

明基医院

BENQ MEDICAL CENTER

明基醫院集團股份有限公司 BenQ BM Holding Cayman Corp.

(A company incorporated in the Cayman Islands with limited liability)

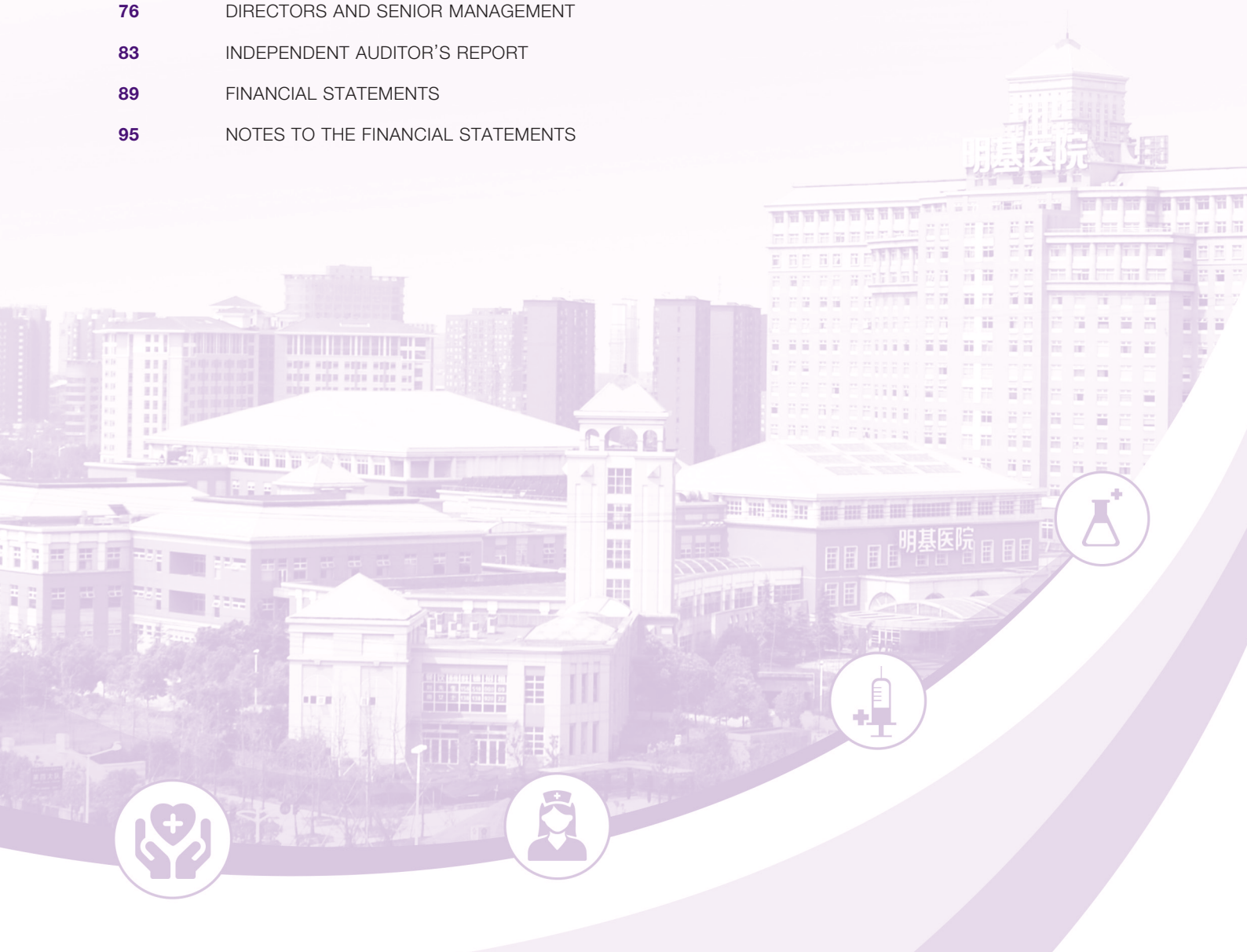
Stock Code : 2581



2025 ANNUAL REPORT

Contents

2	CORPORATE INFORMATION
4	DEFINITIONS
7	FINANCIAL SUMMARY
9	CHAIRMAN'S STATEMENT
12	MANAGEMENT DISCUSSION AND ANALYSIS
33	DIRECTORS' REPORT
56	CORPORATE GOVERNANCE REPORT
76	DIRECTORS AND SENIOR MANAGEMENT
83	INDEPENDENT AUDITOR'S REPORT
89	FINANCIAL STATEMENTS
95	NOTES TO THE FINANCIAL STATEMENTS



Corporate Information

Directors

Executive Director

Mr. HSIAO Tze-Jung (*Chief Executive Officer*)

Non-Executive Directors

Mr. CHEN Chi-Hong (*Chairperson*)

Ms. HUNG Chiu-Chin

Dr. WANG Liming

Independent Non-Executive Directors

Dr. CHOW Hsing-Yi

Mr. WANG Wen-Tsung

Mr. CHEN Ray-Jade

Audit Committee

Mr. WANG Wen-Tsung (*Chairperson*)

Dr. CHOW Hsing-Yi

Ms. HUNG Chiu-Chin

Remuneration Committee

Mr. CHEN Ray-Jade (*Chairperson*)

Mr. WANG Wen-Tsung

Mr. HSIAO Tze-Jung

Nomination Committee

Mr. CHEN Chi-Hong (*Chairperson*)

Mr. CHEN Ray-Jade

Dr. CHOW Hsing-Yi

Dr. WANG Liming (*appointed on March 9, 2026*)

Mr. WANG Wen-Tsung (*appointed on March 9, 2026*)

Authorised Representatives

Mr. HSIAO Tze-Jung

Ms. LAI Ying Tung

Company Secretary

Ms. LAI Ying Tung

Headquarters and Principal Place of Business in the PRC

71 Hexi Avenue
Jianye District, Nanjing City
Jiangsu Province
PRC

Principal Place of Business in Hong Kong

Room 1901, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Registered Address

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

Principal Share Registrar and Transfer Office in Cayman Islands

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

Hong Kong Branch Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Auditor

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

Principal Bankers

Agricultural Bank of China
Sanyuanxiang Branch
No. 240, Zhongshan South Road
Qinhuai District, Nanjing City
Jiangsu Province
PRC

Agricultural Bank of China
High-tech Zone Branch
No. 65, Shishan Road
Huqiu District, Suzhou City
Jiangsu Province
PRC

Stock Code

2581

Company Website

<http://www.benqmedicalcenter.com/>

Definitions

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

“Articles” or “Articles of Association”	the articles of association of the Company conditionally adopted on December 3, 2025 with effect from the Listing Date
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BenQ BM”	BenQ BM Holding Corp., a private limited company incorporated under the laws of Malaysia on October 30, 2003 and a wholly-owned subsidiary of our Company
“BenQ Corp.”	BenQ Corp. (明基電通股份有限公司), a joint stock company incorporated under the laws of Taiwan and will be a Controlling Shareholder upon Listing. As of the date of this annual report, it was a wholly-owned subsidiary of Qisda Corporation, details of which are set out in “Substantial Shareholders” and “Relationship With Our Controlling Shareholders” in the Prospectus
“Board”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“Cayman Companies Act”	the Companies Act (As Revised) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company” or “our Company” or “BBHC”	BenQ BM Holding Cayman Corp. (明基醫院集團股份有限公司), an exempted company incorporated in the Cayman Islands with limited liability on January 5, 2009
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, collectively refers to Qisda Corporation, Darly2 Venture, Darly Venture, BenQ Corp. and Darly Venture (L) as detailed in “Relationship With Our Controlling Shareholders” in the Prospectus
“Director(s)”	the director(s) of the Company
“ESG”	Environmental, Social and Governance

“Global Offering”	the Hong Kong Public Offering and the International Offering (both as defined in the Prospectus)
“Group”, “our Group”, “we”, “us”, or “our”	the Company and its subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”, “HK dollars” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	December 22, 2025, the date on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, as amended, modified and supplemented from time to time
“Mainland China”, “China” or “PRC”	the People’s Republic of China which, for the purposes of this annual report and for geographical reference only, except where the context requires otherwise, exclude Hong Kong, Macau and Taiwan
“Nanjing BenQ Hospital”	Nanjing BenQ Medical Center Co., Ltd. (南京明基醫院有限公司), a limited liability company incorporated in the PRC on November 11, 2003 and a wholly-owned subsidiary of our Company
“NHC”	the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會)
“NTD” or “NT\$”	New Taiwan dollar(s), the lawful currency of Taiwan
“Previous Period”	January 1, 2024 to December 31, 2024
“Prospectus”	the prospectus of the Company dated December 12, 2025

Definitions

“Qisda Corporation”	Qisda Corporation (佳世達科技股份有限公司), a joint stock limited company incorporated under the laws of Taiwan and is listed on the Taiwan Stock Exchange (stock code: 2352.TW). Qisda Corporation is a Controlling Shareholder, details of which are set out in “Substantial Shareholders” and “Relationship With Our Controlling Shareholders” in the Prospectus
“Qisda Group”	Qisda Corporation and, except where the context otherwise requires, all of its subsidiaries and their respective branches and business and, for the purpose of this annual report, excluding our Group
“Reporting Period”	January 1, 2025 to December 31, 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)” or “Ordinary Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of US\$1.00 each
“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Suzhou BenQ Hospital”	Suzhou BenQ Medical Center Co., Ltd. (蘇州明基醫院有限公司), a limited liability company incorporated in the PRC on July 7, 2004 and a wholly-owned subsidiary of our Company
“Taiwan”	Taiwan, province of the People’s Republic of China
“%”	per cent.

Financial Summary

For the year ended December 31,

	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	2,718,346	2,658,973	2,687,613	2,336,435
Cost of revenue	(2,294,280)	(2,176,931)	(2,179,957)	(1,953,335)
Gross profit	424,066	482,042	507,656	383,100
Operating expenses	(260,045)	(287,505)	(245,483)	(217,855)
Profit from operations	164,021	194,537	262,173	165,245
Non-operating net profit	(23,678)	(26,503)	(28,077)	(37,634)
Profit before taxation	140,343	168,034	234,096	127,611
Income tax	(45,407)	(59,112)	(66,646)	(38,061)
Profit for the year	94,936	108,922	167,450	89,550
Profit for the year attributable to equity shareholders of the Company	94,936	108,922	167,450	89,550
Profitability Indicators				
Gross profit margin ⁽¹⁾	15.6%	18.1%	18.9%	16.4%
Net profit margin ⁽²⁾	3.5%	4.1%	6.2%	3.8%
Return on equity (ROE) ⁽³⁾	4.9%	7.0%	11.8%	7.0%
Return on total assets (ROA) ⁽⁴⁾	2.7%	3.6%	6.1%	3.6%
Assets and Liabilities Indicators				
Total non-current assets	2,751,955	2,596,703	2,352,231	2,143,744
Total current assets	1,099,206	504,606	560,154	412,053
Total current liabilities	1,394,046	1,299,848	1,219,813	1,125,288
Net current liabilities	(294,840)	(795,242)	(659,659)	(713,235)
Total assets less current liabilities	2,457,115	1,801,461	1,692,572	1,430,509
Total non-current liabilities	204,981	185,578	190,392	101,000
Net assets	2,252,134	1,615,883	1,502,180	1,329,509
Total equity	2,252,134	1,615,883	1,502,180	1,329,509
Current ratio ⁽⁵⁾	0.8	0.4	0.5	0.4
Quick ratio ⁽⁶⁾	0.7	0.3	0.4	0.3
Gearing ratio ⁽⁷⁾	41.5%	47.9%	48.4%	48.0%

Financial Summary

Notes:

- (1) Gross profit margin was calculated based on gross profit divided by revenue for the respective year.
- (2) Net profit margin was calculated based on net profit divided by revenue for the respective year.
- (3) Return on equity was calculated based on net profit of the respective year, divided by the arithmetic average of the opening and closing balances of total equity and multiplied by 100%.
- (4) Return on total assets was calculated based on net profit of the respective year, divided by the arithmetic average of the opening and closing balances of total assets and multiplied by 100%.
- (5) Current ratio was calculated based on the total current assets divided by the total current liabilities as of the relevant dates.
- (6) Quick ratio was calculated based on the total current assets less inventories and divided by the total current liabilities as of the relevant dates.
- (7) Gearing ratio = Total liabilities/Total assets × 100%

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I present the annual report of BenQ BM Holding Cayman Corp. (together with its subsidiaries hereinafter referred to as the “**Group**”) for the year ended December 31, 2025.

2025 was the year when the Group completed its listing on the Hong Kong Stock Exchange. Under the new capital market environment and corporate governance framework, the Board has conducted a systematic review of the Group's development path, capital allocation principles, and long-term positioning. Facing macroeconomic fluctuations and industry structural adjustments, the Board adheres to a prudent operating approach and a long-term value creation orientation, prioritizing the strengthening of the operational capabilities of existing assets and advancing sustainable development within controllable risk parameters.

Business Review: Steady Expansion in Scale and Continuous Improvement in Efficiency

During the Reporting Period, the Group continued to focus on the operation of general hospitals as its core business, advancing its three major strategies centered on enhancing medical quality, building specialized capabilities, and implementing refined management. While expanding its service capacity, the Group placed greater emphasis on optimizing resource utilization efficiency and structural adjustments.

As of December 31, 2025, the number of registered beds of the Group increased from 1,850 in 2024 to 1,950. Alongside this moderate expansion in bed capacity, the bed occupancy rate rose from 97.1% to 98.9%, maintaining a high level within the industry and reflecting further enhancement in the utilization efficiency of existing assets. The bed turnover days remained stable at 7.8 days (2024: 7.9 days), demonstrating continuous optimization in inpatient process management and clinical coordination capabilities.

The number of outpatient and emergency visits, discharges, and surgical procedures all achieved steady growth, indicating a stable release of demand for medical services. In terms of revenue structure, inpatient revenue increased compared to the previous year, while outpatient and emergency revenue remained generally stable. The business structure continued to be centered on inpatient services, with outpatient and emergency services serving as important complements, aligning with the Group's positioning as a general hospital.

The Board believes that the Group achieved organic growth based on its existing assets during the Reporting Period, with efficiency indicators maintaining high levels, reflecting continuous improvements in operational management capabilities and medical service quality.

Chairman's Statement

Governance and Capital Discipline

As a Hong Kong-listed company, the Group strictly adheres to the Listing Rules and relevant regulatory requirements, continuously improves the operational mechanisms of the Board and its specialized committees, strengthens the construction of internal control and risk management system, and enhances the transparency of information disclosure.

The Board maintains a prudent approach in capital allocation, prioritizing investments that enhance the operational efficiency and service capabilities of existing hospitals, ensuring that resource utilization aligns with long-term development strategies. The Board believes that robust governance and prudent capital discipline are the foundations for earning long-term trust from the capital markets.

Future Outlook: Strengthening Foundations and Prudent Expansion

The Group will continue to reinforce its positioning of “comprehensive healthcare services plus medical specialties”, enhancing the development of key specialties and research capabilities, and strengthening its capacity for diagnosing and treating complex and critical illnesses as well as its regional brand influence. By continuously optimizing talent structure and disciplinary layouts, the Group aims to improve medical quality and patient satisfaction.

Regarding the expansion of existing hospitals, the Group will proceed in an orderly manner with the expansion and functional upgrades of hospitals in Nanjing and Suzhou, in accordance with regulatory requirements and market conditions, gradually unlocking the potential of existing land resources and enhancing service capacity.

The Group plans to strengthen cooperation with regional primary healthcare institutions and elderly care service providers, improving the tiered diagnosis and treatment system and bidirectional referral mechanism, and promoting the cooperation between healthcare institutions and elderly care service providers and the construction of continuous healthcare service system to enhance its capabilities in providing full-cycle patient care.

While ensuring the stable operation of existing businesses, the Group will continue to prudently evaluate merger and acquisition opportunities, focusing on medical institutions with regional synergies, a solid compliance foundation, and reasonable valuations. All investment decisions will comprehensively consider financial performance, integration feasibility, risk levels, and long-term return potential, ensuring that the pace of expansion aligns with the Group's capital capabilities.

Meanwhile, the Group will monitor potential development opportunities in Southeast Asia and other regions, exploring cooperation or investment paths that align with the Group's long-term strategies based on a thorough assessment of policy, regulatory, and market risks.

Leveraging Qisda Group's advantages in information technology and intelligent solutions, the Group will continue to advance the construction of smart hospitals, optimizing medical processes and management systems. The Group will explore the application of artificial intelligence technologies in auxiliary diagnosis, process management, and operational optimization to enhance efficiency and service standardization.

Chairman's Statement

The healthcare services industry is currently undergoing concurrent structural upgrades and quality improvements. The Board will continue to adhere to a prudent operating approach and a long-term value orientation, steadily advancing the Group's development while ensuring compliance and controllable risks.

On behalf of the Board, I would like to express my heartfelt gratitude to all shareholders, investors, and partners for their support and trust, and extend my sincere appreciation to the management team and all employees. The Board will continue to fulfill its duties diligently, working hand in hand with the management to create long-term, sustainable value for shareholders.

CHEN Chi-Hong

Chairman

March 9, 2026

Management Discussion and Analysis

Business Overview

Our Profile

BenQ BM Holding Cayman Corp. (together with its subsidiaries hereinafter referred to as “**the Group**”) is a comprehensive medical service group that focuses on medical services in Mainland China. It primarily operates general hospitals and provides patients with medical services such as outpatient services, emergency treatment, inpatient services, and physical examinations by operating general hospitals mainly. With general hospitals as the core business, the Group keeps promoting the coordinated development of medical care quality, discipline building, and operational management, and building a comprehensive medical service system focusing on medical services and supported by operational efficiency.

Incorporated in the Cayman Islands on January 5, 2009, the Company serves as the holding platform for the Group. On December 22, 2025, the Company’s shares were listed on the Main Board of the Hong Kong Stock Exchange (stock code: 02581.HK) in a global offering of 67,000,000 Shares with aggregate nominal value of US\$67,000,000, comprising a Hong Kong public offering of 6,700,000 Shares and international placing of 60,300,000 Shares. The Shares were issued and subscribed to Hong Kong and overseas investors at an Offer Price of HK\$9.34 per (excluding brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) by way of an initial public offering. For details of the Global Offering, please refer to the Prospectus and the allotment results announcement of the Company dated December 19, 2025. The controlling shareholders of the Group, namely Qisda Corporation and its affiliates, have extensive experience in medical devices, information technology (“**IT**”), and corporate management, providing support for the Group’s hospital operational management and IT development.

As of the end of the Reporting Period, the Group mainly operated two private for-profit general hospitals in Jiangsu Province in the Chinese mainland, forming a regional medical service layout centered on core cities of the Yangtze River Delta. Nanjing BenQ Hospital is a Grade A Class III General Hospital with strong capabilities in emergency and critical care, multidisciplinary collaboration, and comprehensive diagnosis and treatment, and has passed multiple accreditations, such as national chest pain center and national stroke center; Suzhou BenQ Hospital, a Class III General Hospital, has been accredited by the JCI, and established characteristics in such fields as obstetrics and gynecology, pediatrics, and elderly care. The two hospitals together constitute the core business foundation of the Group.

The Group keeps improving its medical service capabilities and management level by adhering to the development philosophy of “pursuing *the true, the good, and the beautiful* in healthcare”. Its core advantages lie in: the solid foundation in the operation of general hospitals and the sophisticated medical service system; the focus on both medical care quality and operational efficiency, and the normative management pattern; the synergistic advantages in equipment, IT, and management systems relying on the controlling shareholders’ industry resources; the reasonably structured and experienced medical care and management teams; the concentrated regional arrangement, which is conducive to economies of scale and management synergies.

Looking ahead, the Group will continue to deepen its presence in core regions, strengthen its integrated medical service capabilities, and steadily advance the enhancement of its disciplinary development and operational management. While ensuring medical quality and compliant operations, the Group is committed to achieving long-term, sustainable growth and delivering sustainable value for both patients and shareholders.

Management Discussion and Analysis

Our Vision

To pursue excellence in healthcare guided by the principles of Truth, Goodness and Compassion.

Truth in Medical Services: Delivering accurate diagnoses and effective treatments.

Goodness in Healthcare Management: Optimizing resource utilization and enhancing operational efficiency.

Compassion in Medical Ethics: Treating patients as family with empathy and respect.

Our Mission

Continuing to improve medical quality care and service experiences in a patient-centered approach;

Prioritizing the development of key specialties and strengthening our capacity to diagnose and treat complex and severe diseases;

Promoting clinical technology progress with the support of scientific research and innovation, and the synergy of medical care, education, and research;

Achieving efficiency improvement and sustainable development with the support of refined operations;

Enhancing long-term shareholder value based on normative and compliant management.

Business Highlights

During the Reporting Period, the Group achieved steady growth in scale and continuous optimization in operational efficiency against the backdrop of the high-quality development of the industry:

Expanding scale of medical services

The number of outpatient visits increased from 2,146,452 person-times in 2024 to 2,171,253 person-times in 2025; the number of inpatient visits increased from 86,223 person-times in 2024 to 87,276 person-times in 2025, reflecting the stable growth in medical service demand.

Further improvement of bed resources

The number of registered beds increased from 1,850 by the end of 2024 to 1,950 by the end of 2025, and the effective service capacity increased to 677,550 in 2025, providing support for sustainable business development.

Continuous optimization of medical service efficiency

The average number of bed turnover days was shortened from 7.9 in 2024 to 7.8 in 2025, and the bed utilization rate increased from 97.1% in 2024 to 98.9% in 2025, reflecting the continuous improvement in the utilization efficiency of bed resources.

Management Discussion and Analysis

Steady improvement in surgical service capabilities

The number of inpatient operations reached 22,607 in 2025, and the number of outpatient operations increased from 4,367 in 2024 to 5,118 in 2025.

Growing value of medical services

The average patient expenditure per hospital stay increased from RMB15,998 in 2024 to RMB16,430 in 2025, reflecting the continuous optimization in its medical service capabilities and service structure.

Business Review

During the Reporting Period, the Group continued to optimize its medical service structure and operational efficiency, and promote the steady growth in the scale of medical services while maintaining a high level of medical service quality. Benefiting from the continuous growth in regional medical demand and the continuous improvement of the Group's specialty capabilities, the Group's outpatient and inpatient medical services maintained stable development, and the utilization efficiency of bed resources also remained at a high level.

	2024	2025
Inpatient medical services		
Number of registered beds ⁽¹⁾	1,850	1,950
Effective service capacity ⁽²⁾	677,100	677,550
Inpatient visits (in 1,000) ⁽³⁾	86.2	87.3
Number of inpatient operations ⁽⁴⁾	22,744	22,607
Average patient expenditure per hospital stay (RMB) ⁽⁵⁾	15,998	16,430
Average bed turnover days ⁽⁶⁾	7.9	7.8
Inpatient bed days ⁽⁷⁾	657,588	669,759
Bed utilization rate (%) ⁽⁸⁾	97.1	98.9
Outpatient medical services		
Outpatient visits (in 1,000) ⁽⁹⁾	2,146.5	2,171.3
Average patient expenditure per hospital visit (RMB) ⁽¹⁰⁾	542	536
Number of outpatient operations ⁽¹¹⁾	4,367	5,118

Notes:

- (1) Represents the number of beds that were registered in the Group's hospitals' practicing license as of the end of the relevant year.
- (2) Represents the estimated inpatient service capacity of the Group's hospitals during the given year, calculated as the number of registered beds as of the end of such year multiplied by the number of days in such year.
- (3) Represents the total number of inpatients (with hospital stay) in the Group's hospitals during the given year.
- (4) Represents the total number of inpatient surgeries performed in the Group's hospitals during the given year.

Management Discussion and Analysis

- (5) Represents the average spending per inpatient visit calculated as the revenue from inpatient healthcare services divided by the number of inpatient visits in our hospitals during the given year.
- (6) Represents the average turnover days per registered bed in the Group's hospitals, as an indicator of the efficiency of the delivery of inpatient healthcare services, calculated as the effective service capacity during the given year divided by the total number of discharged patients during such year.
- (7) Represents the aggregate length of stay (in terms of days) for all inpatient visits in the Group's hospitals during the given year.
- (8) Represents the percentage of registered beds occupied by inpatients during the given year, as an indicator of the utilization of registered beds, calculated as the inpatient bed-days during such year divided by the effective service capacity during such year multiplied by 100%.
- (9) Represents the total number of outpatients (without hospital stay, and excluding the number of patients receiving physical examination services) in the Group's hospitals during the given year. Except for inpatients who are readmitted to our inpatient department and/or are transferred to the inpatient department from another hospital, most inpatients need to check in at the outpatient counter first before they are admitted to the inpatient department and receive relevant inpatient healthcare services.
- (10) Represents the average spending per outpatient visit calculated as the revenue from outpatient healthcare services (excluding the revenue from physical examination services) divided by the number of outpatient visits of the Group's hospitals during the given year.
- (11) Represents the total number of outpatient surgeries performed in the Group's hospitals during the given year.

Inpatient medical services

During the Reporting Period, the Group continued to improve its inpatient service capabilities and bed operation efficiency. As of December 31, 2025, the number of registered beds of the Group increased from 1,850 in 2024 to 1,950 in 2025, further enhancing the carrying capacity of inpatient medical services. With the continuous growth of medical service demand, the number of inpatient visits of the Group increased from 86,223 person-times in 2024 to 87,276 person-times in 2025.

The Group kept promoting refined operational management and maintained a good level of efficiency in inpatient services. The average number of bed turnover days was shortened from 7.9 in 2024 to 7.8 in 2025, indicating the improvement in bed turnover efficiency. In the meantime, the number of inpatient bed days increased from 657,588 in 2024 to 669,759 in 2025, driving up the bed utilization rate from 97.1% in 2024 to 98.9% in 2025, reflecting that the utilization rate of the Group's bed resources remained at a high level.

In terms of medical service value, the Group's inpatient service structure underwent continuous optimization. The average patient expenditure per hospital stay increased from RMB15,998 in 2024 to RMB16,430 in 2025, mainly driven by the enhancement of specialty service capabilities, and the improvement of the diagnosis and treatment service structure.

In terms of surgical services, the Group maintained stable surgical service capabilities. In 2025, the number of inpatient operations of the Group was 22,607 (2024: 22,744), remaining stable overall.

In addition, the Group continued to enhance its overall medical service capabilities, with its effective service capacity increasing from 677,100 in 2024 to 677,550 in 2025, providing support for the stable growth of its medical service volume.

Management Discussion and Analysis

Outpatient medical services

During the Reporting Period, the Group's outpatient medical service volume maintained steady growth. In 2025, the number of outpatient visits reached 2,171,253 person-times, an increase from 2,146,452 person-times in 2024, reflecting the steady growth in regional medical demand.

