

Lepu Medical Technology (Beijing) Co., Ltd.

2024 Annual Report

2024 Annual Report

Section I. Important Notices, Table of Contents, and Definitions

The Board of Directors, the Supervisory Committee, and all directors, supervisors, and senior management members of the Company warrant the truthfulness, accuracy, and completeness of the contents of this annual report. There are no false records, misleading statements, or material omissions, and they bear individual and joint legal liabilities.

Pu Zhongjie, the Company's legal representative, Wang Yong, the person in charge of accounting work, and Li Yun, the head of the accounting department (chief accounting officer), hereby declare that the financial statements in this annual report are truthful, accurate, and complete.

All directors attended the board meeting where this report was reviewed.

For specific reasons, impacts, and countermeasures regarding the Company's performance decline during the reporting period, investors are advised to refer to Section 3: Management Discussion and Analysis, specifically Item 2: Principal Business Operations During the Reporting Period and Item 3: Core Competitiveness Analysis.

Investors are also reminded to review the risk disclosures under "3. Potential Risks" in Item 11: Outlook for Future Development within Section 3: Management Discussion and Analysis.

The profit distribution proposal approved by the Board of Directors is as follows: Based on the total share capital of 1,843,395,382 shares (after deducting repurchased shares) as of the record date for the 2024 annual equity distribution, the Company will distribute a cash dividend of RMB 1.3500 per 10 shares (tax inclusive), with 0 bonus shares per 10 shares (tax inclusive), and 0 capital reserve shares transferred per 10 shares.

As at the date of this annual report, the company is in compliance with the corporate governance requirements applicable to it as a PRC public company listed on the Shenzhen Stock Exchange in all material aspects.

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List of Documents for Reference

1. The original copy of the 2024 Annual Report bearing the signature of Mr. Pu Zhongjie, the legal representative of the Company;
2. The original copy of the financial report bearing the signatures and seals of Mr. Pu Zhongjie (the person in charge of the Company), Ms. Wang Yong (the person in charge of accounting work), and Ms. Li Yun (the head of the accounting department);
3. The original copies of all Company documents and announcements publicly disclosed on the websites designated by the China Securities Regulatory Commission (CSRC) during the reporting period;
4. The original copy of the audit report bearing the seal of the accounting firm and the signatures and seals of the certified public accountants;
5. Location of the above reference documents: The Board of Directors Office of the Company.

