫療集團有限公司*), previously known as Sichuan Jinxin Fertility Company Limited, an exempted company established in the Cayman Islands with limited liability on May 3, 2018
“Contractual Arrangements”	the Chengdu Xinan and Shenzhen Zhongshan Contractual Arrangements, the 2021 Contractual Arrangements, the 2022 Contractual Arrangements and the Jiuzhou Hospital and Hewanjia Hospital Contractual Arrangements
“Director(s)”	the director(s) of the Company
“ECL”	Impairment under expected credit loss
“EIT”	PRC Enterprise Income Tax
“ESOP”	collectively the Pre-IPO RSU Scheme, the 2022 Share Award Scheme, the 2025 Share Scheme and the Share Option Scheme
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hewanjia Hospital”	Kunming Jinxin Hewanjia Obstetrics and Gynecology Hospital Co.,Ltd.* (昆明錦欣和萬家婦產醫院有限公司), a company established under the laws of the PRC with limited liability on January 15, 2014 and a subsidiary of the Group
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HRC Fertility”	HRC Management and HRC Medical
“HRC Investment”	HRC Investment Holding, LLC, a limited liability company established under the laws of Delaware, the United States on June 2, 2017, the Group’s substantial shareholder

“HRC Management”	HRC Fertility Management, LLC, a limited liability company established under the laws of Delaware, the United States on November 3, 2015, the Group’s indirect subsidiary
“HRC Medical”	Huntington Reproductive Center Medical Group, a professional corporation established under the laws of California, the United States on January 1, 1995, a connected person of the Company by virtue of being jointly owned by Dr. Michael A. Feinman, Dr. Bradford A. Kolb and Dr. Jane L. Frederick, and the nine clinics and three IVF laboratories in California which it owns
“IASB”	International Accounting Standards Board
“ICSI”	intracytoplasmic sperm injection
“IFRS”	International Financial Reporting Standards
“IUI”	intrauterine insemination
“IVF”	in vitro fertilization, a process where the egg and sperm are incubated together to a fertilized embryo in an in vitro system to achieve pregnancy
“Jincheng Hongda”	Chengdu Jincheng Hongda Enterprise Management Co., Ltd
“Jinjiang District Maternity and Child Health Hospital”	Chengdu Jinjiang District Maternity and Child Health Hospital (成都市錦江區婦幼保健院), a non-profit maternity and child healthcare hospital established in the PRC in 1954, the IVF center of which is jointly managed by the Group
“Jinxin Aijian”	Chengdu Jinxin Aijian Hospital Co., Ltd.
“Jinrun Fude”	Chengdu Jinrun Fude Medical Management Company Limited (成都錦潤福德醫療管理有限公司), a limited liability company established under the laws of the PRC with limited liability on May 9, 2018, the Group’s subsidiary by virtue of contractual arrangements
“Jinrun Fude Registered Shareholders”	two individual shareholders of Jinrun Fude, namely Ms. Yan Xiaoqing and Ms. Zhu Yujuan
“Jinxin Fertility BVI”	JINXIN Fertility Investment Group Limited, a limited liability company established under the laws of the British Virgin Islands on November 13, 2017, the Company’s substantial shareholder

“Jinxin Medical Group”	Jinxin Medical Management (BVI) Group Limited and its subsidiaries
“Jinxin Medical Investment”	Jinxin Medical Investment Company Limited* (錦欣醫療投資有限公司), a company established under the laws of the PRC with limited liability, the Group’s subsidiary by virtue of the 2022 Contractual Arrangements
“Jinxin Women Group”	Jinxin Women Wellness Limited and its subsidiaries
“Jinxin Women Wellness Limited”	Jinxin Women Wellness Limited, a company established under the laws of BVI with limited liability on July 1, 2021, the Group’s indirect subsidiary and wholly owns the RHC and the ARC
“Jiuzhou Hospital”	Yunnan Jinxin Jiuzhou Hospital Co., Ltd.* (雲南錦欣九州醫院有限公司), a company established under the laws of the PRC with limited liability on September 24, 2003 and a subsidiary of the Group
“Jinyi Hongkang”	Chengdu Jinyi Hongkang Corporate Management Co, Ltd.* (成都錦逸弘康企業管理有限公司), a limited liability company established under the laws of the PRC, the Group’s subsidiary by virtue of the 2022 Contractual Arrangements
“Jinyi Hongkang Registered Shareholders”	two individual shareholders of Jinyi Hongkang, namely Dr. Lyu Rong and Mr. Xu Jun
“Kangseed Investment”	a minority shareholding interest investment by the Group in the holding company of a company primarily operating an App for online health management for women
“Laos”	Lao People’s Democratic Republic
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on June 25, 2019
“Listing Date”	June 25, 2019, being the date on which the Shares were listed on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time