In terms of outpatient service efficiency, the Group continued to optimize outpatient service processes and enhance specialty outpatient capabilities. In 2025, the average expenditure per outpatient visit was RMB536 (2024: RMB542), remaining stable overall.

In terms of outpatient surgical services, the Group has continuously enhanced its capabilities in day-time surgery, and minimally invasive diagnosis and treatment. In 2025, the number of outpatient operations increased significantly from 4,367 in 2024 to 5,118, reflecting the continuous improvement of the Group's capabilities in day-time surgery, and minimally invasive diagnosis and treatment services.

Overall Operational Performance

During the Reporting Period, while maintaining steady growth in the medical service volume, the Group kept improving the utilization efficiency of bed resources and medical service capabilities. The demand for outpatient and inpatient medical services remained stable, and surgical service capabilities, and specialty diagnosis and treatment capabilities were further enhanced. In the future, the Group will keep deepening the construction of the specialty disciplines building, optimizing the medical service structure, and promoting the sustained and steady development of medical services by improving operational efficiency and medical service quality.

Business Portfolio

Core Medical Services

The Group provides comprehensive hospital medical services predominantly, covering medical services of multiple levels and types, including:

- Outpatient and emergency medical services
- Inpatient medical services
- Surgical, and high-complexity diagnosis and treatment services
- Specialty medical services (thoracic surgery, nephrology, neurosurgery, obstetrics, critical care medicine, etc.)
- High-end medical services and multi-level health management services

Management Discussion and Analysis

Key Specialty Disciplines Buildings

The Group has established differentiated medical service advantages by keeping promoting key specialty disciplines buildings and strengthening distinctive discipline capabilities.

Specifically:

Nanjing BenQ Hospital

- 1 national-level clinical key specialty
- 4 provincial-level clinical key specialties
- 14 municipal-level key specialties

Suzhou BenQ Hospital

- 1 municipal-level key specialty
- Multiple district-level key specialties and construction units

The continuous enhancement of key specialty capabilities has enabled the Group to establish differentiated competitive advantages in the regional medical care market, and further improve medical service quality and academic influence.

Research and Development

Scientific Research Achievements and Academic Influence

Nanjing BenQ Hospital

Nanjing BenQ Hospital has maintained a high level of scientific research outputs. During the Reporting Period, the hospital published 12 papers in Chinese medical journals, covering multiple disciplines such as otolaryngology, and head and neck surgery, neurology, nephrology, ophthalmology, pharmacy, the pancreatic center, oncology, and experimental medicine.

Meanwhile, 67 Science Citation Index (“**SCI**”) papers were published in total during the Reporting Period, covering key specialties such as the Otolaryngology, Head and Neck Surgery (15), the Department of Nephrology (7), the General Laboratory (6), the Department of Nursing (6), the Pancreatic Center (5), the Department of Radiology (4), the Department of Orthopedics (4), the Department of Neurosurgery (3), and the Department of Cardiovascular Medicine (3), reflecting the hospital’s constant breakthroughs in high-level academic research.

The relevant scientific research achievements have formed cluster advantages in multiple clinical and medical technology fields, further enhancing the hospital’s academic influence in its region and professional fields.

Management Discussion and Analysis

Suzhou BenQ Hospital

During the Reporting Period, Suzhou BenQ Hospital continued to promote scientific research and innovation, and achievement transformation, with a steady increase in scientific research outputs. In 2025, 9 SCI papers were published in total, with a cumulative impact factor of 28.5. The relevant studies covered multiple key clinical fields such as orthopedics, cardiothoracic surgery, general surgery, pediatric critical care medicine, gastroenterology, urological surgery, and nephrology; meanwhile, three papers were published in core journals.

Scientific Research Project Application and Platform Building

During the Reporting Period, the Group promoted the application for scientific research projects and the building of scientific research platforms actively.

Nanjing BenQ Hospital

Six provincial- and municipal-level scientific research projects were approved, covering natural science research, healthcare projects for officials, and special research projects of health commissions, involving key departments such as the Department of General Surgery, the Department of Nursing, the Department of Ultrasonography, and the Innovation and Transformation Center. The scientific research system was further consolidated.

Suzhou BenQ Hospital

During the Reporting Period, multiple municipal- and district-level scientific research projects were approved, including:

Two municipal-level scientific research projects (Department of Respiratory Medicine, and Department of General Surgery), six district-level medical research projects (key, general and youth projects, covering the Department of Nephrology, the Department of Oncology, the Thyroid and Breast Center, and the Department of Endocrinology), and one municipal-level key laboratory open project (Department of Neurology).

The portfolio of scientific research projects covered key areas such as respiratory diseases, tumors, chronic kidney disease, and nervous system diseases, and scientific research capabilities were enhanced continuously.

Teaching System and Talent Training

The Group keeps deepening the coordinated development of medical education and research, and has established a multi-level talent training system.

Nanjing BenQ Hospital is a teaching school for the affiliated hospitals of Nanjing Medical University, the School of Medicine of Southeast University, and Nanjing University of Chinese Medicine, and also a postdoctoral innovation practice base and a blood purification training base in Jiangsu Province. From 2023 to 2025, the hospital received about 450 students, interns, post-graduate students, and resident physicians for training per year on average, enhancing its teaching capabilities continuously.

Management Discussion and Analysis

Suzhou BenQ Hospital and Soochow University have established the Soochow University BenQ Clinical Medicine Research Institute jointly to promote medical technology innovation in the “integrated medical education and research” model. In addition, it has built a cross-strait platform for medical transformation and clinical teaching in cooperation with institutions such as Kaohsiung Medical University, and would receive medical students from Taiwan, China for internships and exchanges every year.

Overall, during the Reporting Period, the Group achieved steady growth in the number of scientific research projects, the number of published academic papers, and the number of technological innovation achievements, and its scientific research outputs in key specialties were enhanced continuously. Positive interactions between scientific research and clinical service capabilities have laid a solid foundation for medical care quality improvement, deep-going discipline building, and long-term sustainable development.

Intellectual Property

During the Reporting Period, the Group received:

- 2 invention patents and 11 copyrights (Nanjing BenQ Hospital)
- 6 utility model patents and 9 copyrights (Suzhou BenQ Hospital)

Some disciplines participated in the formulation of clinical guidelines, expert consensuses, and industry technical specifications, further enhancing their professional influence.

Major Government R&D Grants, Funding, Subsidies and Tax Preference

During the Reporting Period, the Group strived for support from governments at all levels actively to promote scientific research development and enhance innovation capabilities. In 2025, the Group received about RMB2.8 million as in special government subsidies in total (2024: RMB1.6 million).

The relevant funding mainly includes: about RMB1 million from the Special Fund for the Development of Health and Wellness of Jiangsu Province, about RMB700,000 for high-level innovation talent projects under the Purple Mountain Talent Program, and about RMB150,000 from the Special Fund for Basic Research of Jiangsu Province, among other special government subsidies.

The above funding is used primarily for clinical research, technological innovation, and key specialty building, providing strong support for the Group to enhance scientific research capabilities continuously and promote the clinical transformation of scientific research achievements.

In the future, the Group will continue to strive for all kinds of government subsidies, grants and relevant preferential policies actively to further consolidate the scientific research foundation, promote innovation-driven development, and support the long-term sustainable growth of medical services.

Management Discussion and Analysis

Future and Prospects

Future Business Development

Looking ahead, the Group will centre around its core business of integrated medical services, building a synergistic development landscape anchored by core general hospitals, driven by key specialty capabilities, and supplemented by extended medical and health management services. The Group will persist in prioritising medical quality and operational efficiency, leveraging differentiated positioning and coordinated resource allocation to drive orderly development and capability complementarity among its medical institutions under a unified strategic framework, thereby continuously enhancing long-term sustainable development capabilities.

At the group level, future development will focus on three key directions: firstly, consolidating the capacity to provide integrated medical services, continuously improving the utilisation efficiency of bed resources and the diagnosis and treatment standards of key specialties; secondly, aligning with the trends of population ageing and evolving disease patterns, steadily expanding an extended medical service system covering acute care, rehabilitation and chronic disease management; thirdly, leveraging information technology and refined operations as drivers to promote innovation in medical service models, enhancing the Group's overall operational efficiency and service quality, while progressively establishing a replicable and scalable model for medical service development.

Nanjing BenQ Hospital

Nanjing BenQ Hospital will shift its future growth model from scale expansion to a high-quality development that equally emphasises scale, structure and quality, focusing on enhancing high-end specialty capabilities and the overall capacity of integrated medical services, while continuously optimising its business structure and resource allocation efficiency.

Strategically, Nanjing BenQ Hospital is committed to the goal of establishing itself as a “university-affiliated Grade A Class III hospital”. Guided by five key directions – “strengthening specialties, comprehensive services, international alignment, Taiwan characteristics and smart hospital development” – it will drive a transformation from being bed-driven to specialty-driven, and from quantitative growth to capability enhancement, thereby improving the efficiency of output per bed and the added value of integrated medical services.

Specialty Structure Upgrading and Core Capability Strengthening

Nanjing BenQ Hospital will systematically advance the development of a multi-tiered system of key specialties, building a portfolio of leading specialty clusters with regional influence.

In terms of developing municipal and provincial-level clinical key specialties, established specialties such as anaesthesiology and general surgery will further consolidate their technological advantages. Specialties with growth potential, including urology, ophthalmology, haematology and orthopaedics, will receive focused resource investment and cultivation, aiming to establish sustainable technological moats and brand recognition.

Management Discussion and Analysis

Through strengthening the development of key specialty clusters, Nanjing BenQ Hospital will continue to increase the proportion of complex surgeries and the capacity to treat critical and difficult diseases, optimise its case mix, raise the share of revenue from technically sophisticated medical services, and enhance revenue quality and profitability resilience.

Specialty Breakthroughs and Building Differentiated Competitive Advantages

Focusing on the in-depth development of specialties, Nanjing BenQ Hospital will advance the strategic deployment of several targeted business areas:

- Promote the independent development of specialties such as vascular surgery to strengthen expertise in niche areas;
- Accelerate the development of the nursing home business to extend the medical service chain and improve the integration of medical and elderly care services;
- Strengthen specialised disease centres and multidisciplinary team (MDT) mechanisms to enhance the efficiency of comprehensive diagnosis and treatment for complex conditions;
- Expand the application scenarios of surgical robots and promote the development of high-end, niche businesses such as central nervous system lymphoma treatment to increase the proportion of high-value technical services.

These initiatives will help elevate the technological standards and degree of service differentiation, optimise the revenue structure, and strengthen the hospital's position in the regional high-end medical market.

Key Project Development and Capacity Quality Improvement

Nanjing BenQ Hospital will systematically advance the operational capability enhancement project for Phase II, including optimising the operations of the nursing home and the international medical centre, thereby unlocking the potential of existing resources.

Simultaneously, it will proceed with the renovation of the Phase I inpatient building to improve the medical environment and patient experience, enhancing bed turnover efficiency and utilisation quality.

For advanced therapeutic projects such as proton-boron neutron capture therapy, Nanjing BenQ Hospital will conduct long-term planning and prudent implementation based on market demand and the feasibility of capital returns, exploring opportunities to establish a presence in the high-end oncology treatment field while maintaining controllable risks.

Smart Upgrading and Operational Efficiency Optimisation

Nanjing BenQ Hospital will deepen the application of artificial intelligence and information systems to drive digital upgrades in clinical workflows, medical insurance management and operational decision-making, strengthening cost control capabilities and compliance management standards.

Management Discussion and Analysis

Through the implementation of the “155” development strategy, Nanjing BenQ Hospital will focus on:

- Optimising its talent structure;
- Enhancing specialty competitiveness;
- Improving the entire patient journey experience;
- Increasing the efficiency of output per unit of resource; and
- Strengthening brand premium capacity.

This will enable Nanjing BenQ Hospital to achieve endogenous growth and transition from a scale-oriented general hospital to a high-quality, sustainable and profitability-driven medical institution.

Suzhou BenQ Hospital

Suzhou BenQ Hospital will pursue a dual-track development strategy centred on “enhancing specialty capabilities and expanding extended medical services”, gradually transitioning from scale-based growth to a high-quality development path that balances specialty-driven growth with structural optimisation, continuously improving revenue quality and profitability.

Specialty Portfolio Development and Core Discipline Breakthroughs

Suzhou BenQ Hospital will focus on establishing several core capability areas that integrate both medical and surgical specialties, creating technological moats and regional competitive advantages:

- Neurology + Neurosurgery
- Respiratory Medicine + Thoracic Surgery
- Cardiology + Cardiothoracic Surgery (developing a Cardiovascular Centre)
- Gastroenterology + General Surgery
- Emergency Triage + Orthopaedics
- Thyroid and Breast Centre

Through the coordinated development of medical and surgical specialties and the strengthening of MDT mechanisms, the hospital will enhance its capacity to manage complex diseases and perform high-difficulty surgeries, optimise its case mix and increase the share of revenue from technically sophisticated services.

The development of key specialties will serve as a core driver of revenue growth and profitability improvement.

Management Discussion and Analysis

Profit Structure Optimisation and Expansion of Self-Pay Services

Suzhou BenQ Hospital will focus on structural optimisation aimed at “enhancing revenue and profitability” through:

- Increasing the proportion of high-value technical services and specialised disease treatments;
- Strengthening the development of distinctive medical services;
- Expanding premium healthcare services;
- Strengthening collaboration with commercial insurance providers; and
- Increasing the proportion of revenue from self-pay services.

By optimising its payment structure and enhancing the added value of its services, Suzhou BenQ Hospital will enhance revenue resilience and profit margin stability, reducing reliance on a single payment source.

Nursing Home and Extended Medical Service Development

Suzhou BenQ Hospital will steadily expand its nursing home business, providing rehabilitation and long-term care services for patients after acute care, reinforcing functional complementarity with tertiary general hospitals and improving the “acute and chronic care separation” medical system.

The nursing home business will serve as an important component of extended medical services, aiming to:

- Improve bed utilisation efficiency;
- Extend the patient service cycle;
- Optimise overall resource allocation; and
- Strengthen regional competitiveness in the integration of medical and elderly care.

By extending the medical service chain, Suzhou BenQ Hospital will enhance overall operational efficiency and the lifetime value per patient.

Synergy Between Two Hospitals and Specialised Disease System Development

Leveraging the Group’s dual-hospital synergy, Suzhou BenQ Hospital will advance the “inter-hospital department co-construction” mechanism, strengthening technology sharing and talent mobility to enhance overall medical capabilities.

At the same time, it will continue to advance specialised disease development and distinctive medical services, building competitive advantages in niche areas and strengthening brand recognition.

Management Discussion and Analysis

By reinforcing connectivity with member institutions in medical consortia and enhancing grassroots coordination capabilities, Suzhou BenQ Hospital will improve referral efficiency and patient source stability, expanding its influence within the regional medical network.

Digitalization and Integrated Service System Upgrade

We will establish an integrated medical and healthcare service system covering outpatient services, nursing homes and internet hospitals to enhance the continuity and accessibility of patient services. Leveraging the collaboration platform with Suzhou Medical College of Soochow University, we will continuously improve medical quality, research capabilities and talent development systems, while strengthening information technology construction and refined operational capabilities.

Industry and Policy Environment Forecast

In terms of industry and policy environment, the Group anticipates that the medical service industry will remain in a phase of high-quality development. Population aging, shifts in disease patterns and increasing health awareness among residents will continue to release demand for medical services. At the same time, reforms in medical insurance payment methods, stricter medical quality supervision and rising information technology standards will impose higher requirements on the refined operational capabilities and compliance management of medical institutions. Medical institutions with comprehensive medical capabilities, key specialty advantages and operational management systems are expected to maintain a relative competitive edge amid industry differentiation.

Risks and Uncertainties

The future operational performance and financial condition of the Group may be affected by various factors. The following risk and uncertainty factors are the primary variables identified by the Board based on the actual operational conditions of the Group, which may significantly impact the future revenue growth, profit levels, cash flow and expansion progress of the Group.

Risk of Changes in Industry Regulation and Policies

The Group operates private for-profit general hospital businesses in Mainland China, which fall under a strictly regulated industry. It must comply with extensive regulatory requirements covering medical institution operation permits, medical quality management, procurement and use of pharmaceuticals and consumables, medical waste disposal, data protection and anti-corruption compliance.

China's healthcare reform policies are continuously evolving, including reforms in medical insurance payment systems, the promotion of tiered diagnosis and treatment, and adjustments to medical service pricing mechanisms. Future developments such as:

- adjustments to medical insurance reimbursement ratios or payment standards;
- further tightening of DRG/DIP payment policies;
- changes in medical service pricing guidance policies;
- increased access or regulatory standards for private medical institutions;
- may adversely affect the revenue structure and profitability of the Group.

Management Discussion and Analysis

Under the DRG payment system in particular, reimbursement amounts for inpatient medical services are subject to standard limits. If payment standards are further compressed, this will create pressure on cost control capabilities and profit margins.

Risk of Medical Insurance Designation Qualification and Settlement

A significant portion of the Group's revenue comes from medical insurance settlements. The Group's hospitals shall continuously meet medical insurance designation qualification requirements, including staffing, information system construction, internal controls and compliance management standards.

If the Group fails to maintain its medical insurance designation qualification, or if medical insurance deductions, penalties or suspension of settlements occur due to settlement audits or changes in policy interpretation, this could materially impact revenue recognition and cash flow.

Future changes in medical insurance payment methods, reimbursement ratios and payment structures will also be important variables affecting the revenue scale of the Group.

Risk of Medical Service Pricing and Cost Structure

The medical services and pharmaceutical sales of the Group are subject to national and local pricing policies. Although non-public medical institutions operate under market-adjusted pricing mechanisms, they shall adhere to principles of fairness, reasonableness and good faith, and are subject to medical insurance payment standards.

Future developments such as:

- adjustments to the scope of medical service pricing items;
- reductions in medical insurance payment prices;
- strengthening of centralized procurement policies for pharmaceuticals and consumables;
- increased price regulation;
- may impact the unit revenue levels and gross profit margins.

Risk of Competition for Medical Talents and Rising Compensation Costs

Medical professionals are the core resource of the Group. The industry as a whole faces a shortage of physicians and high-end medical talents, along with intense competition. Against the backdrop of cost constraints imposed by the DRG payment system, the Group shall balance offering competitive compensation with controlling overall costs.

Management Discussion and Analysis

If the following occur:

- Loss of core physicians;
- Continued increases in talent recruitment costs; and
- Declining talent stability due to multi-site practice;

the medical quality, patient appeal and discipline development capabilities of the Group may be affected, thereby adversely impacting business performance.

Risk of Expansion and New Hospital Construction

The Group's future growth depends in part on the expansion of existing hospitals and the establishment of new medical institutions. The construction of new medical institutions involves significant capital expenditure and upfront investment, and may lead to profit fluctuations in the initial stages.

The expansion process may also be affected by factors such as:

- delays or failures in obtaining approvals and permits;
- construction costs exceeding budgets;
- lower-than-expected market acceptance;
- insufficient staffing;
- If expansion does not proceed as planned or if new hospitals fail to achieve expected profitability, this may have a temporary impact on the overall return on investment of the Group.

Risk of Brand Reputation and Medical Quality

Medical services carry inherent risks. If medical quality deficiencies, medical disputes or adverse media coverage occur, the Group's brand and market reputation may be affected.

In addition, changes in public perception of private medical institutions and negative industry sentiment may also influence patient choices.

The stability of medical quality, effectiveness of internal controls and risk management capabilities will continue to affect the stable business development of the Group.

Management Discussion and Analysis

Risk of Information Systems and Data Security

The Group relies on information technology systems to support medical operations, billing and settlements, and financial management. If a major information system failure or data security incident occurs, it may affect daily operations and patients' trust.

Financial Review

Revenue

During the Reporting Period, the revenue of the inpatient healthcare services segment was RMB1,434.0 million, representing a year-on-year increase of 4.0% and the revenue of the outpatient healthcare services was RMB1,254.2 million, representing a year-on-year increase of 0.4%.

Cost of Revenue

The cost of revenue in the Reporting Period was approximately RMB2,294.3 million, increased by approximately 5.4% year-on-year, and the increase was mainly due to (i) an increase in employee benefits expenses, primarily driven by the growth in the number of doctors and other healthcare professionals during the same period. As at December 31, 2024, we had 1,011 doctors and 1,938 other medical professionals, which increased to 1,065 doctors and 1,956 other medical professionals as at December 31, 2025; and (ii) depreciation and amortization, as well as utilities expenses arising from the operation of Phase II of Nanjing BenQ Hospital commenced in February 2025.

Gross Profit and Gross Profit Margin

During the Reporting Period, gross profit was approximately RMB424.1 million, as compared to approximately RMB482.0 million in the Previous Period. Gross profit margin decreased from approximately 18.1% to approximately 15.6% as compared to the Previous Period, which was primarily attributable to (i) an increase in depreciation and amortization of RMB21.6 million and a rise in utility expenses of RMB13.1 million resulting from the commencement of operations of the Phase II of Nanjing BenQ Hospital; and (ii) an increase in employee benefit expenses of RMB62.4 million which mainly due to the growth in the number of doctors and other healthcare professionals during the Reporting Period.

Other net gain increased from RMB0.7 million in the Previous Period to RMB12.5 million in the Reporting Period, mainly due to (i) the litigation compensation income in the sum of approximately RMB7.7 million; and (ii) an increase in the local government subsidies.

Administrative Expenses

During the Reporting Period, the Group's administrative expenses totaled RMB267.3 million, decreased by 5.7% year-on-year, and the decrease was mainly due to the decrease in listing expenses.

Management Discussion and Analysis

Net Finance Costs

The Group's net finance costs increased from RMB3.1 million to RMB10.7 million during the Reporting Period, representing an increase of approximately 246.8% as compared to the Previous Period, which was mainly due to (i) a decrease in the average balance of cash and cash equivalents during the period, resulting in a decrease in interest income from RMB5.8 million in 2024 to RMB3.3 million in 2025; and (ii) an increase in interest expenses as interest was no longer capitalized following the commencement of operations of Phase II of Nanjing BenQ Hospital.

Share of Losses of Associates

The Group's share of losses of associates for the Reporting Period was approximately RMB13.0 million (Previous Period: RMB23.4 million), mainly contributed by the following associates:

- share of loss of approximately RMB10.9 million from Guigang Donghui Medical Investment Co., Ltd. (貴港市東暉醫療投資有限公司) ("Donghui Medical") which is primarily engaged in provision of healthcare services
- share of loss of approximately RMB2.0 million from Nanjing Yinxia Healthcare Industry Development Co., Ltd. (南京銀廈健康產業發展有限公司) ("Nanjing Yinxia Healthcare"), which is primarily engaged in provision of elderly care services.

The decrease was primarily due to a decrease in the net losses of Donghui Medical and the easing of the equity fluctuations of Nanjing Yinxia Healthcare.

Income Tax Expense

During the Reporting Period, the Group's income tax expense decreased from RMB59.1 million in the Previous Period to RMB45.4 million in the Reporting Period, mainly because of the decrease in the profit before tax.

Profit for the Reporting Period and Net Profit Margin

The Group's profit decreased from RMB108.9 million for the Previous Period to RMB94.9 million in the Reporting Period and the net profit margin decreased from 4.1% for the Previous Period to 3.5% in the Reporting Period. The decrease was primarily because of a decrease in profit before tax.

Liquidity, Financing and Capital Structure

As at December 31, 2025, the Group had net current liabilities of approximately RMB294.8 million (December 31, 2024: approximately RMB795.2 million). The current ratio of the Group calculated based on the Group's total current assets divided by total current liabilities as at the end of the Reporting Period was approximately 0.79 times as at December 31, 2025 (December 31, 2024: approximately 0.39 times).

The Group finances its operations primarily through a combination of cash flows generated from operations and bank borrowings. The increase of current ratio and bank balances was primarily attributable to cash inflows from operating activities and proceeds from the Listing.

Management Discussion and Analysis

As at December 31, 2025, the Group had bank balances and cash of approximately RMB649.8 million (December 31, 2024: approximately RMB116.9 million).

Exposure to Fluctuation in Exchange Rates and Other Risks

As at December 31, 2025, the Group had no significant operation transaction agreements denominated in foreign currencies, nor did it have any bank borrowings in foreign currencies, resulting in an overall limited foreign exchange risk exposure. During the Reporting Period, the Group did not use any derivative financial instruments to hedge against currency risks. The management manages such risks by continuously monitoring foreign exchange rate movements and will prudently consider adopting appropriate hedging arrangements when actual business needs arise or significant foreign exchange risk exposure emerges.

The Group is exposed to currency risk primarily through intra-group transactions which give rise to intra-group loans that are denominated in USD. Based on the risk exposure of the intra-group loans, the Group adopts forward exchange contracts with the notional amounts equal to the balances of the intercompany loans to offset the currency risk. Therefore, the Group's exposure to foreign currency risk is not significant during the Reporting Period.

The Group is also exposed to a variety of other financial risks, including credit risk, liquidity risk and interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a). Credit risk

The Group's credit risk primarily arises from cash and cash equivalents, time deposits and trade and other receivables. The Group recognizes relevant impairment allowances under the expected credit loss model.

To effectively control such risks, the Group has formulated corresponding credit management policies and continuously monitors the relevant risk exposures. Cash and cash equivalents and time deposits are mainly placed with state-owned financial institutions in the PRC and reputable international financial institutions outside the PRC and Taiwan-invested banks. The management believes that the credit risk associated with these financial institutions is relatively low and there have been no recent history of default relating to such institutions.

(b). Liquidity risk

Liquidity risk refers to the risk that the Group may encounter insufficient funds in meeting its financial obligations as they fall due. The Group manages liquidity risk by continuously and continuously monitoring its overall financial position and cash flow situation, aiming to maintain a sufficient level of cash and cash equivalents to meet the funding needs of daily operations and capital expenditures.

The management also prudently plans the sources and timing of fund utilization in light of business development plans and capital expenditure arrangements and ensures that the Group maintains sufficient liquidity and financing flexibility through cash flow forecast, centralized fund management and bank financing arrangements.

Management Discussion and Analysis

(c). Interest rate risk

The Group's interest rate risk primarily arises from interest-bearing bank borrowings. Borrowings at fixed interest rates expose the Group to fair value interest rate risk and borrowings at floating interest rates expose the Group to cash flow interest rate risk. As of December 31, 2025, the Group did not use any interest rate swap contracts or other financial instruments to hedge against interest rate risk. The management will continue to monitor changes in the interest rate market and, based on a prudent assessment of cost-effectiveness and risk exposure, will consider adopting appropriate hedging measures when necessary to mitigate the potential impact of interest rate fluctuations on the Group's financial position and operating results.

In terms of operational risks, the Group continuously strengthens its medical quality management system and internal control mechanisms, improving operational efficiency and service quality by enhancing medical quality monitoring, optimizing service processes and strengthening cost management. Meanwhile, the management will continue to monitor changes in industry policies and uncertainties in the operating environment, and adjust business strategies in a timely manner to mitigate the impact of external environmental changes on the Group's operations.