Definitions

Term		Definition
The Company, Lepu Medical	mean(s)	Lepu Medical Technology (Beijing) Co., Ltd.
Lepu Equipment	mean(s)	Lepu Medical (Beijing) Equipment Co., Ltd.
Lepu Biochemical	mean(s)	Lepu Medical (Beijing) Diagnostics Co., Ltd.
Lepu International	mean(s)	Lepu (Shenzhen) International Development Center Co., Ltd.
Lepu Hengjiuyuan	mean(s)	Lepu Hengjiuyuan Pharmaceutical Co., Ltd.
Lepu Biopharma	mean(s)	Lepu Biopharma Co., Ltd.
Lepu ScienTech、ScienTech Technology	mean(s)	Lepu ScienTech Medical Technology (Shanghai) Co., Ltd.
Beijing Lepu Pharmaceutical	mean(s)	Lepu Pharmaceutical (Beijing) Co., Ltd.
Lepu Pharmaceutical	mean(s)	Lepu Pharmaceutical Co., Ltd.
Lepu Pharmaceutical Technology	mean(s)	Lepu Pharmaceutical Technology Co., Ltd.
Lepu Electronic	mean(s)	Lepu Medical Electronic Instrument Co., Ltd.
Qinming Medical	mean(s)	Xi'an Qinming Medical Instrument Co., Ltd.
Liaoning Biopharmaceutical	mean(s)	Liaoning Boao Biopharmaceutical Co., Ltd.
Lepu Cloud Technology	mean(s)	Shanghai Lepu Cloud Technology Co., Ltd.
Shanghai Shape	mean(s)	Shanghai Shape Memory Alloy Material Co., Ltd.
Shenzhen Keruikang	mean(s)	Shenzhen Keruikang Technology Co., Ltd.
Ruijian Medical	mean(s)	Sichuan Ruijian Medical Technology Co., Ltd.
Sichuan Xingtai	mean(s)	Sichuan Xingtai Pule Medical Technology Co., Ltd.
Yantai Aidekang	mean(s)	Yantai Aidekang Medical Technology Co., Ltd.
Zhejiang Lepu Pharmaceutical	mean(s)	Zhejiang Lepu Pharmaceutical Co., Ltd.
Lepu (Europe)	mean(s)	Lepu Medical (Europe) Coöperatief U.A.
Comed B.V	mean(s)	Comed B.V.
Lepu Imaging Technology	mean(s)	Beijing Lepu Imaging Technology Co., Ltd.
Jinweijie	mean(s)	Beijing Jinweijie Medical Technology Development Co., Ltd.
Quaishuer	mean(s)	Beijing Quaishuer Medical Technology Co., Ltd.
Lepu Diagnostics	mean(s)	Beijing Lepu Diagnostics Technology Co., Ltd.
Tiandihexie	mean(s)	Beijing Tiandihexie Medical Technology Co., Ltd.
Suzhou Bosimei	mean(s)	Suzhou Bosimei Medical Technology Co., Ltd.
Shanxi Tiansheng	mean(s)	Shanxi Tiansheng Pharmaceutical Co., Ltd.
Shanghai Minwei	mean(s)	Shanghai Minwei Biotechnology Co., Ltd.
Jingmou	mean(s)	Jingmou Biotech (Shanghai) Co., Ltd.
Suzhou ingmou	mean(s)	Suzhou Jingmou Pharmaceuticals Co., Ltd.
Shanghai Gurong	mean(s)	Shanghai Gurong Biomaterials Co., Ltd.
Shenda Endoscope	mean(s)	Shenyang Shenda Endoscope Co., Ltd.
Bingkun Medical	mean(s)	Changzhou Bingkun Medical Technology Co., Ltd.
Lejian Medical	mean(s)	Beijing Lejian Healthcare Investment Co., Ltd.
Shenzhen Ruihan	mean(s)	Shenzhen Ruihan Medical Technology Co., Ltd.
Yinchuan Lepu	mean(s)	Yinchuan Lepu Internet Hospital Co., Ltd.
Ruixiangtaikang	mean(s)	Beijing Ruixiangtaikang Technology Co., Ltd.
Xiangcheng Lepu	mean(s)	Xiangcheng Lepu Hospital Management Co., Ltd.
Hangzhou Anyou	mean(s)	Hangzhou Anyou Eye Clinic Co., Ltd.
Lejian Clinic	mean(s)	Beijing Lejian Dongwai Clinic Co., Ltd.
Changsha Runjie	mean(s)	Changsha Runjie Medical Devices Co., Ltd.
Pujie Biotech	mean(s)	Pujie (Guangdong) Biotech Co., Ltd.

Section II. Company Overview and Major Financial Indicators

I. Company profile

Stock abbreviation:	Lepu Medical	Stock code	300003
Chinese enterprise name	乐普（北京）医疗器械股份有限公司		
Chinese name abbreviation	乐普医疗		
Foreign enterprise name (if any)	Lepu Medical Technology (Beijing) Co., Ltd.		
Foreign name abbreviation (if any)	Lepu Medical		
Legal representative	Pu Zhongjie		
Registered address	No. 37 Chaoqian Road, Changping District, Beijing, China		
Postal code of the registered address	102200		
Historical change of the registered address	None		
Office address	No. 37 Chaoqian Road, Changping District, Beijing, China		
Postal code of the office address	102200		
Website	http://www.lepumedical.com		
E-mail	zqb@lepumedical.com		