“MDT”	multidisciplinary team
“Main Board”	Main Board of the Stock Exchange
“Morula”	PT Morula Indonesia
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Molecular Genetics Services”	medical services involving molecular genetics (分子遺傳)
“MSA”	the amended and restated management services agreement dated January 22, 2019 pursuant to which HRC Management provided non-medical management services to HRC Medical
“OPU”	oocyte pick up cycle
“Overseas”	Greater China, the U.S.A. and Laos
“PGT”	preimplantation genetic testing
“Physician Shareholders”	Dr. Michael A. Feinman, Dr. Daniel A. Potter, Dr. Jane L. Frederick, Dr. David Tourgeman, Dr. Bradford A. Kolb, Dr. John G. Wilcox, Dr. Jeffrey Nelson and Dr. Robert Boostanfar, each a certified physician in California, United States, and ultimate beneficial shareholder of HRC Investment, and all of them together are connected persons of our Company by virtue of being our substantial Shareholders
“Prior Chengdu Xinan Hospital”	Chengdu Xinan Gynecological Hospital (成都西囡婦科醫院), a privately funded non-enterprise entity (民辦非企業單位) established on March 31, 2010, predecessor of Chengdu Xinan Hospital
“Prospectus”	the prospectus issued by the Company dated June 13, 2019
“R&D”	research and development
“Relevant Share Schemes”	all the share schemes of the Company involving the grant of options and/or awards as adopted by the Company from time to time (including the 2022 Share Award Scheme and the 2025 Share Scheme)

“Renminbi” or “RMB”	Renminbi Yuan, the lawful currency of the PRC
“Reporting Period”	the twelve-month period from January 1, 2025 to December 31, 2025
“RHC”	Hong Kong Reproductive Health Centre Limited (香港生育康健中心有限公司), a company established in Hong Kong with limited liability on June 14, 2007, the Group’s indirect subsidiary, and is operated under the brand name Gratia Medical Centre
“RSU”	a restricted share unit award granted to a participant under the RSU Scheme
“RSU Scheme”	the restricted share award scheme conditionally adopted by the Company on February 15, 2019, the principal terms of which are summarized in “RSU Scheme” in Appendix V to the Prospectus
“Restricted Shares”	any Shares that may be offered by the Company to any selected Eligible Participant under the 2022 Restricted Share Award Scheme
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US\$0.00001 each
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on June 3, 2019, the principal terms of which are summarized in “Share Option Scheme” in Appendix V to the Prospectus
“Shenzhen Hengyu”	Shenzhen Hengyu Lianxiang Investment Development Co., Ltd.* (深圳市恒裕聯翔投資發展有限公司), a company established in Shenzhen, the PRC with limited liability, the Group’s indirect subsidiary
“Shenzhen Zhongshan Hospital”	Shenzhen Zhongshan Obstetrics and Gynecology Hospital* (深圳中山婦產醫院) (previously known as Shenzhen Zhongshan Urological Hospital (深圳市中山泌尿外科醫院)), a company established in Shenzhen, PRC with limited liability on May 18, 2004, the Group’s indirect subsidiary that is a for-profit specialty hospital

“Sichuan Jinxin Fertility”	Sichuan Jinxin Fertility Medical Management Co., Ltd. (四川錦欣生殖醫療管理有限公司), previously known as Chengdu Jinde Corporate Management Company Limited (成都錦德企業管理有限公司), a company established under the laws of the PRC with limited liability on September 12, 2016, our indirect subsidiary
“Sichuan Jinxin Medical Management”	Sichuan Jinxin Medical Management Co., Ltd* (四川錦欣醫療管理有限公司), a company established in the PRC with limited liability on December 8, 2021, the Group’s subsidiary
“Sichuan Jinxin Xinan Hospital”	collectively, Sichuan Jinxin Xinan Hospital (Bisheng Campus) and Sichuan Jinxin Xinan Hospital (Jingxiu Campus)
“Sichuan Jinxin Xinan Hospital (Bisheng Campus)”	the campus of Chengdu Xinan Clinic located on Bisheng Road in Jinjiang District of Chengdu, which merged its ARS-related medical license with that of Sichuan Jinxin Xinan Hospital (Jingxiu Campus) in April 2023 to become part of Sichuan Jinxin Xinan Hospital
“Sichuan Jinxin Xinan Hospital (Jingxiu Campus)”	Sichuan Jinxin Xinan Women & Children Hospital (Jingxiu Campus)* (四川錦欣西囡婦女兒童醫院靜秀院區) (previously known as Sichuan Jinxin Women and Children Hospital Co., Ltd. (四川錦欣婦女兒童醫院有限公司)), a company established under the laws of the PRC with limited liability on December 9, 2016 that is a for profit women and children hospital, the fertility center of which was jointly managed by the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“success rate”	the form of “clinical pregnancy rate” that has been adopted for discussion in the Prospectus and this annual report
“U.S.”, “US”, or “United States”	the United States of America
“U.S. dollar(s)” or “US\$” or “USD”	United States dollar(s), the lawful currency of the United States of America
“VIE”	variable interest entity
“VIE Entities”	the entities that we control certain percentage of their shareholding through the Contractual Arrangements which comprised, as at the date of this annual report, Chengdu Xinan Clinic, Shenzhen Zhongshan Hospital, Sichuan Jinxin Xinan Hospital (Jingxiu Campus), Jiuzhou Hospital and Hewanjia Hospital

“WP Partnership”	WP Healthcare Investment (Wuxi Yixing) Partnership (Limited Partnership), a comprehensive investment fund
“Wuhan Jinxin Hospital”	Wuhan Jinxin Integrated Gynecology and Obstetrics Hospital Co., Ltd (武漢錦欣中西醫結合婦產醫院有限公司), a company established in PRC with limited liability on February 17, 2006, the Group’s indirect subsidiary

*In this annual report, the terms “associate”, “associated corporation”, “connected person”, “controlling shareholder” and “subsidiary” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

\* For identification purpose only