Contingent Liabilities

As at December 31, 2025, the Group did not have any contingent liabilities or guarantees that would have a material impact on the financial position or operations of the Group (2024: nil).

Pledge of Assets

As of December 31, 2025, the Group did not have any material pledge of assets.

Subsequent Event(s)

The Directors are not aware of any significant event requiring disclosure that had taken place subsequent to December 31, 2025 and up to the date of this annual report.

Significant Investments

For the year ended December 31, 2025, the Group had no significant investments.

Acquisitions and Disposals of Subsidiary(ies), Associate(s) and Joint Venture(s)

For the year ended December 31, 2025, the Group had no material acquisitions and disposals of subsidiary, associate and joint venture.

Future Plans for Material Investment or Capital Assets

As of the date of this annual report and save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have other future plans for major investments or acquisition for major capital assets.

Management Discussion and Analysis

Use of Net Proceeds from the Listing and Reasons for the Delay in Utilizing the Net Proceeds

With the Shares of the Company listed on the Stock Exchange on December 22, 2025, the net proceeds from the Listing (after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Listing) were approximately HK\$554.5 million, which will be utilized for the purposes as set out in the Prospectus. As of the date of this annual report, there was no change in the intended use of net proceeds as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. To the extent that net proceeds are not immediately used for the intended use and to the extent permitted by the relevant law and regulations, the Company has placed the net proceeds into short-term interest-bearing accounts at authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits.

	Approximate percentage of the net proceeds	Proceeds to be used for related purpose (HK\$'million)	Utilized proceeds during the Reporting Period (HK\$'million)	Unutilized proceeds as of the end of the Reporting Period (HK\$'million)	Expected timetable for the full utilization of unutilized proceeds ^(Note)
Expansion and upgrade of our existing hospitals	74.3%	411.9	–	411.9	By the end of December 2028
Second-phase construction plan and the procurement of advanced medical equipment for Nanjing BenQ Hospital	26.4%	146.2	–	146.2	By the end of December 2027
– retainage for the construction of specialty disciplines buildings (專科樓)	7.2%	39.9	–	39.9	By the end of December 2026
– procurement of advanced medical equipment	19.2%	106.3	–	106.3	By the end of December 2027
Third-phase and fourth-phase construction plans and the procurement of advanced medical equipment for Suzhou BenQ Hospital	47.9%	265.7	–	265.7	By the end of December 2028
– construction and establishment of a maternity and child center (婦幼中心)	30.4%	168.3	–	168.3	By the end of December 2028
– procurement of advanced medical equipment	17.6%	97.4	–	97.4	By the end of December 2028
Potential investment and mergers and acquisitions opportunities	16.0%	88.6	–	88.6	By the end of December 2026
Upgrade of our “Smart Hospital”	8.0%	44.3	–	44.3	By the end of December 2026
Working capital and other general corporate purposes	1.8%	9.7	–	9.7	By the end of December 2028
Total	100.0%	554.5	–	554.5	

Note: The expected timetable for the full utilization of unutilized proceeds was based on the estimate of the Group, which is subject to the current and future development of the market conditions.

Management Discussion and Analysis

The net proceeds have not yet been utilized as planned for the year ended December 31, 2025 as disclosed in the Prospectus, mainly because more time is required for the utilization arrangement of the relevant net proceeds given that the net proceeds were only available for the Group's use after the Listing Date. The Group confirms that the unutilized net proceeds for the year ended December 31, 2025 are currently planned to be utilized in full during the year ending December 31, 2026, in accordance with their intended purpose as disclosed in the Prospectus. Save as the above, there is no other change to the planned use of the net proceeds and the expected implementation timetable of the net proceeds as disclosed in the Prospectus.

Report of the Directors

The Directors are pleased to present this report together with the audited consolidated financial statements of our Group for the year ended December 31, 2025.

Principal Activities

Scope of Business

The Group is a comprehensive healthcare services group focusing on the provision of medical services in Mainland China. It primarily provides diversified medical services to patients through the operation of general hospitals, covering disease diagnosis and treatment, health management and medical support services.

Our Group principally operated Nanjing BenQ Hospital and Suzhou BenQ Hospital in Mainland China. Its service offerings cover outpatient services, inpatient services, surgical services and related medical support services, and extend to ancillary medical services such as laboratory testing, imaging, nursing and other supporting services built around its core medical services.

With general hospitals as its core business platform, our Group continues to enhance its medical service capabilities, discipline development, operational management and information technology systems, and is committed to providing patients with safe, high-quality and efficient medical services.

Nature of Business

Our Group's business is service-oriented in nature, with a primary focus on the provision of healthcare services. Its operating activities are principally centred on the delivery of medical services, and its revenue is mainly derived from medical diagnosis and treatment services provided to patients.

The medical services provided by our Group are highly specialised, standardised and compliance-driven, and are subject to stringent requirements under the relevant healthcare laws and regulations of the PRC, industry regulatory requirements and medical quality control standards. In addition, the provision of medical services requires a high level of professional talent, medical facilities and management systems, resulting in relatively high barriers to entry for the industry.

The Board believes that, with the continued growth in demand for healthcare services among residents in China and the ongoing improvement of the healthcare system, the industry in which our Group operates has long-term growth potential. Our Group will continue to focus on medical quality and patient safety, adhere to prudent operations and promote the sustainable development of its business.

Business Review

During the Reporting Period, against the backdrop of the healthcare industry's gradual transition towards high-quality development, our Group continued to enhance operational efficiency and optimise its resource structure. While maintaining steady growth in service scale, our Group strengthened bed resource management and the development of specialised disciplines, and its overall operating performance remained stable.

Report of the Directors

As of December 31, 2025, the number of our Group's registered beds increased from 1,850 in 2024 to 1,950. The bed utilisation rate increased from 97.1% to 98.9%, remaining at a relatively high level. The average bed turnover days was 7.8 days (2024: 7.9 days), remaining generally stable. These indicators reflect that, alongside the moderate expansion of bed capacity, the utilisation efficiency of inpatient resources remained sound.

In terms of service volume, during the Reporting Period, the number of outpatient visits reached 2,171,253 (2024: 2,146,452). The number of inpatient operations was 22,607 (2024: 22,744), while the number of outpatient operations was 5,118 (2024: 4,367).

The Board considers that, while maintaining steady growth in service scale, our Group has continued to optimise its healthcare service structure and operational management processes, and its overall operating fundamentals remain solid. Looking ahead, our Group will continue to focus on medical quality and standardised management requirements, steadily enhancing its service capabilities and operational efficiency to support the sustainable development of its business.

Compliance with Relevant Laws and Regulations

To the best of the Directors' knowledge, information and belief, as at the date of this annual report, our Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operations of our Group.

Relationship with Stakeholders

The Group is committed to operating in a sustainable manner while balancing the interests of our various stakeholders including our Substantial Shareholders, employees, patients, customers, suppliers, business partners and the community. A description of the Group's relationship with its Substantial Shareholders is included in the "Interests and Short Positions of Substantial Shareholders and Other Persons in Shares and Underlying Shares" set out on page 45 of this annual report and the "Our Controlling Shareholders" section in the Prospectus.

Results and Final Dividends

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income on pages 89 to 90 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended December 31, 2025 (2024: nil).

Dividend Policy

According to the dividend policy of the Group, subject to compliance with applicable rules and regulations (including Cayman Islands laws) and the Articles of Association, the Company will pay dividend to the Shareholders when the Group recorded net profit during the period and payment of dividend would not affect its normal operation. The Company intends to share its profits with Shareholders in the form of annual dividend and the remaining net profits will be used for the Group's development and operations. The Company's ability to pay dividends will depend upon, among other things, the general financial condition of the Group, the Group's current and future operations, liquidity position and capital requirement of the Group as well as dividends received from the Company's subsidiaries. The payment of the dividend by the Company is also subject to any restrictions under the Cayman Islands laws and the Articles of Association. The dividend policy will continue to be reviewed from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

Share Capital

Details of the movements in the share capital of the Group for the year ended December 31, 2025 are set out in note 28(c) to the consolidated statement of changes in equity in this annual report.

Reserves

Details of the movements in the reserves of the Group for the year ended December 31, 2025 are set out in the consolidated statement of changes in equity on page 93 of this annual report.

Property, Plant and Equipment

Details of the movements in the Group's property, plant and equipment during the year ended December 31, 2025 are set out in note 11 to the consolidated financial statements in this annual report.

Distributable Reserves

As at 31 December 2025, the Company had no distributable reserves available for dividend distribution, calculated in accordance with the provisions of the applicable laws and regulations of the Cayman Islands (2024: nil).

Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last four financial years, as extracted from the audited financial statements, is set out on page 7 of this annual report.

Borrowings

Details of the borrowings of the Group for the year ended December 31, 2025 are set out in note 21 to the consolidated financial statements in this annual report.

Equity-Linked Agreements

Save for the share Option Scheme as set out in the paragraph headed "Pre-IPO Share Option Plan" in this Directors' Report, no equity-linked agreements were entered into by the Group, or existed during the year ended December 31, 2025.

Major Customers and Suppliers

During the year ended December 31, 2025, sales to the Group's five largest customers in aggregate accounted for approximately 0.5% (2024: 0.6%) of the total sales for the year and sales to the largest customer accounted for approximately 0.3% (2024: 0.3%) of the total sales.

Purchases from the Group's five largest suppliers in aggregate accounted for approximately 46.4% (2024: 41.4%) of the total purchases for the year and purchases from the largest supplier accounted for approximately 22.5% (2024: 19%) of the total purchases.

To the best knowledge of the Directors, neither the Directors nor any of their close associates (as defined in the Listing Rules) or any Shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued share capital), had any direct or indirect interest in the five largest customers or the five largest suppliers of the Group during the year ended December 31, 2025.

Report of the Directors

Permitted Indemnity Provision

The Articles of Association provide that every Director should be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director, in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favor, or in which he is acquitted.

The Company maintains a directors' liability insurance policy against potential legal liabilities and related expenses that may be incurred by the Directors in the event of any litigation.

Directors

The Directors during the year ended December 31, 2025 and up to the date of this annual report are as follows:

Executive Director

Mr. HSIAO Tze-Jung (*Chief Executive Officer*)

Non-executive Directors

Mr. CHEN Chi-Hong (*Chairperson*)

Ms. HUNG Chiu-Chin

Dr. WANG Liming

Independent Non-executive Directors

Dr. CHOW Hsing-Yi

Mr. WANG Wen-Tsung

Mr. CHEN Ray-Jade

Saved as disclosed in this annual report, none of the Directors has any financial, business, family or other material/relevant relationships with one another, the senior management, or substantial or Controlling Shareholders of the Company.

Biographical Details of the Directors and Senior Management and Disclosure of Information of Directors Pursuant to Rule 13.51B(1) of the Listing Rules

The biographical details of the Directors and the senior management of the Company are set out under the section headed "Directors and Senior Management" on pages 76 to 82 of this annual report. Save as disclosed, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Each of the service agreements/letters of appointment of the Directors can be terminated by either party giving to the other party not less than one month notice in writing.

Pursuant to the letters of appointment, each of Dr. CHOW Hsing-Yi, Mr. WANG Wen-Tsung and Mr. CHEN Ray-Jade is entitled to an annual director's fee of NT\$1,000,000.

None of our Directors proposed for re-election at the forthcoming annual general meeting has entered into or intends to enter into a service contract with any member of our Group which is not determinable by the employer within one year without payment of compensation (other than the statutory compensation).

Remuneration of the Directors and Five Highest Paid Individuals

Details of the remuneration of the Directors and the five highest paid individuals in the Group and remuneration payable to members of senior management by band are set out in notes 8 and 9 to the consolidated financial statements in this annual report.

The remuneration of the Directors and the senior management is subject to review by the Remuneration Committee and approval by the Board, such remuneration is determined by taking into account the relevant individual's experience, responsibilities, workload and time commitment to the Group and the operating results of the Group and comparable market statistics.

Independence of the Independent Non-Executive Directors

Each independent non-executive Director should inform our Company as soon as possible if there is any change of circumstances which may affect his/her independence pursuant to Rule 3.13 of the Listing Rules. No such notification was received by the Company during the Reporting Period.

The Company has received annual independence confirmation from all independent non-executive Directors and confirms that all independent non-executive Directors are independent and the conditions pursuant to Rule 3.13 of the Listing Rules have been fulfilled.

Mechanisms to Ensure Independent Views

The Board has also established mechanisms to ensure independent views are available to the Board, including providing the Directors with sufficient resources to perform their duties and shall seek, at the Company's expense, independent professional advice to perform their responsibilities if necessary. The Board will review the implementation and effectiveness of such mechanisms on an annual basis. During the year, the Board reviewed the above mechanisms and considered that the above mechanisms are effective in ensuring that independent views and input are provided to the Board.

Report of the Directors

Director's Interests in Competing Businesses

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 may compete with the business of the Group.

Interests and Short Positions of Directors and Chief Executives in the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As of December 31, 2025, the interests or short positions of Directors and chief executives in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange are set out below:

Interest in the Shares of the Company

Name of director	Nature of interest	Number of Shares ⁽²⁾	Approximate % interest in Shares of the Company ⁽¹⁾
Mr. HSIAO Tze-Jung ⁽³⁾	Beneficial Owner	320,000	0.10%
Mr. CHEN Chi-Hong	Beneficial Owner	500,000	0.16%
Ms. HUNG Chiu-Chin	Beneficial Owner	50,000	0.01%
Dr. WANG Liming ⁽⁴⁾	Beneficial Owner	100,000	0.03%

Notes:

- (1) The percentage is calculated based on the total number of 311,945,001 Shares in issue as at December 31, 2025.
- (2) All interests stated are long positions.
- (3) Mr. HSIAO Tze-jung is entitled to receive up to 200,000 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Plan, subject to the terms and conditions of these options.
- (4) Dr. WANG Liming is entitled to receive up to 100,000 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Plan, subject to the terms and conditions of these options.

Interest in associated corporations of the Company

Associated corporation	Name	Title	Nature of interest	Number of shares/ underlying shares ⁽³⁾ (if applicable)	Interest in associated corporation
Qisda Corporation	Mr. HSIAO Tze-Jung	Executive Director and chief executive officer	Beneficial Owner	418,000	0.03%
	Mr. CHEN Chi-Hong	Chairperson and non-executive Director	Beneficial Owner	1,627,733	0.10%
	Ms. HUNG Chiu-Chin	Non-executive Director	Beneficial Owner	534,316	0.03%
BenQ Materials Corp. (明基材料股份有限公司) ⁽¹⁾	Mr. CHEN Chi-Hong	Chairperson and non-executive Director	Beneficial Owner	72,825	0.02%
	Ms. HUNG Chiu-Chin	Non-executive Director	Beneficial Owner	153,250	0.05%
BenQ Medical Technology Ltd. (明基三豐醫療器材股份有限公司) ⁽²⁾	Mr. CHEN Chi-Hong	Chairperson and non-executive Director	Beneficial Owner	200,000	0.45%

Notes:

- (1) BenQ Material Corp. (明基材料股份有限公司) is a company listed on the Taiwan Stock Exchange (stock code: 8215. TW) and is a subsidiary of Qisda Corporation.
- (2) BenQ Medical Technology Ltd. (明基三豐醫療器材股份有限公司) is a company listed on the Taipei Exchange (stock code: 4116. TPEx) and is a subsidiary of Qisda Corporation.
- (3) All interests are long positions.

Save as disclosed above, as of December 31, 2025, each of Directors confirms with respect to himself or herself, to the best of his or her knowledge, information and belief, that he or she did not hold other long positions or short positions in the Shares, underlying Shares, debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO).

Pre-IPO Share Option Plan

The Company amended its only existing share option plan in March 2024 which first became effective in November 2018 and such amended share option plan is the pre-IPO share option plan (the "Pre-IPO Share Option Plan"). The grantees of the Pre-IPO Share Option Plan are all employees of the Group. The purpose of the Pre-IPO Share Option Plan is to enable the Company to incentivize and reward eligible participants for their contribution to the Group so as to strengthen their sense of belonging, encourage them to contribute to the long-term growth of the Company and to enhance the value of the Company and the benefit of Shareholders.

Report of the Directors

The following is a summary of the principal terms of the Pre-IPO Share Option Plan and the details regarding the outstanding options granted under the Pre-IPO Share Option Plan. The terms of the Pre-IPO Share Option Plan are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Share Option Plan will not involve the grant of options by us to subscribe for Shares after the Listing. No further options under the Pre-IPO Share Option Plan will be granted following the Listing. As such, the number of options available for grant under the scheme mandate as at January 1, 2025 and December 31, 2025 was nil.

(a) Purpose

The purpose of the Pre-IPO Share Option Plan is to enable the Company to incentivize and reward eligible participants for their contribution to the Group so as to strengthen their sense of belonging, encourage them to contribute to the long-term growth of the Company and to enhance the value of the Company and the benefit of Shareholders.

(b) Administration

The Plan shall be subject to the administration of the administrator or administrative committee authorized by the Board of the Company (“**Administrator**”).

(c) Eligible Participants

Persons eligible to receive grants of options under the Pre-IPO Share Option Plan are senior officers, directors and employees of the Company and its subsidiaries (i.e. Nanjing BenQ Hospital, Suzhou BenQ Hospital and BenQ Healthcare Consulting) selected by the Administrator based on the position, performance, length of service and other factors of the candidates, in its sole discretion.

(d) Maximum Number of Shares

The maximum number of new Shares which may be issued upon exercise of all options granted under the Pre-IPO Share Option Plan shall be 6,000,000 Shares, representing 1.92% of the total issued Shares immediately following the completion of the Global Offering.

(e) Vesting Schedule

The options shall be vested in three tranches as follows: (i) fifty percent (50%) of the options shall be vested on the Listing Date; (ii) twenty-five percent (25%) of the options shall be vested on the date falling on the first anniversary of the Listing Date; and (iii) twenty-five percent (25%) of the options shall be vested on the date falling on the second anniversary of the Listing Date.

(f) Exercise of Option

The exercise price of options shall be US\$1.00 per Share.

The option period shall be five years from the vested date (“**Option Period**”). Unless otherwise provided in the Pre-IPO Share Option Plan, any option that has been vested shall be exercisable by the grantee from the relevant vesting date until the expiry of the Option Period. An option shall lapse automatically on the expiry date. No option has been exercised, cancelled or lapsed during the Reporting Period.

(g) Effects of Cease of Employment and Other Events

- (i) If a grantee ceases to be employed by reason of the grantee's voluntary resignation or dismissal in accordance with relevant labor laws, the grantee may exercise any vested option within the period of three months following the date of resignation or dismissal, and any unvested option shall lapse automatically on the date of resignation or dismissal.
- (ii) If a grantee ceases to be employed by reason of the grantee's retirement, all unvested options shall be vested automatically at the date of retirement, and the grantee may exercise any vested option within the period of three months following the date of retirement or the first exercisable date after the Company's Listing, whichever is later.
- (iii) If a grantee ceases to be employed by reason of the grantee's leave without pay as authorized by the Company, (a) the grantee may exercise any vested option within the period of three months following the date of such leave, (b) any vested option not exercised within such period shall be frozen and extended until the resumption of work, and (c) the vesting of any unvested option shall be extended accordingly until the resumption of work, but shall not exceed the Option Period.
- (iv) If a grantee ceases to be employed by reason of the grantee's death (not caused by occupational hazard), the successor of the grantee may exercise any vested option within the period of three months following the date of resignation or dismissal, and any unvested option shall lapse automatically on the date of death.
- (v) If a grantee ceases to be employed by reason of the grantee's disability (caused by occupational hazard), all unvested options shall be vested automatically at the date of cessation, and the grantee may exercise any vested option within the period of three months following the date of cessation, the first exercisable date after the Company's Listing or the second anniversary of the grant date, whichever is later.
- (vi) If a grantee ceases to be employed by reason of the grantee's death (caused by occupational hazard), all unvested options shall be vested automatically at the date of death, and the successor of the grantee may exercise any vested option within the period of three months following the date of death or the first exercisable date after the Company's Listing, whichever is later.
- (vii) If a grantee ceases to be employed by reason of the grantee's transfer of employment to related companies or other companies for personal reasons, the outstanding options the grantee is entitled to shall be processed in accordance with paragraph (g)(i) above, while transfers for the Company's operational needs assigned by the Company shall not be subject to this clause.
- (viii) If a grantee ceases to be employed by reason of the grantee's severance in accordance with relevant labor laws, (a) the grantee may exercise any vested option within the period of three months following the date of severance, and any unvested option shall lapse automatically on the date of severance; or (b) the Administrator may determine the vesting and exercise of options within the vesting period.

Report of the Directors

- (ix) If a grantee violates the confidentiality regulations, inquires into others' information or discloses relevant information (including but not limited to the number of other grantees' options and the rights and interests related thereto), the options (to the extent not already exercised) such grantee entitled to may be forfeited by the Company.
- (x) In the event of any serious negligence such as breach of labor contract, violation of work rules or Company's regulations, the options (to the extent not already exercised) such grantee entitled to may be forfeited by the Company.

(h) Lapse of Options

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the option period relevant to that option referred to in paragraph (f); and
- (ii) the expiry of any of the periods referred to in paragraph (g).

(i) Duration

Unless otherwise terminated early by the Board, the Pre-IPO Share Option Plan shall be valid and effective from November 1, 2018 until the Listing Date (as no option shall be granted pursuant to the Pre-IPO Share Option Plan on or after the Listing Date).

The provisions of the Pre-IPO Share Option Plan shall remain in full force and effective to the extent necessary to give effect to the exercise of any Pre-IPO Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Plan.

(j) Transferability

Any option shall be personal to the grantee and no grantee shall in any way transfer, charge, mortgage, donate or dispose by any other means.

(k) Outstanding Options Granted and Vested

As of the date of this annual report, the Company had granted outstanding options under the Pre-IPO Share Option Plan to 150 grantees to subscribe for an aggregate of 2,877,000 Shares representing approximately 0.92% of the total issued Shares immediately upon completion of the Global Offering, and all these options are still outstanding and unexercised. Fifty percent (50%) of the options have been vested to each of the grantees on the Listing Date. The Company will not grant any further options under the Pre-IPO Share Option Plan on or after the Listing Date. The exercise price of the outstanding options is US\$1.00 per Share. As confirmed by the Company, no consideration is required to be paid for the grant of the options.

The tables below set out the details of the outstanding options as of the date of this annual report.

Director and senior management

Name	Address	Number of outstanding options/ Number of Shares Underlying the options granted	Date of grant	Exercise period	Approximate percentage of the Company's issued shares
Directors					
Mr. HSIAO Tze-Jung (蕭澤榮)	Room 3071, Qisda Zhuyuan, No. 169, Zhujiang Road, Hightech Zone, Suzhou City, Jiangsu Province, PRC	200,000	2019/1/1	Five (5) years from the vesting date	0.06%
Dr. WANG Liming (王黎明)	Room 2101, Building 8, Xindu Plaza, Industrial Park District, Suzhou City, Jiangsu Province, PRC	100,000	2019/1/1	Five (5) years from the vesting date	0.03%
Senior Management					
Mr. CHIANG Che-Min (江哲旻)	7F, No. 1, Lane2, No. 49, Mingde Street, No. 19 Sixianli, Xinzhuang District, New Taipei City, Taiwan, China	50,000	2019/1/1	Five (5) years from the vesting date	0.02%
YU Zhenkun, M.D. (于振坤)	Renheng International Apartment, No. 116, Lushan Road, Nanjing City, Jiangsu Province, PRC	150,000	2023/8/4	Five (5) years from the vesting date	0.05%
Ms. LO Tsui-Ling (羅翠凌)	21F, No. 68-3, Zhonghua Road, Wenhua Village, Taoyuan District, Taoyuan City, Taiwan, China	60,000	2018/12/17	Five (5) years from the vesting date	0.02%
Total		560,000			0.18%

Report of the Directors

Other grantees who have been granted options to subscribe for 40,001 or more Shares

Name	Address	Number of Shares Underlying the options granted	Date of grant	Exercise period	Approximate percentage of the Company's issued shares
Mr. CHEN Yi-Te (陳誼德)	No. 24, Lane 12, Fuda Road, Neighborhood 20, Rixin Li, Dali District, Taichung City, Taiwan, China	60,000	2018/12/5	Five (5) years from the vesting date	0.02%
Mr. HSUEH Fu Yuan (薛富原)	No. 169, Zhujiang Road, Suzhou New District, Suzhou, Jiangsu Province, PRC	60,000	2019/1/1	Five (5) years from the vesting date	0.02%
Mr. YANG Detong (楊德同)	Unit 202, Building 12, Yuefu, No. 169 Suo Street, Nanjing, Jiangsu Province, PRC	50,000	2018/12/12	Five (5) years from the vesting date	0.02%
Mr. FAN Wenchi (范文己)	No. 71, Hexi Avenue, Jianye District, Nanjing, Jiangsu Province, PRC	45,000	2019/1/1	Five (5) years from the vesting date	0.01%
Total		215,000			0.07%

Range of Shares underlying the options granted	Total number of grantees	Total number of Shares underlying the options granted	Date of grant	Exercise period	Approximate percentage of the Company's issued shares
1~10,000 Shares	64	508,000	2019/1/1~2019/6/26	Five (5) years from the vesting date	0.16%
10,001~20,000 Shares	54	832,000	2018/3/28~2019/6/20	Five (5) years from the vesting date	0.16%
20,001~30,000 Shares	11	297,000	2019/1/1~2023/8/4	Five (5) years from the vesting date	0.16%
30,001~40,000 Shares	12	465,000	2018/12/12~2023/8/4	Five (5) years from the vesting date	0.16%
Total		2,102,000			0.67%

Note:

(1) For the vesting schedule, Option Period and exercise price of the options, please refer to the sub-paragraph (e) and (f) in this section above.

Interests and Short Positions of Substantial Shareholders and Other Persons in Shares and Underlying Shares

As at December 31, 2025, the following persons (other than the Directors and chief executives of the Company) had or were deemed or taken to have an interest and/or short position in the shares or the underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the issued Shares of the Company.

Name of major shareholder	Capacity/nature of interest	Number of Shares held	Percentage of issued shares with voting rights (%) ⁽¹⁾
BenQ Corp.	Beneficial owner	20,000,000	6.41
明基電通股份有限公司	Interested of controlled corporation	62,023,956	20.84
Darly Venture Inc.			
達利投資股份有限公司	Beneficial owner	25,000,000	8.01
Darly2 Venture, Ltd.			
達利貳投資股份有限公司	Beneficial owner	65,023,956	20.84
Qisda Corporation	Beneficial owner	108,555,081	34.80
佳世達科技股份有限公司	Interested of controlled corporation	124,181,756	39.81

Note:

(1) The percentage is calculated based on the total number of 311,945,001 Shares in issue as at December 31, 2025.