II. Contact person and contact information

	Board Secretary
Name	Jiang Weina
Contact address	No. 37 Chaoqian Road, Changping District, Beijing, China
Tel	010-80120622
Fax	010-80120776
E-mail	zqb@lepumedical.com

III. Information disclosure and location

Website of the stock exchange for disclosure of annual reports of the Company	Shenzhen Stock Exchange (http://www.szse.cn)
Media and website for disclosure of annual reports of the Company	China Information Disclosure Website (http://www.cninfo.com.cn), China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
Location to keep the annual reports of the Company for check	The Company's Board of Directors Office

IV. Other Relevant Information

Auditor Engaged by the Company

Name of Accounting Firm	ShineWing Certified Public Accountants (Special General Partnership)
Office Address of Accounting Firm	Floors 17-20, Tower A, China Overseas International Center, Building 7, No. 5 Anding Road, Chaoyang District, Beijing
Names of Signing CPAs	Wang Na, Wang Ping

Sponsor Engaged by the Company for Continuous Supervision During the Reporting Period

☒ Applicable ☐ Not Applicable

Name of Sponsor	Office Address of Sponsor	Names of Sponsor Representatives	Continuous Supervision Period
Haitong Securities Co., Ltd.	10th Floor, Pacific Insurance Building, No. 28 Fengsheng Hutong, Xicheng District, Beijing	Cen Pingyi, Liu Jun	January 1, 2024, until the completion of convertible bond exercise

V. Major accounting data and financial indicators

Whether the Company need to retrospectively adjust or restate previous year's accounting data:

☐Yes ☒No

	2024	2023	Changes compared to previous year (%)	2022
Operating revenue (RMB)	6,103,269,105.88	7,979,899,319.74	-23.52%	10,609,442,080.61
Net profit attributable to shareholders of the listed company (RMB)	246,937,715.50	1,258,200,337.67	-80.37%	2,203,779,374.63
Net profit attributable to shareholders of the listed company after deducting nonrecurring profits and losses (RMB)	221,430,404.42	1,123,116,336.93	-80.28%	2,143,456,442.64
Net cash flows from operating activities (RMB)	734,643,889.07	990,359,814.31	-25.82%	2,790,709,307.02
Basic earnings per share (RMB/share)	0.1336	0.6757	-80.23%	1.2228
Diluted earnings per share (RMB/share)	0.1336	0.6757	-80.23%	1.2129
Weighted average return on net assets	1.59%	8.23%	-6.64%	17.61%
	End of 2024	End of 2023	Changes compared to the end of previous year	End of 2022
Total assets (RMB)	24,573,100,199.19	25,022,331,486.69	-1.80%	24,484,950,282.44
Net assets attributable to shareholders of the Company (RMB)	15,201,421,378.82	15,976,101,963.31	-4.85%	15,147,212,379.41

The Company's net profit before or after deducting non-recurring profit and loss (whichever is lower) in the last three fiscal years are all negative, and the audit report of the last year indicates that the Company's ability to continue as a going concern is uncertain

☐Yes ☒No

The Company's net profit before and after deducting the non-recurring profit and loss (whichever is lower) is negative

☐Yes ☒No

As of the reporting period end until the disclosure date of this annual report, has the Company's share capital changed due to any of the following events, and did such changes affect the owner's equity amount?

☒Yes ☐No

Preferred Stock Dividends Paid	0.00
Perpetual Bond Interest Paid (RMB)	0.00
Fully Diluted Earnings Per Share (EPS) Calculated Using Latest Share Capital (RMB/share)	0.1313

VI. Major financial indicators by quarters

Unit: RMB

	Q1	Q2	Q3	Q4
Operating incomes	1,922,028,839.15	1,461,857,715.39	1,401,585,073.03	1,317,797,478.31
Net profits attributable to shareholders of the Company	481,871,134.58	215,371,137.33	105,413,614.27	-555,718,170.68
Net profits attributable to shareholders of the listed company after deducting non-	456,433,815.92	190,713,514.39	86,927,048.85	-512,643,974.74

recurring profits and losses				
Net cash flow from operating activities	141,518,257.63	17,367,757.38	264,169,759.83	311,588,114.23