Directors' Right to Acquire Securities

Save as the details as set out in the paragraphs headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations" and "Pre-IPO Share Option Scheme" in this Directors' Report, at no time during the year ended December 31, 2025 any right to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate has been granted to Directors or their respective spouse or children under the age of 18, and none of any such right has been exercised by them; and none of the Company and any of its subsidiaries has been a party to any arrangement to enable the Directors, or their respective spouse or children under the age of 18, to acquire such rights in any other body corporate.

Report of the Directors

Related Party Transactions and Continuing Connected Transactions

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

Following the Listing, the following transactions are deemed to be continuing connected transactions of the Company and are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, provided that they are exempt from the requirements regarding circulars and independent shareholders' approval.

Healthcare Services Framework Agreement

On December 3, 2025, the Company (for itself and on behalf of its subsidiaries) entered into a healthcare services framework agreement (the "**Healthcare Services Framework Agreement**") with Qisda Corporation (for itself and on behalf of other Qisda Connected Persons), pursuant to which the Group will provide healthcare services (such as physical examination services) to employees of Qisda Connected Persons located in the PRC (the "**Healthcare Services**"). The Healthcare Services Framework Agreement has a term commencing from the Listing Date to December 31, 2027, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and other applicable laws and regulations. Qisda Corporation is an ultimate Controlling Shareholder of the Company interested directly and indirectly in 232,736,837 Shares in aggregate, representing approximately 74.61% of the equity interests in our Company as at the date of this annual report. Accordingly, the Qisda Group and other associates of Qisda Corporation (together with the Qisda Group, "**Qisda Connected Persons**") are connected persons of the Company pursuant to Chapter 14A of the Listing Rules and transactions between the Group and Qisda Connected Persons are connected transactions. The definitive healthcare services agreements to be entered into between members of the Group and Qisda Connected Persons shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Healthcare Services Framework Agreement.

Annual caps and basis for determination

The following table sets forth the expected maximum fees payable by Qisda Connected Persons to the Group annually in respect of the Healthcare Services for each of the three years ending December 31, 2027:

For the year ended December 31, 2025 (RMB'000)	For the year ending December 31, 2026 (RMB'000)	For the year ending December 31, 2027 (RMB'000)
3,558	3,637	3,724

For the year ended December 31, 2025, the total fees actually paid by Qisda Connected Persons to the Group in respect of Healthcare Services amounted to RMB3.3 million, representing 0.1% of our total revenue.

For further details relating to the Healthcare Services Framework Agreement, please refer to the section headed "Connected Transactions" in the Prospectus.

Property Leasing Framework Agreement

Principal terms

On December 3, 2025, the Company (for itself and on behalf of its subsidiaries) entered into a property leasing framework agreement (the “**Property Leasing Framework Agreement**”) with Qisda Corporation (for itself and on behalf of other Qisda Connected Persons), pursuant to which (i) the Group will lease certain properties to Qisda Connected Persons for office use and (ii) Qisda Connected Persons will lease certain properties to the Group for employee dormitory and registration office use (together, the “**Property Lease**”). The Property Leasing Framework Agreement has a term commencing from the Listing Date to December 31, 2027, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and other applicable laws and regulations. The definitive property lease agreements to be entered into between members of the Group and Qisda Connected Persons shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Property Leasing Framework Agreement.

The following table sets forth the expected maximum rents payable by Qisda Connected Persons to the Group annually in respect of the Property Lease for each of the three years ending December 31, 2027:

For the year ended December 31, 2025 (RMB'000)	For the year ending December 31, 2026 (RMB'000)	For the year ending December 31, 2027 (RMB'000)
4,366	4,817	4,843

The following table sets forth the expected maximum rents payable by the Group to Qisda Connected Persons annually in respect of the Property Lease for each of the three years ending December 31, 2027:

For the year ended December 31, 2025 (RMB'000)	For the year ending December 31, 2026 (RMB'000)	For the year ending December 31, 2027 (RMB'000)
4,899	5,389	5,927

For the year ended December 31, 2025, the total rent actually paid by Qisda Connected Persons to the Group amounted to RMB4.3 million, representing 0.2% of our total revenue.

For the year ended December 31, 2025, the total rent actually paid by the Group to Qisda Connected Persons amounted to RMB4.9 million, representing 1.8% of our administrative expenses.

For further details relating to the Property Leasing Framework Agreement, please refer to the section headed “Connected Transactions” in the Prospectus.

Report of the Directors

Medical Product and Equipment Procurement Framework Agreement

On December 3, 2025, the Company (for itself and on behalf of its subsidiaries) entered into a medical product and equipment procurement framework agreement (the “**Medical Product and Equipment Procurement Framework Agreement**”) with Qisda Corporation (for itself and on behalf of other Qisda Connected Persons), pursuant to which the Group will procure medical products and equipment from Qisda Connected Persons (the “**Medical Product and Equipment Procurement**”) on a non-exclusive basis. The Medical Product and Equipment Procurement Framework Agreement has a term commencing from the Listing Date to December 31, 2027, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and other applicable laws and regulations. The definitive medical product and equipment procurement agreements to be entered into between members of the Group and Qisda Connected Persons shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Medical Product and Equipment Procurement Framework Agreement.

Annual caps and basis for determination

The following table sets forth the expected maximum amounts payable by the Group to Qisda Connected Persons annually in respect of the Medical Product and Equipment Procurement for each of the three years ending December 31, 2027:

For the year ended December 31 2025 <i>(RMB'000)</i>	For the year ending 2026 <i>(RMB'000)</i>	For the year ending 2027 <i>(RMB'000)</i>
9,504	10,454	11,499

For the year ended December 31, 2025, the Group actually paid a total amount of RMB9.5 million to Qisda Connected Persons for the Medical Product and Equipment Procurement, representing 0.4% of our total cost of revenue.

For further details relating to the Medical Product and Equipment Procurement Framework Agreement, please refer to the section headed “Connected Transactions” in the Prospectus.

Annual review of continuing connected transactions

The auditor of the Company has been engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 “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. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this annual report in accordance with Rule 14A.56 of the Listing Rules.

The independent non-executive Directors have reviewed the above-mentioned continuing connected transactions and confirmed that for the year ended December 31, 2025:

- (i) these transactions were entered into in the ordinary and usual course of business of the Group;
- (ii) these transactions were entered into either on normal commercial terms, or on terms no less favourable to the Group than terms available from or to independent third parties; and
- (iii) these transactions were entered into according to the agreements governing them on terms that were fair and reasonable and in the interests of the Shareholders as a whole.

Save as those transactions entered into with Qisda Group as disclosed in the paragraph headed “Related Party Transactions and Continuing Connected Transactions”, none of the related-party transactions or continuing related-party transactions set out in note 31 to consolidated financial statements in this annual report fall within the scope of discloseable connected transaction or continuing connected transaction under the Listing Rules. The Group has been in compliance with the requirements under Chapter 14A of the Listing Rules.

Directors’ Interests in Transactions, Arrangements or Contracts of Significance

No Director nor any connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding company of the Company, or any of the Company’s subsidiaries or fellow subsidiaries was a party at any time during the year ended December 31, 2025.

Controlling Shareholders’ Interests in Contracts of Significance

Save for the connected transactions and continuing connected transactions disclosed in the section headed “Related Party Transactions and Continuing Connected Transactions” of this annual report, neither the Company nor any of its subsidiaries had entered into any material contracts with the Controlling Shareholder or any of its subsidiaries during the year ended December 31, 2025, nor were there any material contracts subsisting at the end of the year. Furthermore, no material contracts were entered into, nor were there any material contracts subsisting at the end of the year, in respect of services provided by the Controlling Shareholder or any of its subsidiaries to the Company or any of its subsidiaries during the year ended December 31, 2025.

Management Contracts

Other than the service contracts or letters of appointment with the Directors, the Company has not entered into any contract with any individuals, firms or corporate entities to manage or regulate the whole or any substantial part of any business of the Company during the year ended December 31, 2025.

Report of the Directors

Board Committees

Audit Committee

The Company established the Audit Committee in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code on December 22, 2025. Its primary responsibilities include serving as a focal point for communication among other Directors, the external auditor and the internal auditor (where an internal audit function exists) as regards their duties relating to financial and other reporting, risk management and internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time, assisting the Board in providing an independent review on the effectiveness of the financial reporting system, risk management and internal control systems of the Group and overseeing the audit procedure, reviewing the Group's financial and accounting policies and practices and performing other duties and responsibilities as designated by the Board.

As at December 31, 2025 and up to the publication date of this annual report, the Audit Committee currently comprises one non-executive Director, namely HUNG Chiu-Chin, and two independent non-executive Directors, namely WANG Wen-Tsung and CHOW Hsing-Yi. The Audit Committee, together with the management of the Company, has reviewed the accounting principles, accounting standards and methods adopted by the Company, discussed the matters concerning risk management and internal control, auditing and financial reporting matters and reviewed the consolidated financial statements of the Group for the year ended December 31, 2025.

Remuneration Committee

The Company established the Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code on December 22, 2025. The Remuneration Committee is mainly responsible for: (i) making recommendations to the Board on the policy and structure for Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) making recommendations to the Board on the remuneration package of Directors and senior management; and (iii) reviewing and evaluating the performance-based remuneration and ensure that no Directors or any of his associates is involved in deciding his own remuneration.

As at December 31, 2025 and up to the publication date of this annual report, the Remuneration Committee currently consisted of two independent non-executive Directors, namely CHEN Ray-Jade and WANG Wen-Tsung, and one executive Director, HSIAO Tze-Jung.

Nomination Committee

The Company established the Nomination Committee in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code on December 22, 2025. The Nomination Committee is mainly responsible for: (i) identifying individuals suitably qualified as potential Board members and selecting or making recommendation to the Board on the selection of individuals nominated for directorships; (ii) reviewing the structure, size and diversity of the Board and the required skill mix as well as making recommendations on any proposed changes to the Board to ensure the implementation of the Company's strategic goal; (iii) assessing the independence of independent non-executive Directors; and (iv) reviewing the qualification of senior management nominated by the Chief Executive Officer, reported to the Board for consideration and adoption.

As disclosed in the Company's announcement dated March 9, 2026, in light of code provision B.3.5 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, and with regard to the actual circumstances of the Company, on March 9, 2026, Dr. WANG Liming (a non-executive Director) and Mr. WANG Wen-Tsung (an independent non-executive Director) have been appointed as members of the nomination committee of the Company, with effect from March 9, 2026. As of the date of this annual report, the Nomination Committee consisted of two non-executive Directors, Mr. CHEN Chi-Hong and Dr. WANG Liming, and three independent non-executive Directors, namely, Mr. CHEN Ray-Jade, Dr. CHOW Hsing-Yi, and Mr. WANG Wen-Tsung.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

Model Code

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as rules governing dealings by Directors in the listed securities of the Company.

Having made specific enquiry, the Company confirmed that all members of the Board complied with the Model Code during the period from the Listing Date to the date of this annual report. As senior managers, executives and officers who, because of their offices in the Company, may possess inside information of the Company, they shall comply with the provision of the Model Code. To the best knowledge of the Company, no incident of non-compliance with the Model Code has been committed by such employees during the period from the Listing Date to the date of this annual report.

Closure of Register of Members

For determining the entitlement to attend and vote at the annual general meeting to be held on Friday, June 5, 2026, the register of members of the Company will be closed from Friday, May 29, 2026 to Friday, June 5, 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify as members entitled to attend and vote at the annual general meeting, investors should lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Thursday, May 28, 2026.

Code of Corporate Governance Practices

The full text of the Corporate Governance Report is set out on pages 56 to 75 of this annual report.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares as defined in the Listing Rules (if any)) during the period from the Listing Date to the date of this annual report. As at December 31, 2025, there were no treasury shares (as defined in the Listing Rules) held by the Company.

Report of the Directors

Sufficiency of the Public Float

Based on the information publicly available and to the best of the Board's knowledge, information and belief, the Company has always maintained sufficient public float (i.e. 25%) as required by the Listing Rules since the Listing Date and as at the date of this annual report.

Tax Relief and Exemption

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

Subsequent Event(s)

Please refer to the paragraph headed "Subsequent Event(s)" under the section headed "Management Discussion and Analysis" on page 30 of this annual report.

Auditors

The Company has appointed KPMG as the auditor of the Company for the year ended December 31, 2025. There has been no change in auditor since the Listing up to the date of this annual report. KPMG will retire at the conclusion of the forthcoming annual general meeting and is eligible to stand for reappointment.

Human Resources

Number and Structure of Employees

As at December 31, 2025, the Group had a total of 3,795 employees (2024: 3,718 employees), with the workforce size remaining generally stable.

The breakdown of employees by location is as follows:

Headquarters: 96 employees

Nanjing BenQ Hospital: 2,267

Suzhou BenQ Hospital: 1,432

By job function, the Group's employees primarily consist of medical professionals (including physicians and other medical professionals) and management and administrative staff. Medical professionals constitute the majority of the workforce, with 3,021 employees (2024: 2,949 employees), which aligns with the Group's core business focus on medical services.

Educational Background Structure

The Group continues to optimize its talent structure and enhance the overall level of professional competence. As at December 31, 2025, the educational background structure of administrative and medical staff remained generally stable, with a continued trend of an increasing proportion of highly educated personnel.

Educational Background	Administrative staff		Medical staff	
	2024	2025	2024	2025
Bachelor's degree	49.47%	49.42%	54.57%	54.43%
Master's degree	8.09%	9.53%	19.82%	21.50%
Doctoral degree	0.82%	1.05%	4.21%	4.84%

In 2025:

Among administrative staff, the proportion of those with a bachelor's degree was approximately 49.42% (2024: 49.47%), the proportion with a master's degree increased from 8.09% to 9.53%, and the proportion with a doctoral degree increased from 0.82% to 1.05%.

Among medical staff, the proportion of those with a bachelor's degree was approximately 54.43% (2024: 54.57%), the proportion with a master's degree increased from 19.82% to 21.50%, and the proportion with a doctoral degree increased from 4.21% to 4.84%.

Overall, the proportion of staff with postgraduate degrees or above continued to increase, reflecting the Group's positive progress in talent acquisition and development. Notably, among medical staff, the rising proportion of those with master's and doctoral degrees helps strengthen specialized discipline development, enhance medical expertise and academic competitiveness, providing talent support for the Group's long-term high-quality growth.

Employment Contract Arrangements

The Group regards talent as its most important asset and consistently upholds the principles of fairness, justice and openness in attracting, recruiting and retaining outstanding employees.

As at December 31, 2025, approximately 90.49% of the Group's employees were permanent staff with long-term employment contracts, while the remaining approximately 9.51% were part-time staff, interns or other personnel with short-term employment contracts.

Both Nanjing BenQ Medical Center and Suzhou BenQ Medical Center strictly comply with relevant labour laws and regulations of China and internal management policies, entering into employment contracts with their employees in accordance with the law.

Report of the Directors

Remuneration Policy

During the Reporting Period, the Group's employee costs (excluding Directors' remuneration) amounted to approximately RMB959.2 million, representing an increase of approximately RMB52.6 million, or approximately 5.8%, from approximately RMB906.5 million in the Previous Period. The increase in employee costs was primarily related to a slight growth in the number of medical staff, adjustments to the remuneration structure for medical staff, and the ongoing operation of the medical services business.

The Group has established a remuneration management system based on fairness, equity and market orientation. The Group is committed to providing employees with competitive remuneration and benefits packages, premised on ensuring the Group's stable operations.

In terms of remuneration determination, the Group formulates unified remuneration management and salary-setting standards by taking into comprehensive consideration factors such as the Group's overall profitability, the remuneration level in the medical services industry, changes in the market environment, and individual employee work performance. The remuneration level for employees is primarily determined based on their educational background, work experience, professional skills and job responsibilities, and is dynamically adjusted based on performance appraisal results.

For medical professionals, particularly attending physicians, the Group implements a physician fee (PF) system to more effectively incentivise medical staff to enhance service quality and efficiency.

The Group adopted the pre-IPO share option plan (the "**Pre-IPO Share Option Plan**") which first became effective in November 2018 and was amended and adopted by the Company on March 22, 2024. According to the terms of the Pre-IPO Share Option Plan, fifty per cent (50%) of the options have been vested on the Listing Date. During the year ended December 31, 2025, the Group had not issued any new Shares as a result of the exercise of the vested options.

The Group also offered other employee welfare benefits which primarily include employee health protection and life care related arrangements, such as regular health checkups, medical and accident insurance coverage, as well as preferential medical treatment for employees and their family members. Concurrently, the Group also fosters a sense of belonging and cohesion among employees by providing meal subsidies, annual team-building activities, and employee care allowances.

In accordance with applicable PRC regulations, the Group has made contributions to social security insurance funds (including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for its employees. As of December 31, 2025, the Group complied with all statutory social insurance and housing fund obligations applicable to the Group under the PRC laws in all material respects.

Employee Training and Development

The Group places emphasis on employee training and professional growth. The Group has established a systematic employee education and training system and formulated annual training plans. Through continuous investment in education and training resources, the Group aims to enhance employees' professional competence, compliance awareness and management level, thereby supporting the sustained improvement of the Group's medical service quality and operation and management capabilities.

The Group has established a systematic training framework, including:

- Pre-employment training system
- Laws and regulations training system
- Core training system (e.g., infection control, first aid, patient safety, medical ethics)
- Management training system (covering entry-level to mid-to-senior management)

Professional training system (including standardised residency training, continuing education and professional assessments)
For the year ended December 31, 2025, the training coverage reached approximately 135,000 person-times (2024: approximately 97,000 person-times), with annual training expenditure amounting to approximately RMB2.30 million (2024: approximately RMB2.26 million)

Others

All references to other sections, reports or notes in this annual report form part of this annual report.

On behalf of the Board

Mr. CHEN Chi-Hong

Chairman

Hong Kong, March 9, 2026

Corporate Governance Report

Corporate Governance Practice

The Group is committed to maintaining high standards of corporate governance and believes that such high standards are essential in providing a framework to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the principles and code provisions set out in Part 2 of the Corporate Governance Code as its own code to govern its corporate governance practices. For the period from the Listing Date up to December 31, 2025, the Company has complied with all applicable code provisions of the Corporate Governance Code except for the deviations as explained below. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

Under paragraph C.5.1 of the Corporate Governance Code, Board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication. As the Company was only first listed on the Stock Exchange on December 22, 2025, no meeting was held by the Board during the period from the Listing Date up to December 31, 2025. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the Corporate Governance Code.

Under paragraph D.3.3 of the Corporate Governance Code, members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the auditors. As the Company was only first listed on the Stock Exchange on December 22, 2025, no meeting was held by the Audit Committee during the period from the Listing Date up to December 31, 2025. The Company expects to continue to convene at least two regular meetings in each financial year at approximately semi-annually intervals in accordance with code provision D.3.3 of the Corporate Governance Code.

Since the Company was only listed on the Main Board of the Stock Exchange on December 22, 2025, no meeting was held by the chairman with the independent non-executive Directors without the presence of other Directors in accordance with code provision C.2.7 of the Corporate Governance Code.

The Company will continue to review and commit to making the necessary arrangements to comply with all code provisions under the Corporate Governance Code, and to meet the increasingly stringent expectations of shareholders and investors.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors, with terms no less exacting than the required standards set out in the Model Code.

Upon specific enquiry to all Directors, the Company has confirmed that all Directors have complied with the Model Code during the period from the Listing Date to December 31, 2025. In view of their positions in the Company, the senior management, senior administrative staff and senior officers may possess inside information and are also subject to the provisions of the Model Code. The Company has confirmed that there were no non-compliance with the Model Code by such employees during the period from the Listing Date to December 31, 2025.

Corporate Culture

The Group adheres to the core philosophy of “pursuing the true, the good and the beautiful in healthcare”, organically integrating medical service quality, operational management efficiency and medical ethics as a crucial foundation for its long-term and stable development.

In terms of medical services, the Group emphasises the “pursuit of truth”, committing to achieve accurate diagnosis and effective treatment through standardised clinical procedures and professional capability building. In medical management, the Group focuses on the “pursuit of goodness”, continuously enhancing its capacity to deliver medical services by optimising resource allocation and improving operational efficiency. In medical ethics, the Group upholds the “pursuit of beauty”, advocating a patient-centred service philosophy, prioritising humanistic care, and enhancing the patient experience.

With the development goal of “becoming a leading private hospital group in China”, the Group adheres to the service tenet of “patient-centred” and upholds the principles of integrity and medical ethics in the delivery of medical services. Specifically:

- At the technical level, the Group insists on a fact-based approach, ensuring that clinical practices are grounded in scientific evidence.
- At the service level, the Group values doctor-patient communication, respects patient rights, and provides equitable and compassionate medical services.
- At the ethical level, the Group strictly regulates medical practices, prohibits any conduct that may lead to improper gains, and upholds the professionalism and public trust of the healthcare industry.

Meanwhile, the Group adheres to the fundamental principles of medical ethics, including respect for patient autonomy, promotion of patient welfare, protection of patient privacy, assurance of patient safety, and fair treatment of patients, integrating these principles into daily clinical and management practices.

The Board is of the view that the aforementioned corporate culture and value system are conducive to standardising the Group’s medical service practices, enhancing its overall management standards, and providing significant support for the Group’s sustainable development.

Corporate Governance Report

The Board

The Board is collectively accountable to all shareholders for the leadership and supervision of the Group's business and is committed to achieving the goal of creating value for shareholders.

As at the date of this annual report, the Board comprises seven Directors, including one executive Director, three non-executive Directors and three independent non-executive Directors. The composition of the Board during the year ended December 31, 2025 and up to the date of this annual report is set out below:

Executive Director

Mr. HSIAO Tze-Jung (蕭澤榮) (*Chief Executive Officer*)

Non-executive Directors

Mr. CHEN Chi-Hong (陳其宏) (*Chairperson*)

Ms. HUNG Chiu-Chin (洪秋金)

Dr. WANG Liming (王黎明)

Independent non-executive Directors

Dr. CHOW Hsing-Yi (周行一)

Mr. WANG Wen-Tsung (王文聰)

Mr. CHEN Ray-Jade (陳瑞杰)

To the best of the Company's knowledge, there are no relationships among the members of the Board.

Biographical details of the Directors are set out on pages 76 to 80 of this annual report. The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time in accordance with the Listing Rules.

From the Listing Date up to the date of this annual report, the Board has at all times met the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors (representing not less than one-third of the Board), with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received annual written confirmations of independence from each Independent Non-executive Director pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all Independent Non-executive Directors to be independent persons and remain independent as at the date of this annual report.

Mr. HSIAO Tze-Jung has entered into an appointment letter with the Company under which the initial term of three years shall commence from the Listing Date (subject always to re-election as and when required under the Articles of Association).

Each of the non-executive Directors and independent non-executive Directors has entered into an appointment letter with the Company. The initial term of their appointment letters is for three years commenced from the Listing Date (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing.

Corporate Governance Functions

The Board is responsible for performing the corporate governance functions. During the year ended December 31, 2025, the Board has discharged the functions set out in code provision A.2.1 of the Corporate Governance Code, including reviewing the Company's corporate governance policies and their implementation, and ensuring compliance with the Corporate Governance Code (in particular, the principles of good corporate governance) and disclosure requirements in the corporate governance report.

Chairman and Chief Executive Officer

From the Listing Date up to the date of this annual report, Mr. CHEN Chi-Hong has been the Chairman of the Board and Mr. HSIAO Tze-Jung has been the Chief Executive Officer of the Company. The Company has complied with code provision C.2.1 of the Corporate Governance Code during the year, which stipulates that the roles of Chairman and Chief Executive Officer should not be exercised by the same individual.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs. The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place. All executive Directors and independent non-executive Directors have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company. The Directors shall disclose to the Company details of other offices held by them. The Board reserves for its decisions on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management. The Board has clearly set out the circumstances under which the management should report to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. The Board regularly reviews the above said circumstances and ensures they remain appropriate.

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

Corporate Governance Report

The Board has established three committees namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, each of which has been delegated responsibilities and reports back to the Board. The roles and functions of these committees are set out in their respective terms of reference. The terms of reference of each of these committees will be revised from time to time to ensure that they continue to meet the needs of the Company and to ensure compliance with the Corporate Governance Code where applicable. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website and the Hong Kong Stock Exchange's website and are available to Shareholders upon request.

Meeting Procedures and Conduct

Notice of regular meetings of the Board shall be given to all Directors at least 14 days in advance of the meeting to enable all Directors to attend.

For regular meetings of the Board and Board Committees, all agendas, meeting papers together with all relevant, complete and reliable data shall be circulated to all Directors or Committee members at least three days prior to the meeting. Any Director may propose any matter for inclusion in the agendas of the Board and Committee meetings, and may contact the Company Secretary to ensure full compliance with all Board procedures and applicable regulations.

Generally, members of senior management are required to attend all regular Board meetings and, when necessary, other Board and Committee meetings to provide advice on the Group's business development, finance and accounting, statutory and regulatory compliance, corporate governance and risk management matters, as well as other important affairs. The Board may authorise Directors to seek independent professional advice at the Group's expense when appropriate. The Company Secretary shall keep detailed records of the matters discussed and resolved at Board meetings, and shall prepare and file minutes or resolutions. Generally, draft minutes of Board meetings shall be circulated to Directors for their comments within a reasonable time after the meeting, and the final version shall be open for inspection by Directors.

The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings where transactions in which a Director or their connected persons have a material interest are approved, and such provisions have been complied with at all times.

Appointment and Re-election of Directors

Pursuant to the Articles of Association, one-third of the Directors (or, if the number of Directors is not a multiple of three, the number nearest to but not less than one-third) shall retire by rotation at least once every three years. Any new Director appointed to fill a casual vacancy shall hold office until the Company's next general meeting, and any Director appointed as an additional member of the Board shall hold office until the Company's next annual general meeting. Retiring Directors shall be eligible for re-election.

Any other appointment, resignation, removal or re-designation of Directors shall be promptly disclosed to shareholders by way of announcement, which shall include the reasons for resignation given by the relevant Director.

Each non-executive Director (including independent non-executive Directors) has entered into a service contract or appointment letter for a fixed term of three years, subject to retirement by rotation every three years.

Board Diversity Policy

The Company sees increasing diversity at the Board level as an essential element in attaining its strategic objectives and achieving sustainable and balanced development for the Group. To comply with the provisions on board diversity under the Corporate Governance Code effective from September 1, 2013, the Board has adopted a policy regarding the diversity of Board composition (the “**Board Diversity Policy**”), which sets out certain factors that the Nomination Committee shall consider when reviewing and assessing the composition of the Board, including but not limited to gender, age, ethnicity, cultural and educational background, communication style, interpersonal skills, functional expertise, problem-solving skills, professional qualifications, knowledge and industry experience, regional experience, and other qualities. All appointments to the Board will be based on merits and take into account relevant factors such as the business model and specific requirements of the Group from time to time. The Company will enhance the diversity of Board composition according to its business development and corporate governance needs as and when appropriate.

As of the end of 2025, female Directors accounted for approximately 29% of Board members, demonstrating the Company’s achievement of gender diversity at the Board level. The Board wishes to maintain at least this representation of female members and views gender parity as its ultimate goal. For Board succession, the Nomination Committee will, when necessary, engage independent professional search firms to assist in identifying potential Director candidates. The Nomination Committee will also make recommendations to the Board regarding any proposed changes for alignment with the Company’s development strategy. As of the end of 2025, there was one female senior management member in the Company. The Company will continue to promote gender diversity in the recruitment of mid-and-senior level employees, building a pipeline of female senior management and potential Board successors for the future. If suitable candidates are available in the future, the Board will continue to increase the proportion of female members. During 2025, the Nomination Committee reviewed the structure, size, and diversity of the Board, the criteria for selecting Directors, and the Board Diversity Policy. This review ensures that the Board’s composition is in compliance with the Listing Rules, that its members collectively possess the skills, experience, and diverse backgrounds relevant to the Company’s strategy, governance, and business, and that individual strengths are balanced to enable effective and efficient Board performance. The Nomination Committee has also duly considered various factors when assessing retiring Directors and recommending their re-appointment to the Board, including but not limited to: their overall contribution and service to the Company; their ability to bring valuable perspectives, skills, and experience to the Board; and their impact on Board diversity.

At the employee level, the Group strictly complies with all relevant laws and regulations and has established internal policies for the Group and its affiliated medical institutions. It upholds fair and open employment principles by prohibiting any discrimination based on gender, age, race, region, or others, ensures equal opportunities for employment and promotion, respects employee privacy, and fosters a diverse and inclusive workplace. There are no challenging or irrelevant factors and circumstances that may affect gender diversity across the workforce. As of December 31, 2025, the Group had a total of 3,795 employees (including senior management), of whom 2,819 were female (74.3%) and 976 were male (25.7%). The Company expects that gender ratio will remain stable in the medium term, in line with its business nature and business development needs.

Corporate Governance Report

Remuneration for Directors and Senior Management

The Group has established formal and transparent procedures for determining the remuneration policy for its Directors and senior management. Remuneration is determined based on individual experience, responsibilities, workload, time commitment to the Group, the Group's operating performance, and comparable market data, and is subject to review and approval by the Remuneration Committee and the Board, respectively. The Company's policy for determining remuneration payable to Directors ensures that Directors are adequately compensated for their duties, including participation in Board committees. Executive Directors' remuneration comprises basic salary, pension, and performance-based bonuses, etc. Details of each Director's remuneration for the year ended 31 December 2025 are disclosed in Note 8 to the Consolidated Financial Statements in this annual report.

Continuous Professional Development for Directors

Upon appointment to the Board, each Director receives a comprehensive induction package to ensure that he/she has a proper understanding of the business and operations of the Group and is fully aware of the responsibilities and obligations as being a Director as well as the compliance practice under the Listing Rules and other relevant regulatory requirements.

All Directors of the Group are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Directors are kept updated on the statutory and regulatory development and changes in the business and the market so as to facilitate the discharge of their responsibilities. For the year ended December 31, 2025, all Directors had participated in the courses relating to the roles, functions and duties of a director of a listed company or further enhanced their professional development by the way of attending training courses or reading relevant materials.

Since the Company was only listed on the Main Board of the Stock Exchange on December 22, 2025, each of the Directors is a first-time director and has acknowledged the minimum training hours requirement under Rule 3.09H of the Hong Kong Listing Rules, and will complete the required training hours within the prescribed time limit.

Corporate Governance Report

A summary of the training received by the Directors for the year ended December 31, 2025 according to the records provided by the Directors is as follows:

Name	Date of continuing education		Organiser	Name of course	Hour of continuing education	Total hours of continuing education for the year	Certificate obtained
	From	To					
CHEN Chi-Hong	2025/06/19	2025/06/19	Taiwan Institute for Sustainable Energy	Labour Rights Trends in Global Supply Chains and Corporate Practices	3	9	Directors' continuing education
	2025/09/03	2025/09/03	Taiwan Corporate Governance Association	The 21st (2025) Corporate Governance International Summit – The Role of the Board in Shaping Corporate Strategy Amid Global Disruptions	3		
	2025/11/13	2025/11/13	Independent Director Association Taiwan	Major Overhaul of Financial Statements! A Comprehensive Guide to IFRS 18 "Presentation and Disclosure in Financial Statements"	3		
HUNG Chiu-Chin	2025/04/11	2025/04/11	Taiwan Institute of Directors	Enhancing Corporate Governance: Building a New Landscape for Talent Competitiveness	3	12	Directors' continuing education/Corporate governance
	2025/06/04	2025/06/04	Taiwan Institute of Directors	Benchmark Practices in the Era of Co-Governance	3		
	2025/06/19	2025/06/19	Taiwan Institute for Sustainable Energy	Labour Rights Trends in Global Supply Chains and Corporate Practices	3		
	2025/11/13	2025/11/13	Independent Director Association Taiwan	A Comprehensive Guide to IFRS 18 "Presentation and Disclosure in Financial Statements"	3		

Corporate Governance Report

Name	Date of continuing education		Organiser	Name of course	Hour of continuing education	Total hours of continuing education for the year	Certificate obtained
	From	To					
HSIAO Tze-Jung	2025/12/24	2025/12/24	Internal Training – HKEX Materials	《Corporate Governance Guide for Boards and Directors》Chapter1	2	4	None
	2025/12/25	2025/12/25	Internal Training – HKEX Materials	《Corporate Governance Guide for Boards and Directors》Chapter2	2		None
WANG Liming	2025/12/24	2025/12/24	Internal Training – HKEX Materials	《Corporate Governance Guide for Boards and Directors》Chapter1	2	4	None
	2025/12/25	2025/12/25	Internal Training – HKEX Materials	《Corporate Governance Guide for Boards and Directors》Chapter2	2		None
WANG Wen-Tsung	2025/12/25	2025/12/25	Internal Training – HKEX Webcast	Director Training Webcast 2017/2018-Duties of directors and role and function of board committees	2	4	None
	2025/12/26	2025/12/26	Internal Training – HKEX Webcast	Director Training Webcast 2017/2018-Corporate governance, director and company secretary's roles	2		None
CHOW Hsing-Yi	2025/12/25	2025/12/25	Internal Training – HKEX Webcast	Director Training Webcast 2017/2018-Duties of directors and role and function of board committees	2	4	None
	2025/12/26	2025/12/26	Internal Training – HKEX Webcast	Director Training Webcast 2017/2018-Corporate governance, director and company secretary's roles	2		None

Corporate Governance Report

Name	Date of continuing education		Organiser	Name of course	Hour of continuing education	Total hours of continuing education for the year	Certificate obtained
	From	To					
CHEN Ray-Jade	2025/12/25	2025/12/25	Internal Training – HKEX Webcast	Director Training Webcast 2017/2018-Duties of directors and role and function of board committees	2	4	None
	2025/12/26	2025/12/26	Internal Training – HKEX Webcast	Director Training Webcast 2017/2018-Corporate governance, director and company secretary's roles	2		

Board Committees

The Board has established three committees, namely the Audit Committee, the Remuneration Committee, and the Nomination Committee. Each committee has been assigned responsibilities and reports directly to the Board. The roles and functions of these committees are set out in their respective terms of reference. The terms of reference of each committee will be subject to amendments from time to time to ensure they continue to meet the Company's needs and comply with the Corporate Governance Code (where applicable). The terms of reference of the Audit Committee, the Remuneration Committee, and the Nomination Committee are published on the websites of the Company and the Hong Kong Stock Exchange, and are available to Shareholders upon request.

Nomination Committee

On December 22, 2025, the Board established the Nomination Committee which comprised one non-executive Director (CHEN Chi-Hong) and two independent non-executive Directors (being CHEN Ray-Jade and CHOW Hsing-Yi).

As disclosed in the Company's announcement dated March 9, 2026, in light of code provision B.3.5 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, and with regard to the actual circumstances of the Company, on March 9, 2026, WANG Liming (a non-executive Director) and WANG Wen-Tsung (an independent non-executive Director) have been appointed as members of the nomination committee of the Company, with effect from March 9, 2026.

As of the date of this annual report, the Nomination Committee consisted of two non-executive Directors, namely, CHEN Chi-Hong and WANG Liming, and three independent non-executive Directors, namely, CHEN Ray-Jade, CHOW Hsing-Yi and WANG Wen-Tsung.

Corporate Governance Report

The roles and functions of the Nomination Committee are set out in its terms of reference. Its primary responsibilities include reviewing the structure, size and composition (including skills, knowledge and experience) of the Board, identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of, individuals nominated for directorships, assessing the independence of the independent non-executive Directors, making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and chief executives.

According to the Board Diversity Policy, the Nomination Committee reviews and assesses the Board composition and makes recommendations on changes to the composition of the Board. The Nomination Committee shall consider the benefits of all aspects of diversity as set out in the Board Diversity Policy, including but not limited to gender, age, race, cultural and educational background, communication styles, interpersonal skills, functional expertise, problem-solving skills, professional qualifications, knowledge and industry and regional experience and other qualities in reviewing and assessing the composition of the Board. All appointments to the Board will be based on merits and take into account relevant factors such as the business model and specific requirements of the Group from time to time.

Since the Company was listed on the Stock Exchange on December 22, 2025, the Nomination Committee did not hold any meetings during the period from the Listing Date to December 31, 2025. Up to the date of this annual report, the Nomination Committee has held one meeting on March 9, 2026, during which matters including the appointment of the General Manager, the structure, size, and composition of the Board, and the independence of independent non-executive Directors were discussed.

Remuneration Committee

The Board established the Remuneration Committee on December 22, 2025, which currently consists of one executive Director, namely, Mr. HSIAO Tze-Jung and two independent non-executive Directors, namely, Mr. CHEN Ray-Jade, Mr. WANG Wen-Tsung. Mr. CHEN Ray-Jade is the chairperson of the Remuneration Committee.

The roles and functions of the Remuneration Committee are set out in its terms of reference. Its primary responsibilities include reviewing and formulating policies in respect of remuneration structure for all Directors and senior management (including the remuneration packages (inclusive of pension rights and compensation (if applicable)) of individual executive Directors and senior management) and making recommendations to the Board for its consideration, reviewing and evaluating the performance of individual executive Directors, approving the terms of executive Directors' service contracts.

Pursuant to code provision E.1.5 of the Corporate Governance Code, for the year ended December 31, 2025, the annual remuneration (excluding share-based payments) of senior management (excluding directors and supervisors) by band is as follows:

Remuneration band (HK\$)	Number of individual
3,000,001 to 3,500,000	0
2,500,001 to 3,000,000	1
2,000,001 to 2,500,000	1
1,500,001 to 2,000,000	0
1,000,000 to 1,500,000	2
Total	4

As the Company was only listed on the Stock Exchange on December 22, 2025, the Remuneration Committee did not hold any meetings during the period from the date of listing to December 31, 2025. Up to the date of this annual report, the Remuneration Committee held one meeting on March 9, 2026, during which matters discussed included the Company's remuneration policy and structure, remuneration packages of Directors, and other related matters.

Audit Committee

The Board established the Audit Committee on December 22, 2025, which currently consists of one non-executive Director, namely, Mr. HUNG Chiu-Chin, and two independent non-executive Directors, namely, Mr. WANG Wen-Tsung and Mr. CHOW Hsing-Yi. Mr. WANG Wen-Tsung is the chairperson of the Audit Committee.

The Board considered that the members of the Audit Committee possess sufficient professional knowledge and experience of accounting and financial management for the performance of their responsibilities.

The roles and functions of the Audit Committee are set out in its terms of reference. Its primary responsibilities include serving as a focal point for communication among other Directors, and the external auditor as regards their duties relating to financial and other reporting, risk management and internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time, assisting the Board in providing an independent review on the effectiveness of the financial reporting system, risk management and internal control systems of the Group and overseeing the audit procedure, reviewing the Group's financial and accounting policies and practices and performing other duties and responsibilities as designated by the Board.

As the Company was only listed on the Stock Exchange on December 22, 2025, the Audit Committee did not hold any meetings during the period from the date of listing to December 31, 2025. Up to the date of this annual report, the Audit Committee held two meetings on February 11, 2026 and March 9, 2026, respectively, during which matters considered included the annual financial results and report for the year ended December 31, 2025, significant matters in the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and the internal audit function, the appointment of the external auditor, the engagement and scope of work for non-audit services, connected transactions, and arrangements for employees to raise concerns about possible improprieties.

Appointment and Remuneration of External Auditor

For the year ended December 31, 2025, the total fee paid/payable to the external auditor of the Group in respect of audit services amounted to RMB1.4 million.

The external auditor did not provide any non-audit services to the Group for the year ended December 31, 2025.

The Audit Committee is responsible for making recommendations to the Board as to the appointment, reappointment and removal of the external auditor. Such appointment, re-appointment and removal are subject to the approval by the Board and the general meetings of the Company by the Shareholders.

The statement of the independent auditor of the Group about their reporting responsibilities on the consolidated financial statements of the Group is set out in the independent auditor's report from pages 87 to 88 of this annual report.

Corporate Governance Report

Directors' Responsibilities for the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended December 31, 2025 which give a true and fair view of the financial position of the Group as well as the results and cash flow during that year.

The Directors consider that in preparing the financial statements, the Group ensures statutory requirements are met and applies appropriate accounting policies that are consistently adopted and makes judgements and estimates that are reasonable and prudent in accordance with the applicable accounting standards.

The Directors are responsible for ensuring that proper accounting records are kept so that the Group could prepare financial statements in accordance with statutory requirements and the Group's accounting policies. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities within the Group.

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

Risk Management and Internal Control

The Board would review the Group's risk management and internal control systems at least once a year. The Board confirms that it is responsible for the Group's risk management and internal control systems and is responsible for reviewing the effectiveness of these systems. These systems are designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives and the Board can only provide reasonable but not absolute assurance against material misstatement or loss. During the year ended December 31, 2025, the Board, as supported by the Audit Committee, has performed an annual review on the adequacy and effectiveness of the Group's risk management and internal control systems in different aspects of the Group such as financial, operation, compliance and risk management, and has also assessed the accounting and financial reporting functions and the environmental, social & corporate governance function of the Group, estimated the resources and budgets for training programmes and appraised the staff members' qualifications and experience. In respect of continuing connected transactions, the Group has implemented a series of general management policies controlled by multiple departments to improve corporate governance structure and monitor the implementation of internal control policies, including financial control system, anti-fraud and legal monitoring system, operations and compliance management system, risk management and assessment policies and internal audit rule.

During the Reporting Period, the Directors are responsible for the overall risk management functions. Since the Company was only listed on the Main Board of the Stock Exchange on December 22, 2025, no internal audit department for an internal audit function has been set up within the Group yet. The Company has maintained an internal control system and its implementation has been considered effective by the Board and the Audit Committee. In addition, the Audit Committee has communicated with external auditor of the Company to understand if there is any material control deficiency. Nevertheless, the Company will review if there is any need for an internal audit function or to engage competent external service providers to perform such function, as appropriate, on an annual basis.

Company Secretary and Primary Contact of the Company

Directors have access to the services of the company secretary to ensure that the board procedures are followed. The current company secretary of the Company is Ms. LAI Ying Tung (“**Ms. Lai**”). Ms. Lai has the necessary qualifications and experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Lai is currently a manager of corporate services of Vistra Corporate Services (HK) Limited. She has ten years of experience in the corporate services industry. She is currently the company secretary/joint company secretary of certain listed companies. In compliance with Rule 3.29 of the Listing Rules, Ms. Lai has undertaken not less than 15 hours of relevant professional training to update her skills and knowledge during the Reporting Period. Mr. CHIANG Che-Min is the chief financial officer of the Company, who acts as the main contact person of Ms. Lai and the internal departments of the Company.

Whistleblowing Policy

We have adopted a whistleblowing policy to facilitate employees and relevant third parties having dealings with the Group to raise concerns, in a confidential and anonymous manner, with the Company’s anti-corruption department regarding any improprieties, misconduct or non-compliance in matters related to the Group, whereupon the anti-corruption department will conduct an investigation into such matters and subsequently report the findings to the audit committee.

The audit committee will periodically review such possible arrangements to ensure that proper mechanisms are in place for fair and independent investigation of relevant matters and for appropriate follow-up actions to be taken.

Procedures for Handling and Disclosing Inside Information and the Internal Monitoring System

The Board of Directors will regularly review and assess the inside information, and hold discussions with the Company’s management or authorized personnel regarding matters related to the disclosure of inside information. The relevant personnel are required to report to the Board immediately when they identify the inside information that needs to be disclosed.

Anti-Corruption and Anti-Fraud Policy

The Company has adopted an anti-bribery and anti-corruption policy, which stipulates its obligations and responsibilities in preventing corruption and bribery, and provides relevant standards and guidelines for all employees. The Company and its employees must abide by the applicable anti-bribery and anti-corruption laws and regulations in the jurisdiction where their business operates. The anti-corruption policy will be reviewed regularly, and any behavior or activities in violation of the policy will be reported to the Company’s legal and compliance department.

Change in Constitutional Documents

The memorandum and articles of association of the Company have been amended and restated with effect from the Listing Date, the latest versions of which are available from the websites of the Company and the Stock Exchange.

Save as disclosed above, during the year ended December 31, 2025, there was no change in the memorandum and articles of association of the Company.

Corporate Governance Report

Shareholders' Rights

To safeguard the rights and interests of shareholders, an independent resolution shall be submitted for each generally independent matter at the general meeting, including the re-election of individual retired directors. At any general meeting, all resolutions put to the vote of the meeting shall be decided by way of poll as per the number of shares in accordance with the Listing Rules, save that the Board Chairman may allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The voting results will be published on the Company's and the Stock Exchange's website after each general meeting.

Submission of Proposals at the General Meetings

The Company's annual general meetings and other general meetings are the primary platforms for communication between the Company and its shareholders. The Company should provide shareholders with relevant information on the resolutions to be proposed at the general meetings in a timely manner in accordance with the Listing Rules. The information provided should be such materials as are required for shareholders to make informed decisions on the proposed resolutions.

Neither the detailed provisions of the constitution nor the Company Laws of the Cayman Islands provide any provisions to be quoted by shareholders to propose new resolutions at the general meeting. Shareholders who intend to propose new resolutions may request the Company to convene a general meeting in accordance with the procedures set out in the following paragraph.

Extraordinary General Meetings Convened by Shareholders

According to Article 9.3 of the constitution, one or more shareholders holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the paid-in capital of the Company carrying the voting rights at general meetings of the Company have the right to send a written requisition to the Board or the Company's secretary at any time, requiring the Board to convene an extraordinary general meeting to handle any items specified in relevant requisitions, and add resolutions to the agenda of the meeting; relevant meetings shall be convened within two months upon submission of relevant requirements.

If the Board does not convene a general meeting within two months from the date of deposit of such requisition, the requisitionists may themselves convene a general meeting. All reasonable expenses incurred by the requisitionists due to the failure of the Board to fulfill its duties shall be reimbursed to the requisitionists by the Company.

Shareholders' Communication Policy and Investors Relations

The Board believes that effective communication with shareholders is crucial for enhancing investor relations and enabling investors to better understand the business performance and strategies of the Group. The Company is also well aware of the importance of transparency and timely disclosure of the company information, which enables shareholders and investors to make the best investment decisions.

The Company has adopted a shareholder communication policy in line with the Listing Rules, ensuring that all shareholders have equal access to relevant information so that they can keep abreast of the Company's performance, operations, and major business developments at any time. The Company's shareholder communication policy can be found on the Company's website. We strive to maintain continuous dialogue with shareholders, especially through the annual general meeting and other general meetings. The general meetings of the Company provide a communication platform between the Board and shareholders. The Board Chairman, as well as the chairmen of the Nomination Committee, the Remuneration Committee, and the Audit Committee, or other members of each committee (in case of absence), can answer shareholders' questions at the general meeting. External auditors of the Company are also invited to attend the Company's annual general meeting to answer questions regarding the progress of the audit work, the preparation and contents of the auditor's report, accounting policies, and the independence of the auditor. Shareholders can raise questions or request publicly available materials of the Company through the designated channels.

For the address and contact details of the Company's share registrar, please refer to page 2 of this annual report. If shareholders have any questions regarding their shareholdings, they can inquire at the Company's share registrar Computershare Hong Kong Investor Services Limited. Regarding inquiries to the Board, please refer to the section "Making Inquiries to the Board of Directors". To facilitate effective communication, the Company has established a website (<http://www.benqmedicalcenter.com/>) where the latest information, as well as updates on the Company's financial materials, corporate governance practices, Board member profiles, and other materials are published for public access. As the Company was listed on the Stock Exchange on 22 December 2025, the Board should review the implementation and effectiveness of the shareholder communication policy within the fiscal year ended 31 December 2026. The Board should continue to review the implementation and effectiveness of the shareholder communication policy on an annual basis and revise its terms as necessary.

Putting forward Enquiries to the Board

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

Contact Details

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

Address: **71 Hexi Avenue Jianye District, Nanjing City, Jiangsu Province, PRC**

Email: **IR@benqmedicalcenter.com**

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

Corporate Governance Report

Overview of ESG Governance

ESG Concept

With the vision of “pursuing the true, the good and the beautiful in health care”, BenQ BM Holding has deeply integrated the concept of sustainability into its development foundation. Through the four core values of “Integrity & Introspection, Passion & Professionalism, Execution & Excellence, Caring & Contribution”, it has integrated these values throughout the entire process of medical and health services, hospital operations and sustainable development, committed to achieving long-term value for society, patients, employees and the environment.

- Following the commitment of “Integrity & Introspection”, it refrains from speculations and frauds, sets an example by abiding by the Company’s disciplinary regulations and keeps its commitment.
- It fulfills tasks with an active attitude following the principle of “Passion & Professionalism”, loves its work and partners and keeps its promise.
- It bravely welcomes innovation and changes in pursuit of “Execution & Excellence”, continues to learn and grow in pursuit for better spirit.
- In order to make “Caring & Contribution” to society, it fulfills the commitment to environmental protection and sustainable development, makes contributions to patients, society and the environment, and exerts social influence.

ESG Governance Structure

To systematically promote environmental, social and governance work and establish a long-term mechanism for sustainable development, the Group has established a top-down ESG governance structure, namely “Decision-making level – Management level – Execution level”, clearly defining the responsibilities of each level to ensure the implementation and efficient advancement of the ESG strategy.

As the highest decision-making and supervisory body for ESG sustainable development, the Board is responsible for overall coordination of the ESG work. Its main responsibilities include approving ESG strategic goals and policies, supervising major risk management, ensuring that related governance work complies with laws, regulations and standards, and providing strategic guidance and decision-making support for ESG development.

The ESG Committee, comprising Mr. HSIAO Tze-Jung as chairman, Ms. LO Tsui-Ling (羅翠凌) as vice chairman and each of Mr. Fan Wenji (范文己), Mr. CHIANG Che-Min, Ms. Gu Pingping (顧萍萍), Mr. Zhang Fengkang (張鋒康) and YU Zhenkun (于振坤), M.D. as members, is responsible for coordinating ESG daily management and the establishment of an implementation mechanism, formulating annual ESG plans, promoting cross-department collaboration, monitoring key performance indicators, and reporting progress to the Board regularly.

Composed of key personnel from various functional departments, the ESG working group is responsible for specifically implementing all ESG measures to ensure that ESG goals are integrated into business operations and daily management.

This governance structure, through clear reporting lines and a regular assessment mechanism, forms a closed loop for ESG management, driving the Group to achieve continuous improvement on its sustainability journey, thereby enabling the simultaneous enhancement of long-term stable operations and social value creation.



ESG Targets

BenQ Hospital is committed to fully integrating ESG principles into its strategic planning and daily operations, with a view to managing risks, capturing opportunities, enhancing intrinsic value, and actively responding to the expectations of stakeholders. Focusing on material topics including governance effectiveness and risk control, medical quality and patient rights, talent development and employee well-being, smart hospital and innovation, humanistic care and social responsibility, and environmental stewardship, we have established phased ESG development targets to achieve the coordinated advancement of business development, social responsibility, environmental responsibility, and corporate governance.

Short-term (5-year) Targets

(E) Environment

- **Enhancing resource efficiency:** Complete greenhouse gas emissions inventory and promote internal energy-saving and consumption-reduction measures.
- **Improving waste management:** Establish a comprehensive management system covering the classification, collection, storage, and disposal of medical waste.
- **Fostering an environmental culture:** Enhance employees' environmental awareness by conducting company-wide environmental compliance training to ensure full understanding of and adherence to environmental laws and regulations.

Corporate Governance Report

(S) Social

- **Upholding medical quality and patient safety:** Continuously optimize the medical quality and safety management system, improve mechanisms for preventing medical disputes, and create a safe, reliable healthcare environment.
- **Strengthening talent development:** Establish a structured and tiered employee training system, deepen professional skills development, and provide ESG and compliance-related training. Safeguard occupational health and safety, and continuously improve talent attraction, development, and retention mechanisms.
- **Deepening community health engagement:** Regularly organize free clinics, disease screening, and health education activities to enhance public health awareness and disease prevention capabilities within the community.

(G) Governance

- **Establishing ESG management systems:** Improve ESG governance structure, clarify ESG-related responsibilities, and incorporate ESG indicators into management performance assessments.
- **Strengthening data security:** Ensure network and data security, protect patient and employee privacy, and establish proactive monitoring and emergency response mechanisms to mitigate data leakage risks.
- **Enhancing integrity and compliance:** Adhere to business ethics and establish a robust anti-corruption and anti-bribery framework.

Mid-term (10-year) Targets

(E) Environment

- **Developing green and low-carbon hospitals:** Align with national “dual carbon” goals by promoting energy-efficient equipment and environmentally friendly consumables, and advancing green infrastructure development.
- **Carbon emissions management:** Establish a full-process carbon emissions monitoring and accounting system, and formulate phased emission reduction action plans.
- **Climate change response:** Improve climate risk emergency response mechanisms to enhance resilience against extreme weather and climate-related events, ensuring continuity and safety of medical services.

(S) Social

- **Strengthening specialty development:** Consolidate the advantages of tertiary-level hospitals in the Nanjing campus and strive for tertiary hospital accreditation for the Suzhou campus, enhancing the capacity and number of key specialties and building a coordinated specialty cluster.
- **Advancing smart healthcare:** Promote the development of smart hospital platforms to improve accessibility, convenience, and personalization of medical services, thereby enhancing patient experience.

- **Building employer brand:** Improve career development pathways and incentive mechanisms to strengthen team cohesion and stability, and establish an attractive employer brand.
- **Caring for vulnerable groups:** Continue to implement targeted medical assistance and health promotion programs for the elderly, patients with chronic diseases, and economically disadvantaged groups, delivering compassionate healthcare services.

(G) Governance

- **Optimizing governance and disclosure:** Continuously enhance governance systems and improve the timeliness, completeness, and transparency of information disclosure to strengthen stakeholder trust.
- **Strengthening risk management systems:** Establish a closed-loop risk management framework covering key industry risks such as medical compliance, data security, and doctor-patient disputes, promoting systematic and normalized ESG risk governance.
- **Linking ESG performance to incentives:** Fully integrate ESG key performance indicators into performance evaluation systems and link them with remuneration and career development to create internal drivers for accountability.

Long-term (15-year) Targets

(E) Environment

- **Leading green and low-carbon practices:** Develop and implement a clear “dual carbon” roadmap and timeline, continuously reduce carbon emission intensity, and build a benchmark green and low-carbon hospital with industry-leading practices.

(S) Social

- **Driving smart healthcare and human-centered leadership:** Establish a leading smart healthcare system and innovative service platform in East China, and build a highly influential employer brand among private hospitals nationwide.

(G) Governance

- **Deepening system integration:** Fully embed sustainability principles into corporate culture and operational management systems, becoming an ESG benchmark among private hospitals in China.

For further details, please refer to the ESG report.

Directors and Senior Management Personnel

Directors

Executive Director

Mr. HSIAO Tze-Jung (蕭澤榮), aged 66, is our executive Director and chief executive officer. He was appointed as a Director on April 30, 2015 and was re-designated as an executive Director of our Company on March 22, 2024. He joined our Group in February 2009 when he was appointed as a director of BenQ Healthcare Consulting. Since November 2018, he was appointed as the chief executive officer of our Group, taking the responsibility of overall management of the hospital sector. He holds the following positions in the major subsidiaries of our Group:

Name of subsidiary	Position	Period
Nanjing BenQ Hospital	Director	February 2012 to present
	Chairperson of the board	April 2015 to present
	General manager	September 2018 to present
Suzhou BenQ Hospital	Director	February 2012 to present
	General manager	September 2018 to present

Besides, Mr. Hsiao also holds the position of director, chairperson of the board and/or general manager at other four subsidiaries of our Group.

Mr. Hsiao has accumulated extensive experience in corporate management and led our business operations for years. He had worked for Eylool Industrial Co., Ltd. (裕隆工業股份有限公司), a company primarily engaging in manufacturing and sales of polystyrene box, since July 1981. Mr. Hsiao joined AUO Corporation (友達光電股份有限公司), a thin film transistor liquid crystal displays and other flat panel displays and display solutions of smart fields provider listed on the Taiwan Stock Exchange (stock code: 2409.TW) in July 2000 and served as an assistant vice president, where he was responsible for production and operation of factories of AUO Corporation, until August 2007.

In August 2007, Mr. Hsiao joined Qisda Corporation and he has served (i) as senior vice president of Qisda Corporation and the president of the Global Manufacturing Headquarters in charge of relevant business; and (ii) as the chairperson of each of Qisda (Suzhou) Co., Ltd (蘇州佳世達電通有限公司), Qisda Optronics (Suzhou) Co., Ltd (蘇州佳世達光電有限公司), Qisda Electronics (Suzhou) Co., Ltd (蘇州佳世達電子有限公司), Qisda Precision Industry (Suzhou) Co., Ltd (蘇州佳世達精密工業有限公司) and Qisda (Shanghai) Co., Ltd (佳世達電通(上海)有限公司) until March 2024. He also served as the chairperson at BenQ Biotech (Shanghai) Co., Ltd (明基生物技術(上海)有限公司) from August 2019 to March 2024, Shanghai Filter Technology Co., Ltd (上海費爾特科技有限公司) from December 2020 to March 2024 and Qisda Vietnam Co., Ltd from October 2019 to March 2024.

Directors and Senior Management Personnel

Non-Executive Directors

Mr. CHEN Chi-Hong (陳其宏), aged 64, is our chairperson of the Board and a non-executive Director of our Company. He joined our Group in February 2013 when he was appointed as a director of BenQ BM. He was appointed as a Director on May 27, 2013 and was re-designated as a non-executive Director and chairperson of the Board of our Company on March 22, 2024.

Mr. Chen is currently the chairman and chief executive officer of Qisda Corporation, our Controlling Shareholder. He joined Qisda Corporation in 1991 and successively served as (i) the head of Display Product Group from 1991 to 1992, (ii) the manager of Display Product Group from 1992 to 1997, (iii) an associate vice president of Display Product Group from 1998 to 2003, (iv) a vice general manager of Display Product Group from 2003 to 2013, and (v) the general manager of Qisda Corporation from 2014 to 2023. He was appointed as the chairman and chief executive officer of Qisda Corporation in 2022 and guided its development and growth since then. As a chief helmsman of Qisda Group, he takes the lead of the transformation strategy, operation planning and the alliance investment strategy of Qisda Corporation.

Mr. Chen has also served as (i) a director at Darfron Electronics Corp. (達方電子股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 8163.TW) since March 2001, (ii) the chairperson at BenQ Medical Technology Ltd. (明基三豐醫療器材股份有限公司), a company listed on the Taipei Exchange (stock code: 4116.TPEX), since April 2010, (iii) a director at Partner Tech Corp. (拍檔科技股份有限公司), a company listed on the Taipei Exchange (stock code: 3097.TPEX), since October 2014, (iv) a director at BenQ Materials Corp. (明基材料股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 8215.TW), since July 1998, (v) the chairperson of DFI Inc. (友通資訊股份有限公司) a company listed on the Taiwan Stock Exchange (stock code: 2397.TW), since December 2017, (vi) a director at Alpha Networks Inc. (明泰科技股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 3380.TW), since June 2018, and (vii) a director at Hitron Technologies (仲琦科技股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 2419.TW), since February 2020.

He currently holds the following positions in the major subsidiaries of our Group and is also a director of three other subsidiaries of our Group:

Name of subsidiary	Position	Period
Nanjing BenQ Hospital	Director	August 2015 to present
Suzhou BenQ Hospital	Director	September 2015 to present

Mr. Chen was awarded a number of reputed honors including, among other things, (i) Entrepreneur of The Year Award of Asia Pacific Enterprise Awards (APEA) by Enterprise Asia in September 2023, (ii) Taiwan Smart City Excellence Contribution Award-Smart Health Award in August 2023 and (iii) Ernst & Young Entrepreneur of the Year Award in November 2019. He serves as a fellow of Industrial Technology Research Institute since October 2023.

Mr. Chen obtained his bachelor's degree in engineering from National Cheng Kung University (成功大學) in June 1985 in Taiwan and his master's degree in business administration in international management from Thunderbird School of Global Management in December 2001 in Phoenix, Arizona.

Directors and Senior Management Personnel

Ms. HUNG Chiu-Chin (洪秋金), aged 58, is a non-executive Director of our Company. She was appointed as a Director on September 11, 2019 and was re-designated as a non-executive Director of our Company on March 22, 2024. She joined our Group as the supervisor of Suzhou BenQ Hospital on September 1, 2015. She is the vice president, the chief financial officer and the spokesperson of Qisda Corporation. She also holds the following positions in the major subsidiaries of our Group and is also a director or a supervisor of several other subsidiaries of our Group:

Name of subsidiary	Position	Period
Nanjing BenQ Hospital	Director	October 2019 to present
Suzhou BenQ Hospital	Director	October 2019 to present

Ms. Hung has extensive experience in financial management, mergers and acquisitions and communications. She joined Qisda Corporation in October 1997 and eventually served as a financial manager until December 2002. From 2003 to 2005, she was the chief financial officer at the predecessor company of BenQ Materials Corp. (明基材料股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 8215.TW). She served successively as the controller and AVP of Finance Management Department of Qisda Corporation from September 2005 to August 2019 and group chief financial officer from September 2019 to March 2021. Since March 2021, she has been the vice president, the chief financial officer and the spokesperson of Qisda Corporation, where she is responsible for the financial management and merger and acquisition planning of the group and administration for corporate governance.

Ms. Hung is also serving as a director at several public companies, including (i) Data Image Corporation (眾福科技股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 3168.TW), since January 2019, (ii) Darfron Electronics Corp. (達方電子股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 8163.TW), since August 2019, (iii) Metaage Corporation (邁達特數位股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 6112.TW), since September 2019, (iv) Alpha Networks Inc. (明泰科技股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 3380.TW), since January 2021, (v) Topview Optronics Corp. (勝品電通股份有限公司), a company listed on the Taipei Exchange (stock code: 6556.TPEX), since June 2023.

Ms. Hung obtained her MBA degree from California State University, Fullerton in January 1995 in Fullerton, California. She completed the EMBA course and obtained her MBA degree from National Taiwan University in April 2023 in Taiwan.

Directors and Senior Management Personnel

Dr. WANG Liming (王黎明), aged 57, is a non-executive Director of our Company. She joined our Group as a director of Nanjing BenQ Hospital in February 2012. She was appointed as a Director on April 30, 2015 and was re-designated as a non-executive Director of our Company on March 22, 2024. She holds the following positions in the major subsidiaries of our Group and is also a director of three other subsidiaries of our Group:

Name of subsidiary	Position	Period
Nanjing BenQ Hospital	Director	February 2012 to present
Suzhou BenQ Hospital	Director	October 2012 to present
	Chairperson of the board	April 2017 to present

She served as a lawyer at Jiangsu Centennial Yinghao Law Firm (江蘇百年英豪律師事務所) from July 1996 to July 1998, professionalizing in company's laws and intellectual property laws. She joined the Qisda Group in August 1998 and served as the general counsel of the China office of the Qisda Group since then.

Dr. Wang obtained her bachelor's degree in economic law in July 1991 from East China Institution of Political Science and Law (華東政法學院) (now known as East China University of Political Science and Law (華東政法大學)) in Shanghai. She graduated from East China Institution of Political Science and Law, majoring in juris master, in July 2001. She completed a doctoral program in Chinese modern and contemporary history from Soochow University (蘇州大學) in June 2008 in Jiangsu Province. She received her legal professional qualification certificate from the Ministry of Justice of the PRC in December 1994 and a Level 2 Certificate of Secondary Psychological Consultant by Shanghai Municipal Bureau of Human Resources and Social Security in March 2015.

Independent Non-Executive Directors

Dr. CHOW Hsing-Yi (周行一), aged 66, was appointed as an independent non-executive Director of our Company on March 22, 2024 (effective upon Listing).

Dr. Chow is an emeritus professor and a distinguished adjunct professor of National Chengchi University (政治大學). He served as an associate professor from August 1995 to August 1996 and a professor from August 1996 to October 1998 at the faculty of finance at National Chengchi University. Before his retirement in February 2022, Dr. Chow served as a professor at the faculty of finance of National Chengchi University. During his tenure at National Chengchi University, he also served on campus as (i) the chairman of the department of finance from August 2000 to July 2002, (ii) a vice dean of the college of commerce from September 2004 to July 2005, (iii) the dean of the college of commerce from August 2005 to July 2008, (iv) the director of the Innovation and Creativity Research Center from February 2006 to July 2006, (v) the principal of National Chengchi University and the chair of the Gender Equality Education Committee from November 2014 to November 2018, (vi) the chair of Bridge Committee of the Chinese Taipei University Sports Federation from January 2017 to January 2019, and (vii) the chairman of the board of The Phi Tau Phi Scholastic Honor Society from January 2018 to October 2019. In addition, he also served as a director from October 2003 to October 2006 and the supervisor (監察人) from October 2006 to September 2018 at Taipei Exchange, a member of the Administration Committee for the Financial Restructuring Fund (金融重建基金管理委員會) from July 2008 to December 2011, and a director of International Cooperation and Development Fund (財團法人國際合作發展基金會) from August 2008 to July 2015.

Directors and Senior Management Personnel

Dr. Chow has served as an independent director of (i) Coretronic Corporation (中強光電股份有限公司), a company listed on the Taipei Exchange (stock code: 5371.TPEX) since June 2019, (ii) Yuanta Financial Holding Co., Ltd. (元大金融控股公司), a company listed on the Taiwan Stock Exchange (stock code: 2885.TW) since June 2019 and (iii) a member of remuneration committee of Lien Hwa Industrial Holdings Corp. (聯華實業投資控股股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 1229.TW) since August 2023.

Dr. Chow graduated from National Chengchi University with a bachelor's degree in business administration in May 1981 in Taiwan and obtained doctoral degree in business in February 1991 from Indiana University in Bloomington, Indiana.

Mr. WANG Wen-Tsung (王文聰), aged 61, was appointed as an independent non-executive Director of our Company on March 22, 2024.

Mr. Wang has served as an auditor at Biing-Cherng CPAS (秉誠聯合會計師事務所) since July 1995. He also served as an independent director at Metaage Corporation (邁達特數位股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 6112.TW) and a subsidiary of Qisda Corporation, since June 2016.

Mr. Wang obtained his bachelor's degree in business from Department of Accounting Feng Chia University (逢甲大學) in Taiwan in June 1988 and his MBA degree from National Tsing Hua University (清華大學) in Taiwan in June 2021. He has been a certified public accountant of Taiwan since June 1993.

Mr. CHEN Ray-Jade (陳瑞杰), aged 69, was appointed as an independent non-executive Director of our Company on March 22, 2024.

From February 2004 to March 2010, he served successively as an associate professor and a professor at Faculty of Medicine at China Medical University (中國醫藥大學). From April 2010 to January 2021, he taught at Faculty of Medicine at Taipei Medical University (臺北醫學大學) as a professor and had also held several other administrative positions including the director of Center for Management and Development, the head of the Department of Surgery and the director of Preparatory Office of the Telehealth Center within such period. From January 2015 to December 2020, he served as the superintendent of Taipei Medical University Hospital (臺北醫學大學附設醫院). Since 2022, he took over as the Chairman of Board of Trustees of Taipei Medical University.

Mr. Chen obtained his bachelor's degree in medicine in June 1981 and his master's degree in science in June 2003 from Graduate Institute of Biomedical Informatics (醫學資訊研究所) of Taipei Medical University in Taiwan. He received his professor qualification from Taiwan Ministry of Education in January 2010 and his medical practitioner qualification from Taiwan Department of Health in January 1982.

Directors and Senior Management Personnel

Senior Management

For the biographies of Mr. Hsiao Tze-Jung, see “—Executive Director” in this section. The biographical details of other senior management are set out as follows:

Dr. YU Zhenkun (于振坤), M.D., aged 60, was appointed as the president of Nanjing BenQ Hospital on February 14, 2020. He joined our Group in June 1, 2019 and serves as the director of department and a chief physician at the Otorhinolaryngology-Head and Neck Department of Surgery and an academic leader in Nanjing BenQ Hospital. He is also a director of Nanjing BenQ Hospital. Dr. Yu also serves as vice president at The Fourth School of Clinical Medicine of Nanjing Medical University (南京醫科大學第四臨床醫學院) since March 2020. He is also a professor and doctoral supervisor at Nanjing Medical University (南京醫科大學) and Southeast University (東南大學).

Prior to joining our Group, Dr. Yu had been involved in the hospital management and the field of otorhinolaryngology-head and neck surgery clinical work for more than 30 years. In the 1990s, Dr. Yu practiced as a doctor at Otorhinolaryngology Department of Shandong Medical University Hospital (山東醫科大學附屬醫院). From September 1998, Dr. Yu served successively as deputy chief physician, chief physician, deputy director of the department and director of the department at Otorhinolaryngology-Head and Neck Department of Surgery in Beijing Tongren Hospital (北京同仁醫院), a Grade A Class III general Hospital for more than a decade. In October 2007, Dr. Yu began his services at Nanjing Tongren Hospital (南京同仁醫院), a Class III general hospital, where he had held several roles including the president of the hospital, director of the department and chief physician at the Otorhinolaryngology-Head and Neck Department of Surgery for more than a decade. In addition, he had taught at the Capital University of Medical Sciences (首都醫科大學) as an associate professor and then a professor since September 2000 and had served as a doctoral supervisor.

Dr. Yu served as a postdoctoral research fellow simultaneously at Otorhinolaryngology-Head and Neck Department of Surgery of Capital Medical University from September 1996 to July 1998. He was a visiting scholar and a postdoctoral research fellow at Memorial Sloan-Kettering Cancer Center from September 2002 to September 2006.

Dr. Yu has served as, among other things, (i) a member of the fourth standing committee of the Otorhinolaryngology-Head and Neck of Surgery Branch of Chinese Medical Doctor Association (中國醫師協會耳鼻咽喉頭頸外科醫師分會) since September 2023, (ii) a member of the third standing committee of the Otorhinolaryngology-Head and Neck of Surgery Branch of China International Exchange and Promotive Association for Medical and Healthcare (中國醫療保健國際交流促進會耳鼻咽喉頭頸外科分會) since November 2022, (iii) a vice president of the Otorhinolaryngology-Head and Neck of Surgery Branch of Jiangsu Medical Doctor Association (江蘇醫師協會耳鼻咽喉頭頸外科分會) since June 2022 and (iv) a member of Laryngeal Cancer Quality Control Committee of National Cancer Center (國家癌症中心喉癌質控專業委員會). He was awarded multiple honors and titles including “The Fourth School of Clinical Medicine of Nanjing Medical University Special Contributions and Achievement Award” (南京醫科大學第四臨床醫學院特殊貢獻與成就獎), “Young and Middle-aged Experts with Outstanding Contributions in Jiangsu Province” (江蘇省有突出貢獻的中青年專家), leading talent of “Innovative Team Program’ Introduced Team” (江蘇省“創新團隊計劃”引進團隊領軍人才), etc.

Dr. Yu graduated with a major in medicine in July 1987 and obtained a master’s degree in medicine in December 1993 and a doctoral degree in medicine in July 1996 from Shandong Medical University (山東醫科大學) (now known as Shandong University School of Medicine (山東大學醫學院)) in Shandong Province. He was qualified as a practicing physician with a certificate issued by Beijing Municipal Health Bureau (北京市衛生局).

Directors and Senior Management Personnel

Ms. LO Tsui-Ling (羅翠凌), aged 58, joined our Group in April 2009. She was appointed as the president of Suzhou BenQ Hospital on April 1, 2025. She is also the deputy chief executive officer of the Group and vice president of Nanjing BenQ Hospital.

Ms. Lo has been working in our Group for more than 15 years and has a commendable history of commitment and contribution to our Group. Before joining our Group, from September 1994 to December 1999, she served successively as an import and export manager and customs deputy director at several subsidiaries of Qisda Corporation, a Controlling Shareholder, where she was responsible for import and export management. From January 2000 to April 2009, she served successively as deputy manager and manager of material management at the predecessor of BenQ Materials Corp. (明基材料股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 8215.TW).

After joining our Group in April 2009, Ms. Lo served successively as the division chief and the director of material management, until November 2018. She was subsequently promoted to the executive assistant to the chief executive officer from November 2018 to March 2020. Since March 2020, she has held the role of vice president of Nanjing BenQ Hospital, and additionally assumed the position of the deputy chief executive officer of the Group in August 2024.

Ms. Lo obtained her bachelor's degree in law from TamKang University (淡江大學) in Taiwan in June 1992.

Mr. CHIANG Che-Min (江哲旻), aged 51, joined our Group and was appointed as the chief financial officer in July 2014. He is also a director of Suzhou BenQ Investment and BenQ Healthcare Consulting.

From November 2009 to July 2014, Mr. Chiang served as a treasury manager at Qisda Corporation, where he was responsible for managing collection and customer credit and leading financial projects of the group. Before joining Qisda Corporation, from February 2008 to June 2009, he served as a senior associate at PricewaterhouseCoopers Management Consulting Company Ltd. (資誠企業管理顧問股份有限公司). From August 2006 to November 2007, he served as a senior credit & collection analyst at ViewSonic Corp. (優派國際股份有限公司), an electronic manufacturer and distributor, where he was responsible for customer credit and collection management. From July 2005 to August 2006, Mr. Chiang worked at Taiwan Economic Journal (台灣經濟新報文化事業股份有限公司), an economic and data consulting services provider, where he was responsible for conducting credit ratings on the listed or over-the-counter technology companies. From November 2001 to July 2005, he worked for PricewaterhouseCoopers, Taiwan (資誠聯合會計師事務所).

Mr. Chiang obtained his bachelor's degree in commerce from Ming Chuan College (私立銘傳管理學院) (now known as Ming Chuan University (銘傳大學)) in June 1997 in Taiwan and his master's degree in commerce from National Chung Cheng University (中正大學) in June 1999 in Taiwan.

Independent Auditor's Report

For the year ended December 31, 2025

To the shareholders of BenQ BM Holding Cayman Corp.

(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of BenQ BM Holding Cayman Corp. ("the Company") and its subsidiaries ("the Group") set out on pages 89 to 156, which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 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 Hong Kong Standards on Auditing ("HKSAAs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

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

Independent Auditor's Report

For the year ended December 31, 2025

Key audit matter (continued)

Revenue recognition related to hospital healthcare services	
<i>Refer to Note 4 to the consolidated financial statements and the accounting policies on pages 108 to 109.</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>The Group's revenue is primarily derived from provision of hospital healthcare services, including outpatient and in-patient services.</p> <p>For the year ended December 31, 2025, the Group's revenue related to hospital healthcare services amounted to approximately RMB2,688.2 million is recognized when the related services have been rendered to customers, of which over 50% of these transactions are covered and paid by the relevant public medical insurance programs run by local government organizations. The Group estimated the variable considerations related to the revenue of hospital healthcare services covered by public medical insurance programs using the expected value approach, which is based on the historical patterns and all reasonably available information; and adjusted to the actual amount for the satisfied hospital healthcare services in the period when the annual quota of the relevant public medical insurance programs is approved by local government organizations.</p>	<p>Our audit procedures in relation to revenue recognition related to hospital healthcare services included the following:</p> <ul style="list-style-type: none">• obtaining an understanding of and evaluating the design, implementation and operating effectiveness of the key internal controls over the revenue recognition related to hospital healthcare services;• inspecting journal entries posted to revenue accounts during the financial year which met specific risk-based criteria, enquiring with management regarding the reasons for such journal entries and comparing details of the journal entries with relevant underlying documents;• engaging our internal information technology specialists to compare the healthcare services revenue transactions in the operating system to those recorded in the financial reporting system;• comparing hospital healthcare services revenue transactions, on sample basis, with relevant underlying supporting documents, including records of customers, invoices and cash receipts, where appropriate, and assessing whether the related revenue was recognized in accordance with the Group's revenue recognition accounting policy;

Key audit matter (continued)

Revenue recognition related to hospital healthcare services	
<i>Refer to Note 4 to the consolidated financial statements and the accounting policies on pages 108 to 109.</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>We consider revenue recognition related to hospital healthcare services is a key audit matter due to the significance of transaction volume of hospital healthcare services and management judgments and estimation used in determining the variable considerations related to the revenue of hospital healthcare services covered by public medical insurance programs.</p>	<ul style="list-style-type: none"> • comparing, on sample basis, hospital healthcare services transactions recorded before and after the year end date with relevant supporting documents, including records of customers, invoices and cash receipts to determine whether the related revenue had been recognized in the appropriate financial year; and • assessing the appropriateness of significant management judgement and estimation used in determining variable considerations related to hospital healthcare services covered by public medical insurance programs, by: <ul style="list-style-type: none"> i) comparing the actual settlement amounts for the current year with the amounts estimated in the prior year, and making enquiries with management for any significant variations identified and considering if there was any indication of management bias; ii) checking to the historical settlement amounts to evaluate the reasonableness of the estimated amounts for the current year; and iii) inquiring with management regarding changes to public medical insurance program's settlement mechanism and the expected timing to finalise the annual quota of the relevant public medical insurance programs which may impact the estimation.

Independent Auditor's Report

For the year ended December 31, 2025

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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 the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

Independent Auditor's Report

For the year ended December 31, 2025

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Ting Yuen (practising certificate number: P06379).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

March 9, 2026

Consolidated Statement of Profit or Loss

for the year ended December 31, 2025

(Expressed in Renminbi ("RMB"))

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	2,718,346	2,658,973
Cost of revenue		(2,294,280)	(2,176,931)
Gross profit		424,066	482,042
Other net gain	5	12,496	743
Selling and distribution expenses		(5,988)	(5,264)
Administrative expenses		(267,285)	(283,589)
Reversal of impairment losses on trade receivables	29(a)	732	605
Profit from operations		164,021	194,537
Net finance costs	6(a)	(10,712)	(3,089)
Share of losses of associates	15	(12,966)	(23,414)
Profit before taxation	6	140,343	168,034
Income tax expense	7	(45,407)	(59,112)
Profit for the year attributable to equity shareholders of the Company		94,936	108,922
Earnings per share (RMB)	10		
Basic (RMB)		0.38	0.44
Diluted (RMB)		0.38	0.44

The notes on pages 95 to 156 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended December 31, 2025

(Expressed in Renminbi ("RMB"))

<i>Note</i>	2025 RMB'000	<i>2024</i> <i>RMB'000</i>
Profit for the year	94,936	108,922
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
Exchange differences on translation of		
– financial statements of the Company with functional currency other than RMB	(318)	91
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of		
– financial statements of subsidiaries with functional currencies other than RMB	(3,209)	2,098
Other comprehensive income for the year	(3,527)	2,189
Total comprehensive income for the year attributable to equity shareholders of the Company	91,409	111,111

The notes on pages 95 to 156 form part of these financial statements.

Consolidated Statement of Financial Position

as at December 31, 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	11	2,192,471	2,029,840
Right-of-use assets	12	147,320	152,468
Intangible assets	13	15,703	19,392
Interests in associates	15	288,465	300,211
Prepayments, deposits and other receivables	18	44,459	33,961
Deferred tax assets	26(b)	63,537	60,831
		2,751,955	2,596,703
Current assets			
Inventories	16	63,222	71,581
Trade receivables	17	324,918	285,812
Prepayments, deposits and other receivables	18	60,563	29,610
Time deposits	19	703	719
Cash and cash equivalents	20(a)	649,800	116,884
		1,099,206	504,606
Current liabilities			
Bank loans	21	466,094	509,199
Trade and bills payables	22	477,356	397,151
Other payables and accruals	23	381,405	326,432
Contract liabilities	24	30,692	28,700
Current taxation	26(a)	38,499	38,366
		1,394,046	1,299,848
		(294,840)	(795,242)
Net current liabilities			
Total assets less current liabilities		2,457,115	1,801,461

The notes on pages 95 to 156 form part of these financial statements.

Consolidated Statement of Financial Position

as at December 31, 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Bank loans	21	204,981	169,578
Deferred income	25	–	16,000
		204,981	185,578
NET ASSETS		2,252,134	1,615,883
CAPITAL AND RESERVES			
Share capital	28(c)	2,073,352	1,600,520
Reserves		178,782	15,363
TOTAL EQUITY		2,252,134	1,615,883

Approved and authorized for issue by the board of directors on March 9, 2026.

)	
HSIAO Tze-Jung)	
)	
)	Directors
)	
CHEN Chi-Hong)	
)	

The notes on pages 95 to 156 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended December 31, 2025

(Expressed in RMB)

	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Share-based payments reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance at January 1, 2024	1,600,520	321,292	(16,917)	10,765	(413,480)	1,502,180
Changes in equity for 2024:						
Profit for the year	-	-	-	-	108,922	108,922
Other comprehensive income for the year	-	-	2,189	-	-	2,189
Total comprehensive income	-	-	2,189	-	108,922	111,111
Equity settled share-based transactions (Note 27)	-	-	-	2,592	-	2,592
Balance at December 31, 2024	1,600,520	321,292	(14,728)	13,357	(304,558)	1,615,883

	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Share-based payments reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance at January 1, 2025	1,600,520	321,292	(14,728)	13,357	(304,558)	1,615,883
Changes in equity for 2025:						
Profit for the year	-	-	-	-	94,936	94,936
Other comprehensive income for the year	-	-	(3,527)	-	-	(3,527)
Total comprehensive income	-	-	(3,527)	-	94,936	91,409
Shares issued upon the completion of initial public offering (Note 28(c))	472,832	70,389	-	-	-	543,221
Equity settled share-based transactions (Note 27)	-	-	-	1,621	-	1,621
Balance at December 31, 2025	2,073,352	391,681	(18,255)	14,978	(209,622)	2,252,134

The notes on pages 95 to 156 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended December 31, 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Cash generated from operations	20(b)	397,481	322,338
Income tax paid	26(a)	(47,980)	(63,991)
Net cash generated from operating activities		349,501	258,347
Investing activities			
Payment for purchase of property, plant and equipment and intangible assets		(306,661)	(294,696)
Loans to an associate		(150,000)	–
Loans repaid by an associate		130,000	–
Payment for interest in an associate		–	(136,330)
Net proceeds from the settlement of derivative financial instruments		–	33
Interest received		2,878	5,838
Net cash used in investing activities		(323,783)	(425,155)
Financing activities			
Proceeds from bank loans	20(c)	886,588	721,743
Repayment of bank loans	20(c)	(900,070)	(637,224)
Expenses paid in connection with the proposed initial listing of the Company's shares		(9,076)	(8,544)
Interest paid	20(c)	(12,830)	(19,098)
Proceeds from issue of ordinary shares by initial public offering, net of issuance costs	28(c)	543,221	–
Net cash generated from financing activities		507,833	56,877
Net increase/(decrease) in cash and cash equivalents		533,551	(109,931)
Cash and cash equivalents at the beginning of the year		116,884	226,246
Effect of foreign exchange rate changes		(635)	569
Cash and cash equivalents at end of the year	20(a)	649,800	116,884

The notes on pages 95 to 156 form part of these financial statements.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

1 General Information

BenQ BM Holding Cayman Corp. (the “Company”) was incorporated in Cayman Islands on January 5, 2009 as an exempted company with limited liability under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on December 22, 2025.

The Company is an investment holding company. The Company and its subsidiaries (together, “the Group”) are principally engaged in the provision of healthcare services through the multi-disciplinary private for-profit general hospitals in the People’s Republic of China (the “PRC”). The information of the principal subsidiaries is set out in Note 14.

2 Material Accounting Policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

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

(b) Basis of preparation of the financial statements

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

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the certain assets and liabilities are stated at their fair value as explained in the accounting policies as set out below:

- investments in debt and equity securities (see note 2(f)); and
- derivative financial instruments (see note 2(g)).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

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

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

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

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

The consolidated financial statements have been prepared assuming the Group will continue as a going concern notwithstanding the net current liabilities of the Group of RMB294,840,000 at December 31, 2025. The directors of the Company are of the opinion that the Group is able to meet in full its financial obligations as they fall due for at least the next twelve months from December 31, 2025, having taken into account the factors including: (1) the Group's cash flow forecast covering a period of not less than twelve months from December 31, 2025 and (2) the Group's unused banking facilities as at December 31, 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

(c) Changes in accounting policies

(i) New and amended IFRSs

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

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

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

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

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an interest in an associate or joint venture.

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

(e) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognized at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the expected credit losses ("ECL"s) model to such other long-term interests where applicable (see Note 2(k)(i)).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(e) Associates (continued)

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss be recognized in profit or loss. Any interest retained in that former investee at the date when significant influence is lost recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(f)).

(f) Other investments in debt and equity securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 29(e). These investments are subsequently accounted for as follows, depending on their classification.

Non-equity investments are classified into one of the following measurement categories:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(u)(ii)(b)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- fair value through other comprehensive income ("FVOCI") - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(g) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognized in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation.

(h) Property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labor, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of overheads and borrowing costs (see Note 2(w)).

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

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives.

The estimated useful lives of property, plant and equipment and right-of-use assets are as follows:

	<i>Estimated useful life</i>
Buildings	20 – 50 years
Machinery and equipment	5 – 8 years
Furniture, fixtures and office equipment	3 – 5 years
Motor vehicles	5 – 10 years
Right-of-use assets	Over the term of lease

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components). Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress is stated at cost less impairment losses (see Note 2(k)(ii)). Cost comprises the purchase costs of the asset and the related construction and installation costs.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(h) Property, plant and equipment and right-of-use assets (continued)

Construction in progress is transferred to other property, plant and equipment when the asset is substantially ready for its intended use and depreciation will be provided at the appropriate rates in accordance with the depreciation policies specified above.

No depreciation is provided in respect of construction in progress.

(i) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any impairment losses (see Note 2(k)(ii)).

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

The following intangible assets with finite useful lives are amortized from the date they are available for use and their estimated useful lives are as follows:

Software	3 – 5 years
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The useful lives of the software are estimated with reference to current functionalities and the daily operation needs of the software.

Both the year and method of amortization are reviewed annually.

(j) Leased assets

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

(i) As a lessee

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

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

2 Material Accounting Policies (continued)

(j) Leased assets (continued)

(i) As a lessee (continued)

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

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

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

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

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

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognized in accordance with Note 2(u)(ii)(a).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(k) Credit losses and impairment assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for ECLs on financial assets measured at amortized cost (including cash and cash equivalents, time deposits, trade and other receivables, including those loans to associates that are held for the collection of contractual cash flows which represent solely payments of principal and interest).

Measurement of ECLs

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

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

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

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

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

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

2 Material Accounting Policies (continued)

(k) Credit losses and impairment assets (continued)

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(k) Credit losses and impairment assets (continued)

(i) Credit losses from financial instruments (continued)

Write-off policy

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

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

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

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

Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(l) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the form of materials or supplies to be consumed in the rendering of services.

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories is determined on first-in-first-out method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Contract liabilities

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(u)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see Note 2(n)).

(n) Trade and other receivables

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

Trade receivables are initially measured at their transaction price. Other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see Note 2(f)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(k)(i)).

(p) Interest-bearing borrowings

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

(q) Trade and other payables

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

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(r) Employee benefits

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

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

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

(ii) Share-based payments

The grant-date fair value of share options granted to employees is measured using the binomial options pricing model. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognized in the share-based payments reserve until either the option is exercised (when it is included in the amount recognized in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss.

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

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

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

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

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(s) Income tax (continued)

- temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

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

(i) Hospital healthcare services

Revenue from provision of hospital healthcare services, including out-patient and in-patient services, is recognized when the related services have been rendered to customers. Majority customers of the Group has entered into governments' public medical insurance program which are run by government organizations. The Group claims the consideration in relation to healthcare services provided by the Group with relevant government organizations. The subsequent agreement on the government approved annual quota for the medical fees to be recovered from the relevant public medical insurance program have been treated as changes in variable considerations. The Group estimates the variable considerations using expected value approach, which is based on historical practice and all reasonably available information and adjusts to the actual amount for the satisfied healthcare services in the period when the annual quota is agreed.

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 out-patient healthcare services and (ii) sale of pharmaceutical products. The Group allocates the transaction price to each performance obligation on relative stand-alone selling price basis. Both (i) provision of out-patient healthcare 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 recognized when the customer obtains the control of the completed services or pharmaceutical products and the Group has satisfied its performance obligations with present right to payment.

In-patient services

For in-patient service, the customers normally receive inpatient treatment which contains various treatment. In-patient service contains 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 services or pharmaceutical products is transferred at a point in time, revenue is recognized when the customer obtains the control of the completed services or pharmaceutical products and the Group has satisfied its performance obligations with present right to payment. For revenue from (ii) provision of in-patient healthcare services, the corresponding revenue is recognized over the service period when customers simultaneously receive the services and consumes the benefits provided by the Group's performance as the Group performs.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(u) Revenue and other income (continued)

(ii) Revenue from other sources

(a) Rental income from operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are earned.

(b) Interest income

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

(c) Government grants

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

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

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(v) Translation of foreign currencies

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

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

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(w) Borrowing costs

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

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

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

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material Accounting Policies (continued)

(y) Segment reporting

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

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

3 Accounting Judgements and Estimates

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the group's accounting policies, management has made the following accounting judgements:

(i) Estimation of variable consideration for revenue from customers

The Group estimates variable considerations to be included in the transaction price for the revenue from customers in respect of subsequent agreement on the government approved annual quota for the medical fees in healthcare services. The Group has estimated the variable considerations which is based on the Group's past experience with customers. Any significant changes in experience as compared to historical patterns will impact the expected refund estimated by the Group. The Group updates its assessment of expected agreement on a regular basis and the relevant revenue are adjusted accordingly.

(ii) Loss allowance for expected credit losses

The Group estimates the amount of loss allowance for ECLs on trade and other receivables that are measured at amortized cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

(iii) Impairment of interests in associates

The Group reviews the carrying amounts of the interests in associates as at the end of each reporting period to determine whether there is objective evidence of impairment. When indication of impairment is identified, management assesses the difference between the carrying amounts and recoverable amounts and make provision for impairment loss. Any changes in the assumptions adopted in calculating the recoverable amount would increase or decrease the provision for impairment loss and affect the Group's financial position.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Accounting Judgements and Estimates (continued)

(a) Critical accounting judgements in applying the Group's accounting policies (continued)

(iv) Useful life of property, plant and equipment

Management determines the estimated useful lives of and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the actual useful lives of assets of similar nature and functions. It could change significantly as a result of significant technical innovations and competitor actions in response to industry cycles. Management will increase the depreciation charges where useful lives are less than previously estimated, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4 Revenue and Segment Reporting

(a) Revenue

The Group is principally engaged in hospital healthcare service.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by service lines is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Hospital healthcare services		
– Out-patient services	1,254,183	1,249,004
– In-patient services	1,433,987	1,379,046
Others	9,473	9,408
	2,697,643	2,637,458
Revenue from other sources		
Rental income		
– Lease payments that are fixed or depend on an index or a rate	15,433	16,199
– Variable lease payments that do not depend on an index or a rate	5,270	5,316
	2,718,346	2,658,973

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

4 Revenue and Segment Reporting (continued)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follow:

	2025 RMB'000	2024 RMB'000
Disaggregated by timing of revenue recognition		
Point in time	1,263,656	1,258,412
Over time	1,433,987	1,379,046
	2,697,643	2,637,458

The Group's customer base is diversified and there is no single customer with whom transactions have exceeded 10% of the Group's revenue for the year ended December 31, 2025 (2024: nil).

(ii) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date

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

(b) Segment reporting

(i) Segment information

The Group manages its businesses as a whole by the Group's most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's combined results of operations in assessing performance of and making decisions about allocations to this segment.

Accordingly, the Group has only one reportable segment and no further analysis of this single segment is presented.

(ii) Geographic information

No geographical information is shown as the revenue and profit from operations of the Group is substantially all derived from activities in the PRC and substantially all of the Group's property, plant and equipment are located physically or operationally in the PRC.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

5 Other Net Gain

	2025 RMB'000	2024 RMB'000
Government grants (Note)	2,832	1,554
Net foreign exchange loss	(6)	(412)
Net realized and unrealized gain on derivative financial instruments	–	1,397
Net loss on disposal of property, plant and equipment	(1,588)	(1,263)
Compensation income	7,746	–
Others	3,512	(533)
	12,496	743

Note: The government grants are mainly unconditional government subsidies received by certain subsidiaries of the Group in consideration of their tax contribution and to support the hospital development.

6 Profit Before Taxation

Profit before taxation is arrived at after charging:

(a) Net finance costs

	2025 RMB'000	2024 RMB'000
Finance income:		
Interest income	(3,309)	(5,838)
Finance costs:		
Interest expenses on bank loans and other borrowings	18,610	18,972
Less: interest expense capitalized into construction in progress*	(4,589)	(10,045)
	14,021	8,927
	10,712	3,089

* The borrowing costs have been capitalized at a rate range of 2.11%-2.50% per annum for the year ended December 31, 2025 (2024: 2.35% – 2.70%).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

6 Profit Before Taxation (continued)

(b) Staff costs

	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	862,947	817,185
Contributions to defined contribution retirement plan	94,617	86,748
Equity settled share-based payment expenses (Note 27)	1,621	2,592
	959,185	906,525

Pursuant to the relevant labor rules and regulations in the PRC, the Group's PRC subsidiaries participate in defined contribution retirement benefit schemes (the "Schemes") organized by the local government authorities whereby the Group's PRC subsidiaries are required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

The Group has no other material obligation for the payment of retirement benefits beyond the contributions described above.

(c) Other items

	Note	2025 RMB'000	2024 RMB'000
Depreciation and amortization			
– owned property, plant and equipment	11	174,563	151,384
– right-of-use assets	12	5,148	5,148
– intangible assets	13	12,400	12,158
		192,111	168,690
Listing expenses		11,587	28,887
Auditors' remuneration			
– audit services		2,600	–
– other services (Note)		1,256	3,071
Cost of inventories (representing pharmaceutical products and consumables used, included in cost of revenue)	16(b)	1,078,656	1,034,361

Note: Other services include RMB1,256,000 (2024: RMB3,071,000) which is also included in the listing expenses disclosed separately above.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

7 Income Tax in the Consolidated Statement of Profit or Loss

(a) Taxation in the consolidated statement of profit or loss represents:

	Note	2025 RMB'000	2024 RMB'000
Current tax – PRC Corporate Income Tax			
Provision for the year		48,113	63,386
Deferred tax			
Reversal and origination of temporary differences	26(b)	(2,706)	(4,274)
		45,407	59,112

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.
- (ii) Pursuant to the income tax rules and regulations of the Malaysia Labuan ("LBU"), the Group's subsidiary in the LBU was a Labuan Holding Company, which was liable to the Malaysia corporation tax at a rate of 3% or a flat rate of MYR20,000 per annum. No provision for Labuan Profits tax was made for the subsidiary as it did not have any assessable profits subject to Labuan Profits Tax during the year ended December 31, 2025 (2024: nil).
- (iii) The subsidiary of the Group incorporated in Taiwan, province of the PRC ("Taiwan") is liable to Taiwan Profits Tax at a rate of 20%. No provision for Taiwan Profits Tax was made for the subsidiary as it did not have any assessable profits subject to Taiwan Profits Tax during the year ended December 31, 2025 (2024: nil).
- (iv) The Group's subsidiaries in Mainland China are subject to Corporate Income Tax ("CIT") at a statutory rate of 25% on their respective taxable income during the year ended December 31, 2025 (2024: 25%).

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

	2025 RMB'000	2024 RMB'000
Profit before taxation	140,343	168,034
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	41,446	50,770
Tax effect of non-deductible expenses	3,907	8,305
Tax effect of unused tax losses not recognized	54	37
Actual tax expense	45,407	59,112

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

8 Directors' Emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Year ended December 31, 2024:

	Directors' fees <i>RMB'000</i>	Salaries, allowances and benefits in kind <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Retirement scheme contributions <i>RMB'000</i>	Share-based payments (ii) <i>RMB'000</i> (Note 27)	Total <i>RMB'000</i>
Mr. HSIAO Tze-Jung	224	1,036	–	6	49	1,315
Mr. CHEN Chi-Hong	224	–	–	–	–	224
Ms. HUNG Chiu-Chin	224	–	–	–	–	224
Dr. WANG Liming	224	–	–	–	25	249
Mr. YANG Hung-Jen (i)	51	–	–	–	–	51
Mr. TSENG Wen-Chi (i)	51	–	–	–	–	51
Dr. CHOW Hsing-Yi (iii)	–	–	–	–	–	–
Mr. WANG Wen-Tsung (iii)	–	–	–	–	–	–
Mr. CHEN Ray-Jade (iii)	–	–	–	–	–	–
	998	1,036	–	6	74	2,114

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

8 Directors' Emoluments (continued)

Year ended December 31, 2025:

	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Share-based payments (ii) RMB'000 (Note 27)	Total RMB'000
Mr. HSIAO Tze-Jung	222	941	-	-	40	1,203
Mr. CHEN Chi-Hong	222	-	-	-	-	222
Ms. HUNG Chiu-Chin	222	-	-	-	-	222
Dr. WANG Liming	222	-	-	-	20	242
Dr. CHOW Hsing-Yi (iii)	6	-	-	-	-	6
Mr. WANG Wen-Tsung (iii)	6	-	-	-	-	6
Mr. CHEN Ray-Jade (iii)	6	-	-	-	-	6
	906	941	-	-	60	1,907

(i) Mr. Yang Hung-Jen and Mr. Tseng Wen-Chi were resigned from the Company's directors on March 21, 2024.

(ii) These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 2(r) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of share-based payment, including the principal terms and number of options granted, are disclosed in Note 27.

(iii) Mr. Chow Hsing-Yi, Mr. Wang Wen-Tsung and Mr. Chen Ray-Jade were appointed as independent non-executive directors of the Company on March 22, 2024 and effective on December 22, 2025.

During the years ended 31 December 2025 and 2024, no director or chief executive has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

9 Individuals with the Highest Emoluments

Of the five individuals with the highest emoluments, none of them are directors whose emoluments are disclosed in Note 8 during the year ended December 31, 2025 (2024: nil). The aggregate of the emoluments in respect of the paid amount to remaining individuals are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries, wages and other benefits	20,936	17,724
Contributions to defined contribution retirement plan	117	112
Share-based payments	758	340
	21,811	18,176

The emoluments of the individuals who are not directors and who are amongst the five highest paid individuals of the Group are within the following bands:

	2025 <i>Number of individuals</i>	2024 <i>Number of individuals</i>
Hong Kong Dollar ("HKD")		
HKD500,001 – HKD1,000,000	–	–
HKD1,000,001 – HKD1,500,000	–	–
HKD1,500,001 – HKD2,000,000	–	–
HKD2,000,001 – HKD2,500,000	–	2
HKD2,500,001 – HKD3,000,000	1	1
HKD3,000,001 – HKD3,500,000	1	–
HKD3,500,001 – HKD4,000,000	1	–
HKD5,000,001 – HKD5,500,000	–	1
HKD5,500,001 – HKD6,000,000	–	–
HKD6,500,001 – HKD7,000,000	2	1
	5	5

During the year ended December 31, 2025, no amounts were paid or payable by the Group to the above non-director highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group (2024: nil).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

10 Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB94,936,000 (2024: RMB108,922,000) and the weighted average number of ordinary shares of 246,780,617 shares (2024: 244,945,001 shares) in issue during the year, calculated as follows:

Weighted-average number of ordinary shares:

	2025	2024
Issued ordinary shares at January 1	244,945,001	244,945,001
Effect of shares issued by initial public offering	1,835,616	–
Weighted average number of ordinary shares at December 31	246,780,617	244,945,001

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB94,936,000 (2024: RMB108,922,000), and the weighted average number of ordinary shares of 247,722,496 shares (2024: 246,872,274 shares) during the year ended December 31, 2025, calculated as follows:

	2025	2024
Weighted average number of ordinary shares at December 31	246,780,617	244,945,001
Effect of deemed issue of shares under the Company's Share Option Scheme (Note 27)	941,879	1,927,273
Weighted average number of ordinary shares (diluted) at December 31	247,722,496	246,872,274

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

11 Property, Plant and Equipment

	Buildings <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Furniture, fixtures and office equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:						
At January 1, 2024	2,169,521	477,231	61,683	3,779	410,698	3,122,912
Additions	38,144	66,890	11,278	460	201,597	318,369
Transfers	123,294	–	–	–	(123,294)	–
Disposals	–	(27,777)	(3,724)	–	–	(31,501)
At December 31, 2024 and January 1, 2025	2,330,959	516,344	69,237	4,239	489,001	3,409,780
Additions	113,062	77,112	11,315	524	136,768	338,781
Transfers	543,713	–	–	–	(543,713)	–
Disposals	–	(28,393)	(5,280)	–	–	(33,673)
At December 31, 2025	2,987,734	565,063	75,272	4,763	82,056	3,714,888
Accumulated depreciation:						
At January 1, 2024	(946,216)	(265,709)	(44,327)	(2,542)	–	(1,258,794)
Charge for the year	(97,746)	(43,636)	(9,493)	(509)	–	(151,384)
Written back on disposals	–	26,514	3,724	–	–	30,238
At December 31, 2024	(1,043,962)	(282,831)	(50,096)	(3,051)	–	(1,379,940)
Charge for the year	(112,283)	(50,311)	(11,532)	(437)	–	(174,563)
Written back on disposals	–	26,806	5,280	–	–	32,086
At December 31, 2025	(1,156,245)	(306,336)	(56,348)	(3,488)	–	(1,522,417)
Net book value:						
At December 31, 2024	1,286,997	233,513	19,141	1,188	489,001	2,029,840
At December 31, 2025	1,831,489	258,727	18,924	1,275	82,056	2,192,471

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

12 Right-of-Use Assets

- (a) The reconciliation of the carrying amounts of right-of-use assets by class of underlying asset is as follows:

	Leasehold land RMB'000
Cost:	
At January 1, 2024, December 31, 2024 and 2025	265,509
Accumulated depreciation:	
At January 1, 2024	(107,893)
Charge for the year	(5,148)
At December 31, 2024	(113,041)
Charge for the year	(5,148)
At December 31, 2025	(118,189)
Net book value:	
At December 31, 2024	152,468
At December 31, 2025	147,320

Interests in leasehold land held for own use represent payments for land use rights of certain lands located in the PRC. Lump sum payments were made upfront and there are no ongoing payments to be made under the terms of the land lease in the PRC. The period for these land use rights is no more than 50 years.

- (b) The analysis of expense items in relation to leases recognized in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets	5,148	5,148
Expense relating to short-term leases	5,828	5,245
Variable lease payments not included in the measurement of lease liabilities (Note)	24,103	41,771

Note: The Group leased a number of medical equipment which contain variable lease payment terms that are based on revenue generated from the usage of these medical equipment.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

13 Intangible Assets

	Software RMB'000
Cost:	
At January 1, 2024	65,009
Additions	12,511
At December 31, 2024	77,520
Additions	8,711
At December 31, 2025	86,231
Accumulated amortization:	
At January 1, 2024	(45,970)
Charge for the year	(12,158)
At December 31, 2024	(58,128)
Charge for the year	(12,400)
At December 31, 2025	(70,528)
Net book value:	
At December 31, 2024	19,392
At December 31, 2025	15,703

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

14 Investments in Subsidiaries

As at December 31, 2025, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Name of Company	Place and date of establishment	Particulars of issued and paid-up capital	Percentage of equity attributed to the Company		Principal activities
			Direct	Indirect	
BenQ BM Holding Corp.	Malaysia October 30, 2003	United States Dollar ("USD") 262,463,251	100%	–	Investment holding
Nanjing BenQ Medical Center Co., Ltd. ("Nanjing BenQ Hospital") 南京明基醫院有限公司(<i>Note (a)</i>)	The PRC November 11, 2003	USD192,014,984	–	100%	Hospital healthcare service
Suzhou BenQ Investment Co., Ltd. 蘇州明基投資有限公司(<i>Note (a)</i>)	The PRC September 16, 2015	USD30,000,000	–	100%	Investment holding
Suzhou BenQ Medical Center Co., Ltd. ("Suzhou BenQ Hospital") 蘇州明基醫院有限公司(<i>Note (a)</i>)	The PRC July 7, 2004	RMB601,975,000	–	100%	Hospital healthcare service
BenQ Healthcare Consulting Corporation 明基醫務管理顧問股份有限公司	Taiwan, China February 5, 2009	New Taiwan Dollar ("NTD") 23,474,140	–	100%	Management Services
BenQ Hospital Management Consulting (Nanjing) Co., Ltd. 明基(南京)醫院管理諮詢有限公司 (<i>Note (a)</i>)	The PRC November 14, 2005	USD1,000,000	–	100%	Management Services
Nanjing BenQ Nursing Co., Ltd. 南京明基護理院有限公司 (<i>Notes (a) and (b)</i>)	The PRC July 9, 2025	RMB3,000,000	–	100%	Healthcare service
Suzhou BenQ Nursing Co., Ltd. 蘇州明基護理院有限公司 (<i>Notes (a) and (b)</i>)	The PRC July 24, 2005	RMB3,000,000	–	100%	Healthcare service

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

14 Investments in Subsidiaries (continued)

Notes:

(a) These entities are limited liability companies established in Mainland China. The official names of these entities are in Chinese. The English translation of the company names is for identification purpose only.

(b) Out of RMB3,000,000 registered capital, RMB1,500,000 is paid up.

All companies now comprising the Group have adopted December 31 as their financial year end date.

15 Interests in Associates

The following list contains the particulars of the Group's associates, all of which are unlisted corporate entities whose quoted market price is not available:

Name of associate	Form of business structure	Place of establishment and business	Particulars of issued and paid-up capital	2025	2024	Principal activities
Indirectly held by the Company						
Guigang Donghui Medical Investment Co., Ltd. ("Donghui Medical") 貴港市東暉醫療投資有限公司/(Note (i))	Limited liability	The PRC	RMB743,024,038	25.27%	25.27%	Investment holding
Nanjing Yinxia Healthcare Industry Development Co., Ltd. ("Nanjing Yinxia Healthcare") 南京銀廈健康產業發展有限公司/(Note (ii))	Limited liability	The PRC	RMB100,000,000	15.00%	15.00%	Provision of elderly care services

Notes:

(i) Donghui Medical is an investment holding company which has 100% equity interest in Guigang Donghui Hospital Co., Ltd., which is a limited liability company established in the PRC on November 30, 2017, with a registered capital of RMB871,112,853 and is engaged in the provision of hospital healthcare service.

(ii) Nanjing Yinxia Healthcare is a limited liability company established in the PRC on March 6, 2018, with a registered capital of RMB100,000,000 and is engaged in investment property. The Group has a right to appoint one director to the board of Nanjing Yinxia Healthcare in accordance with the agreement, therefore the directors of the Company are in the view that the Group can cast significant influence on Nanjing Yinxia Healthcare and consider it is an associate of the Group.

The above associates are accounted for using the equity method in the consolidated financial statements.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

15 Interests in Associates (continued)

Summarized financial information of the associates, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements are disclosed below:

	Donghui Medical		Nanjing Yinxia Healthcare	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Gross amounts of the associates'				
Current assets	135,381	83,307	950,161	666,089
Non-current assets	1,026,351	1,004,293	347,588	410,282
Current liabilities	(400,608)	(196,256)	(503,402)	(268,567)
Non-current liabilities	(235,972)	(322,875)	(550,000)	(550,000)
Equity	525,152	568,469	244,347	257,804
Revenue	285,208	248,696	–	–
Loss and total comprehensive income for the year	(40,611)	(97,552)	(13,457)	(11,023)
Reconciled to the Group's interests in the associates				
Gross amounts of net assets of the associates	525,152	568,469	244,347	257,804
Group's effective interest	25.27%	25.27%	15.00%	15.00%
Group's share of net assets of the associates	132,725	143,672	36,652	38,671
Goodwill	50,878	50,878	–	–
Receivable from Nanjing Yinxia Healthcare (Note)	–	–	68,210	66,990
Carrying amount of in the consolidated financial statements	183,603	194,550	104,862	105,661
Group's share of the associates Loss and total comprehensive income for the year	(10,947)	(21,760)	(2,019)	(1,654)

Note: The receivable from Nanjing Yinxia Healthcare was unsecured, interest free and repayable on demand.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

15 Interests in Associates (continued)

The Group assesses whether there is any objective evidence that its interests in the associates are impaired at the end of each reporting period by considering the associates' business development process, any significant financial difficulty, default or bankruptcy encountered by the associates and adverse change in technological, market, economic or legal environment. Based on the assessment above, the Group concluded that no impairment indicator was identified at the end of each reporting period and no impairment loss of interests in associates is considered necessary to be recognized in the consolidated statements of profit or loss.

16 Inventories

(a) Inventories in the consolidated statement of financial position comprise:

	2025 RMB'000	2024 RMB'000
Pharmaceuticals	44,396	50,319
Medical consumables	17,365	19,762
Others	1,461	1,500
	63,222	71,581

(b) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount of inventories recognized as expenses	1,078,656	1,034,361

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

17 Trade Receivables

	2025 RMB'000	2024 RMB'000
Due from related parties	1,632	2,052
Due from public medical insurance programs	236,841	216,265
Due from other third parties	97,732	79,534
	336,205	297,851
Less: loss allowance	(11,287)	(12,039)
	324,918	285,812

All of the trade receivables are expected to be recovered within one year.

Ageing analysis

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

	2025 RMB'000	2024 RMB'000
Within 6 months	297,488	262,006
Over 6 months but within 12 months	29,430	27,910
Over 12 months but within 18 months	2,963	2,621
Over 18 months	6,324	5,314
	336,205	297,851
Less: loss allowance	(11,287)	(12,039)
Trade receivables, net	324,918	285,812

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 29(a).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

18 Prepayments and Other Receivables

	2025 RMB'000	2024 RMB'000
Non-current		
Prepayments		
– Prepayments for purchase of property, plant and equipment	37,516	25,423
– Other prepayments	3,650	4,115
Other receivables	3,293	4,423
Non-current portion	44,459	33,961
Current		
Amounts due from related parties	22,403	2,142
Prepayments	15,823	8,934
Prepayments in connection with the proposed initial listing of the Company's shares	–	9,076
Deposits	1,313	1,266
Other receivables	21,024	8,192
Current portion	60,563	29,610

19 Time Deposits

As at December 31, 2025, time deposits of RMB703,000 (2024: RMB719,000) in the consolidated statement of financial position represent bank deposits that are more than 3 months of maturity at acquisition.

20 Cash and Cash Equivalents and Other Cash Flow Information

(a) Cash and cash equivalents comprise:

	2025 RMB'000	2024 RMB'000
Cash at bank and on hand	649,800	116,884

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

20 Cash and Cash Equivalents and Other Cash Flow Information (continued)

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

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before taxation		140,343	168,034
Adjustments for:			
Depreciation of property, plant and equipment	6(c)	174,563	151,384
Depreciation of right-of-use assets	6(c)	5,148	5,148
Amortization of intangible assets	6(c)	12,400	12,158
Net realized and unrealized gain from fair value changes on derivative financial instruments	5	–	(1,397)
Net loss on disposal of property, plant and equipment	5	1,588	1,263
Share of losses of associates		12,966	23,414
Equity settled share-based payment expenses	6(b)	1,621	2,592
Reversal of impairment losses on trade receivables		(732)	(605)
Finance costs	6(a)	14,021	8,927
Finance income	6(a)	(3,309)	(5,838)
Net foreign exchange loss	5	6	412
Operating profit before changes in working capital		358,615	365,492
Decrease/(increase) in inventories		8,359	(2,891)
Increase in trade receivables		(38,374)	(38,283)
Increase in prepayments and other receivables		(1,071)	(9,482)
Increase in trade and bills payables		80,205	20,286
Decrease in other payables and accruals		(12,245)	(9,878)
Increase/(decrease) in contract liabilities		1,992	(2,906)
Cash generated from operations		397,481	322,338

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

20 Cash and Cash Equivalents and Other Cash Flow Information (continued)

(c) Reconciliation of liabilities arising from financing activities:

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

	Bank loans RMB'000 (Note 21)
At January 1, 2024	594,384
Changes from financing cash flows:	
Proceeds from bank loans	721,743
Repayment of bank loans	(637,224)
Interest paid	(19,098)
Total changes from financing cash flows	65,421
Other changes:	
Finance costs (Note 6(a))	18,972
Total other changes	18,972
At December 31, 2024	678,777

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

20 Cash and cash equivalents and other cash flow information (continued)

(c) Reconciliation of liabilities arising from financing activities: (continued)

	Bank loans RMB'000 (Note 21)
At January 1, 2025	678,777
Changes from financing cash flows:	
Proceeds from bank loans	886,588
Repayment of bank loans	(900,070)
Interest paid	(12,830)
Total changes from financing cash flows	(26,312)
Other changes:	
Finance costs (Note 6(a))	18,610
Total other changes	18,610
At December 31, 2025	671,075

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	29,931	47,016

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

21 Bank Loans

The maturity profile for the interest-bearing bank loans of the Group at the end of each reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Short-term bank loans	420,480	410,199
Current portion of long-term bank loans	45,614	99,000
Within 1 year or on demand	466,094	509,199
After 1 year but within 2 years	48,333	72,911
After 2 years but within 5 years	156,648	96,667
	204,981	169,578
	671,075	678,777

As at December 31, 2025, all of the above bank loans were unsecured.

Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 29(b). As at December 31, 2025, none of the covenants relating to drawn down facilities had been breached. (2024: nil).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

22 Trade and Bills Payables

	2025 RMB'000	2024 RMB'000
Bills payable	–	20,000
Due to related parties	5,880	4,170
Due to third parties	471,476	372,981
	477,356	397,151

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

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

	2025 RMB'000	2024 RMB'000
Within 1 year	466,579	392,571
Over 1 year	10,777	4,580
	477,356	397,151

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

23 Other Payables and Accruals

	2025 RMB'000	2024 RMB'000
Amounts due to related parties <i>(Note)</i>	3,107	1,885
Payables for acquisition of property plant and equipment	127,046	62,710
Accrued payroll and benefits	139,986	147,532
Accrued expenses	42,984	41,130
Deposits received	23,779	12,174
Other taxes payable	7,611	6,346
Payable for department consulting service fees	16,336	25,069
Payable for medical research	14,812	19,015
Others	5,744	10,571
	381,405	326,432

Note: The amounts due to related parties are unsecured, interest-free and payable on demand.

All of the other payables and accruals are expected to be settled within one year or repayable on demand.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

24 Contract Liabilities

	2025 RMB'000	2024 RMB'000
Receipts in advance	30,692	28,700

Movements in contract liabilities

	2025 RMB'000	2024 RMB'000
Balance at the beginning of the year	28,700	31,606
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(28,700)	(31,606)
Increase in contract liabilities as a result of receipts in advance	30,692	28,700
Balance at the end of the year	30,692	28,700

All of the contract liabilities are expected to be recognized as revenue within one year.

25 Deferred Income

	2025 RMB'000	2024 RMB'000
Government subsidy for construction project	–	16,000

The amount represented subsidy granted by and received from local government authority in the PRC. Relevant government grant related to assets which is subsidy for building. As at December 31, 2024, the building was under construction in progress, and the grant is included in non-current liabilities as deferred income accordingly. As at December 31, 2025, the grant that compensated the Group for the cost of the building was deducted from the carrying amount of the asset and consequently was effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

26 Income Tax in the Consolidated Statements of Financial Position

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

	2025 RMB'000	2024 RMB'000
At the beginning of the year	38,366	38,971
Charged to profit or loss	48,113	63,386
Payments during the year	(47,980)	(63,991)
At the end of the year	38,499	38,366

(b) Deferred tax assets recognized:

The components of deferred tax assets recognized in the consolidated statement of financial position and the movements are as follows:

	Depreciation of property, plant and equipment RMB'000	Credit loss allowance RMB'000	Accrued expenses RMB'000	Deferred income RMB'000	Total RMB'000
Deferred tax arising from:					
At January 1, 2024	41,174	3,227	8,156	4,000	56,557
Credited/(charged) to profit or loss	3,485	(217)	1,006	-	4,274
At December 31, 2024 and January 1, 2025	44,659	3,010	9,162	4,000	60,831
Transfers	4,000	-	-	(4,000)	-
Credited/(charged) to profit or loss	2,342	(188)	552	-	2,706
At December 31, 2025	51,001	2,822	9,714	-	63,537

(c) Deferred tax assets not recognized

As at December 31, 2025, in accordance with the accounting policy set out in Note 2(s), the Group has not recognized deferred tax assets in respect of cumulative tax losses of RMB2,118,000 (2024: RMB1,902,000), as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. The tax losses expire within 5 to 10 years under current tax legislation.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

27 Equity Settled Share-Based Transactions

The Company adopted an employee share option scheme (“Share Option Scheme”) in November 2013 (which was subsequently amended in November 2018), pursuant to which, the maximum number of 46,000,000 ordinary shares of the Company are authorized for issuance of share options to senior officers, directors and employees of the Group.

The granted options shall be vested in three tranches, (i) 50% of the options will be vested on the date of the completion of the listing of the Company’s shares on The Stock Exchange of Hong Kong Limited (“listing date”), (ii) 25% of the options will be vested on the first anniversary date of the listing date, and (iii) the remaining 25% of the options will be vested on the second anniversary date of the listing date. Each option gives the holder the right to subscribe for one ordinary share of the Company as at each vesting date with an exercise price of USD1 per share. Unless otherwise approved by the Board of Directors, all the share options granted are exercisable upon vesting and will expire on the five years from the vesting date.

A summary of options outstanding for the years ended December 31, 2025 and 2024:

	2025	2024
Outstanding at the beginning of the year	3,136,000	3,328,000
Granted during the year	–	–
Forfeited during the year	(105,000)	(192,000)
Outstanding at the end of the year	3,031,000	3,136,000
Exercisable at the end of the year	1,515,500	–

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial options pricing model. The contractual life of the share option is used as an input into this model.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

27 Equity Settled Share-Based Transactions (continued)

Key assumptions of share options

Fair value of options granted and assumptions

Risk-free rate	3.16%
Volatility	37.00%
Dividend yield	0%
Expected listing date	December 2025

The directors of the Company established the risk-free rate based on the yield of the China Government Bonds with a maturity life close to period from the valuation date to expected liquidation date of the options. Volatility was estimated based on average historical volatilities of comparable companies in the same industry from valuation date to expected liquidation date. Dividend yield is based on management estimate at the valuation date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share-based payment expense of RMB1,621,000 (2024: RMB2,592,000) are recognized as staff costs in the consolidated statements of profit or loss for the year ended December 31, 2025.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

28 Capital, Reserves and Dividends

(a) Movements in components of equity

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

The Company	Note	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Share-based	Accumulated losses RMB'000	Total RMB'000
					payments reserves RMB'000		
Balance at January 1, 2024		1,600,520	321,292	(5,660)	10,765	(23,337)	1,903,580
Changes in equity for 2024:							
Loss for the year		-	-	-	-	(4,626)	(4,626)
Other comprehensive income for the year		-	-	91	-	-	91
Total comprehensive income		-	-	91	-	(4,626)	(4,535)
Equity settled share-based transactions	27	-	-	-	2,592	-	2,592
Balance at December 31, 2024		1,600,520	321,292	(5,569)	13,357	(27,963)	1,901,637
Loss for the year		-	-	-	-	(11,462)	(11,462)
Other comprehensive income for the year		-	-	(318)	-	-	(318)
Total comprehensive income		-	-	(318)	-	(11,462)	(11,780)
Shares issued upon the completion of initial public offering		472,832	70,389	-	-	-	543,221
Equity settled share-based transactions	27	-	-	-	1,621	-	1,621
Balance at December 31, 2025		2,073,352	391,681	(5,887)	14,978	(39,425)	2,434,699

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

28 Capital, Reserves and Dividends (continued)

(b) Dividends

No dividend has been paid or declared by the Company during the year ended December 31, 2025 (2024: nil).

(c) Share capital

	Numbers of shares	Share capital USD	Share capital RMB'000
Issued and fully paid			
At January 1, 2024 and December 31, 2024	244,945,001	244,945,001	1,600,520
Issuance of ordinary shares through initial public offering (Note)	67,000,000	67,000,000	472,832
At December 31, 2025	311,945,001	311,945,001	2,073,352

Note: On December 22, 2025, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited, 67,000,000 ordinary shares with a par value of US\$1.0 per share were issued at a price of HK\$9.34 per ordinary share. The gross proceeds raised from the offering was HK\$625,780,000 (equivalent to approximately RMB567,399,000). Net proceeds from the offering were RMB543,221,000 (after offsetting costs directly attributable to the issuance of shares of approximately RMB24,178,000), of which RMB472,832,000 was credited to the Company's share capital account and the remaining RMB70,389,000 was credited to the Company's share premium account.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

28 Capital, Reserves and Dividends (continued)

(d) Nature and purpose of reserves

(i) Share premium

Share premium as at December 31, 2024 represents the difference between the total amount of the par value of shares issued and the amount of the net proceeds received, net of transaction costs and on exercise of share options, the amount previously recognized in the share-based payments reserve is transferred to share premium. Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currency other than RMB. The reserve is dealt with in accordance with the accounting policy as set out in Note 2(v).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt which includes interest-bearing loans and borrowings, less cash and cash equivalents and time deposits. Adjusted capital comprises all components of equity.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

28 Capital, Reserves and Dividends (continued)

(e) Capital management (continued)

The Group's adjusted net debt-to-capital ratio are as follows:

	Note	2025 RMB'000	2024 RMB'000
Current liabilities:			
– Bank loans	21	466,094	509,199
		466,094	509,199
Non-current liabilities:			
– Bank loans	21	204,981	169,578
Total debt		671,075	678,777
Less: Cash and cash equivalents	20(a)	(649,800)	(116,884)
Time deposits	19	(703)	(719)
Adjusted net debt		20,572	561,174
Total equity		2,252,134	1,615,883
Adjusted net debt-to-capital ratio		0.9%	34.7%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

29 Financial Instruments – Fair Value and Risk Management

Exposure to credit, liquidity, interest rate and currency risk arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents and time deposits is limited because the counterparties are mainly reputable financial institutions with high credit standing, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group's trade receivables are mainly from providing hospital service to patients and has a highly diversified customer base, without any single customer contributing material revenue. However, the Group has concentrated debtor's portfolio, as majority patients will claim their medical bill from public medical insurance program. The reimbursement from these organizations may take one to twelve months, for which the Group believes that there is no material credit risk. The Group has policy in place to ensure the treatments and medicines prescribed and provided to such insured patients are in line with respective organizations' policy, provided fulfilling all ethics and moral responsibilities as a healthcare provider. As at December 31, 2025, 70.4% of the total trade receivables was due from public medical insurance programs (2024: 72.6%).

The Group also has controls to closely monitor the patients' billings and claim status to minimize the credit risk, for those fees unsettled by the patients at the time of discharge, the Group will recover from the patients through regular collections. Some of the service fees such as physical examination services are also paid by the corporations and government administrations on behalf of their employees. The Company adopts different collection monitoring mechanisms for different payers.

The Group has performed an impairment analysis at each year end date using a provision matrix to measure expected credit losses. The provision rates are based on past due of trade receivables for groupings of various debtor segments with similar loss patterns. The calculation reflects the historical credit losses experience and reasonable and supportable information that is available at the year end date about past events, current conditions and forecasts of future economic conditions.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

29 Financial Instruments – Fair Value and Risk Management (continued)

(a) Credit risk (continued)

Trade receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	2024		Loss allowance <i>RMB'000</i>
	Average expected loss rate %	Gross carrying amount <i>RMB'000</i>	
Not past due	0.90%	286,211	2,590
Past due 1 – 6 months	49.17%	4,037	1,985
Past due 7 – 12 months	86.03%	995	856
Past due over 12 months	100.00%	6,608	6,608
		297,851	12,039

	2025		Loss allowance <i>RMB'000</i>
	Average expected loss rate %	Gross carrying amount <i>RMB'000</i>	
Not past due	0.71%	326,470	2,325
Past due 1 – 6 months	55.72%	1,687	940
Past due 7 – 12 months	88.50%	226	200
Past due over 12 months	100.00%	7,822	7,822
		336,205	11,287

ECLs are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

29 Financial Instruments – Fair Value and Risk Management (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Movement in the loss allowance in respect of trade receivables during the year is as follows:

	2025 RMB'000	2024 RMB'000
Balance at the beginning of the year	12,039	12,911
Impairment loss recognized during the year	-	-
Impairment losses reversed during the year	(732)	(605)
Amounts written off during the year	(20)	(267)
Balance at the end of the year	11,287	12,039

Other receivables

For other receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The management has assessed that during the years ended December 31, 2024 and 2025, other receivables did not have a significant increase in credit risk since initial recognition. Thus, a 12-month ECL approach that results from possible default event within 12 months of each reporting date is adopted by management. The management of the Company expects the occurrence of losses from non-performance by the counterparties of other receivables is remote and loss allowance provision for other receivables would be immaterial.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

29 Financial Instruments – Fair Value and Risk Management (continued)

(b) Liquidity risk (continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial instruments, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	Note	Contractual undiscounted cash outflow				Total RMB'000	Carrying amount RMB'000
		Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000			
As at December 31, 2024							
Bank loans	21	520,111	75,647	98,988	694,746	678,777	
Trade and bills payables	22	397,151	–	–	397,151	397,151	
Other payables and accruals	23	326,432	–	–	326,432	326,432	
		1,243,694	75,647	98,988	1,418,329	1,402,360	

	Note	Contractual undiscounted cash outflow				Total RMB'000	Carrying amount RMB'000
		Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000			
As at December 31, 2025							
Bank loans	21	476,614	52,289	158,572	687,475	671,075	
Trade and bills payables	22	477,356	–	–	477,356	477,356	
Other payables and accruals	23	381,405	–	–	381,405	381,405	
		1,335,375	52,289	158,572	1,546,236	1,529,836	

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

29 Financial Instruments – Fair Value and Risk Management (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risks arises primarily from interest-bearing loans. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate risk profile as monitored by management is set out in (i) below.

(i) Interest rate risk profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial liabilities, as reported to management was as follows:

	Effective interest rate %	Amount RMB'000	Effective interest rate %	Amount RMB'000
Fixed rate borrowings:				
Bank loans	2.18% – 2.50%	466,094	2.30% – 2.70%	480,199
Variable rate borrowings:				
Bank loans	2.25% – 2.50%	204,981	2.25% – 2.70%	198,578
Total interest-bearing financial liabilities		671,075		678,777
Fixed rate borrowings as a percentage of total borrowings		69.45%		70.74%

(ii) Sensitivity analysis

As at December 31, 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately RMB1,537,000 (2024: RMB1,489,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and accumulated losses) that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and accumulated losses) is estimated as an annualized impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis as 2024.

29 Financial Instruments – Fair Value and Risk Management (continued)

(d) Currency risk

The Group is exposed to currency risk primarily through intra-group transactions which give rise to intra-group loans that are denominated in USD. Based on the risk exposure of the intra-group loans, the Group adopts foreign currency forward contracts, which equal to the balances of the intercompany loans to offset the currency risk. The directors of the Company considered the Group's exposure to foreign currency risk is not significant as the balance of intra-group loans that are denominated in USD is as at December 31, 2025 is nil (2024: nil).

(e) Fair value measurement

(i) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Target Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The balance of derivative financial instruments as at December 31, 2025 is nil (2024: nil).

During the year ended December 31, 2025, there were no transfers between Level 1 or Level 2, or transfers into or out of Level 3 (2024: nil). The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward currency forward contracts in Level 2 is determined by discounting the difference between the contractual forward price and the current forward price. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period plus an adequate constant credit spread.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

29 Financial Instruments – Fair Value and Risk Management (continued)

(e) Fair value measurement (continued)

(ii) Fair value of financial assets and liabilities carried at other than fair value

All financial instruments carried at cost or amortized cost that were not materially different from their fair values as at December 31, 2024 and 2025.

30 Commitments

Capital commitments outstanding at not provided in the financial statements were as follows:

	2025 RMB'000	2024 RMB'000
Contracted for but not provided for property, plant and equipment	252,461	203,582

31 Material Related Party Transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	24,634	22,110
Contributions to defined contribution retirement plan	117	142
Share-based payments	830	463
	25,581	22,715

Total remuneration is included in "staff costs" (see Note 6(b)).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Material Related Party Transactions (continued)

(b) Name and relationship with related parties

Name of party	Relationship with the Group
Qisda Corporation	Immediate parent of the Group
BenQ Medical Devices (Shanghai) Co., Ltd. 明基醫療器械(上海)有限公司*	Controlled by the immediate parent of the Group
BenQ Intelligent Technology (Shanghai) Co., Ltd. 明基智能科技(上海)有限公司*	Controlled by the immediate parent of the Group
BenQ Telecom Technology (Shanghai) Co., Ltd. 明基電通科技(上海)有限公司*	Controlled by the immediate parent of the Group
Dasin Medical Technology (Suzhou) Co., Ltd. 達信醫療科技(蘇州)有限公司*	Controlled by the immediate parent of the Group
Qisda (Suzhou) Co., Ltd. 蘇州佳世達電通有限公司*	Controlled by the immediate parent of the Group
BenQ Biotech (Shanghai) Co., Ltd. 明基生物技術(上海)有限公司*	Controlled by the immediate parent of the Group
BenQ Guru Software (Suzhou) Co., Ltd. 明基逐鹿軟件(蘇州)有限公司*	Controlled by the immediate parent of the Group
BenQ Sanfeng Medical Devices (Shanghai) Co., Ltd. 明基三豐醫療器材(上海)有限公司*	Controlled by the immediate parent of the Group
BenQ Materials Co., Ltd. 明基材料有限公司*	Controlled by the immediate parent of the Group
BenQ Materials Medical Technology (Suzhou) Co., Ltd. 明基材醫療科技(蘇州)有限公司*	Controlled by the immediate parent of the Group
Alpha Networks (Changshu) Co., Ltd 明泰電子科技(常熟)有限公司*	Controlled by the immediate parent of the Group
K2 (Shanghai) International Medical Inc. 楷圖(上海)商貿有限公司*	Controlled by the immediate parent of the Group

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Material Related Party Transactions (continued)

(b) Name and relationship with related parties (continued)

Name of party	Relationship with the Group
Suzhou Luoyan Automation Equipment Co., Ltd. 蘇州羅彥自動化設備有限公司*	Controlled by the immediate parent of the Group
Nanjing Yinxia Healthcare Industry Development Co., Ltd. 南京銀廈健康產業發展有限公司*	Associate of the Group
Guigang Donghui Medical Investment Co., Ltd. 貴港市東暉醫療投資有限公司*	Associate of the Group

* The official names of these entities are in Chinese. The English translation of the company names is for identification purpose only.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Material Related Party Transactions (continued)

(c) Significant related party transactions

	2025 RMB'000	2024 RMB'000
Purchase of goods from		
Qisda Corporation and its subsidiaries (excluding the Group, together as "Qisda Group")	7,833	7,615
Purchase of services from		
Qisda Group	1,555	1,865
Purchase of property, plant and equipment from		
Qisda Group	1,620	1,025
Short-term lease expense to		
Qisda Group	4,871	4,455
Rendering of services to		
Qisda Group	3,254	3,486
Rental income from		
Qisda Group	4,304	4,486
Loan to		
Guigang Donghui Medical Investment Co., Ltd.	150,000	–
Loan repaid by		
Guigang Donghui Medical Investment Co., Ltd.	130,000	–
Interest income from		
Guigang Donghui Medical Investment Co., Ltd.	497	–
Payment on behalf of		
Nanjing Yinxia Healthcare	1,220	–

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Material Related Party Transactions (continued)

(d) Balances with related parties

Trade in nature

	2025 RMB'000	2024 RMB'000
Trade receivables		
Qisda Group	1,632	2,052
Trade payables		
Qisda Group	5,880	4,170
Prepayments, deposits and other receivables		
Qisda Group	2,091	2,142
Other payables and accruals		
Qisda Group	3,107	1,885

Non-trade in nature

	2025 RMB'000	2024 RMB'000
Other receivable		
Nanjing Yinxia Healthcare	68,210	66,990
Guigang Donghui Medical Investment Co., Ltd. (Note)	20,312	–
	88,522	66,990

Note:

The receivable from Guigang Donghui Medical Investment Co., Ltd. Was unsecured, bearing an interest rate of 2.50% and repayable within one year due in May 2026.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

32 Company-Level Statement of Financial Position

	2025 RMB'000	2024 RMB'000
Non-current assets		
Investments in subsidiaries	1,896,225	1,896,225
	1,896,225	1,896,225
Current assets		
Prepayments, deposits and other receivables	709	9,940
Cash and cash equivalents	546,364	3,507
	547,073	13,447
Current liabilities		
Other payables and accruals	8,599	8,035
	8,599	8,035
Net current assets	538,474	5,412
Total assets less current liabilities	2,434,699	1,901,637
NET ASSETS	2,434,699	1,901,637
CAPITAL AND RESERVES		
Share capital	2,073,352	1,600,520
Reserves	361,347	301,117
TOTAL EQUITY	2,434,699	1,901,637

33 Immediate and Ultimate Controlling Party

At December 31, 2024 and 2025, the directors of the Company consider that the immediate parent and ultimate controlling party of the Group to be Qisda Corporation, a company established in Taiwan.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

34 Possible Impact of Amendments, New Standards and Interpretations Issued but not yet Effective for the Year Ended December 31, 2025

Up to the date of this report, the IASB has issued a number of amendments, new standards and interpretations, which are not yet effective for the year ended December 31, 2025 and which have not been adopted in these financial statements. These developments include:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7: <i>Contracts Referencing Nature-dependent Electricity</i>	January 1, 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	January 1, 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	January 1, 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group.

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1, *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.