Whether there are significant differences between above financial indexes and their total value and relevant financial indexes in the revealed quarterly reports and semi-annual bulletin of the Company

☐Yes ☒No

VII. Differences in Accounting Data under Domestic and International Accounting Standards

1.Differences in Net Profit and Net Assets between IFRS and Chinese Accounting Standards (CAS)

☐Applicable ☒ Not Applicable

The Company did not have any differences in net profit or net assets between IFRS and CAS financial reports during the reporting period.

2.Differences in Net Profit and Net Assets between Overseas Accounting Standards and Chinese Accounting Standards (CAS)

☐Applicable ☒ Not Applicable

The Company did not have any differences in net profit or net assets between overseas accounting standards and CAS financial reports during the reporting period.

VIII. Non-Recurring Profit or Loss Items and Amounts

☒ Applicable ☐Not Applicable

Unit: RMB

Item	2024	2023	2022	Note
Gains or losses from disposal of non-current assets, including the portion offset by assets impairment provision	-24,132,187.92	-11,695,079.64	-1,694,795.18	
Government subsidies included into the current profit or loss (except for the government subsidies that are closely related to the Company's business, conform to national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the Company's profits and losses.)	76,714,354.07	136,862,124.49	81,649,266.12	
In addition to the effective hedging business related to the normal business of the Company, gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses from the disposal of financial assets and financial liabilities	10,674,218.65	14,968,324.97	19,918,810.38	

Non-operating income and expenses other than the said items	-23,059,038.73	-15,169,206.58	-16,299,582.96	
Other profit or loss items complying with the definition of non-recurring profit or losses	-8,423,003.14	39,783,383.77	-7,273,004.87	
Less: impact amount of income tax	-937,157.26	22,170,644.49	12,060,096.78	
Impact amount of minority equity (after tax)	7,204,189.11	7,494,901.78	3,917,664.72	
Total	25,507,311.08	135,084,000.74	60,322,931.99	--

Details of other profit or loss items complying with the definition of non-recurring profit or loss:

☐ Applicable ☒ Not Applicable

The Company does not have any other profit or loss item complying with the definition of non-recurring profit or loss.

Description of the situation where any non-recurring profit or loss item listed in *No.1 of Explanatory Announcement of Information Disclosure of Companies publicly Issuing Securities - Non-recurring Profit or Loss* is defined as a recurring profit or loss item

☐ Applicable ☒ Not Applicable

The Company does not fall under any situation where any non-recurring profit or loss item listed in *No.1 of Explanatory Announcement of Information Disclosure of Companies publicly Issuing Securities - Non-recurring Profit or Loss* is defined as a recurring profit or loss item

Section III. Management Discussion and Analysis

I. Industry Overview During the Reporting Period

1. Industry Background

Chinese healthcare industry is entering a phase of stable development, with continuous shifts between traditional and emerging growth drivers. According to data from the National Bureau of Statistics of China, in 2024, pharmaceutical manufacturing enterprises above the designated size achieved operating revenue of 2,529.85 billion yuan, remaining flat year-on-year, while total profits reached 342.07 billion yuan, a decline of 1.1% compared to the previous year. Overall, as the dividends of the rapid development of domestic enterprises over the past few years gradually fade away, the industry has entered a mature stage, with the growth rate tending to be stable, and the competition among enterprises has further intensified. Against the backdrop of the slowdown in macroeconomic growth and the continuous deepening of the national medical insurance reform, different types of enterprises in the medical industry face different opportunities and challenges. Emerging companies focusing on innovative drugs and medical devices, with strong independent R&D capabilities and high organizational agility, are rapidly rising. In contrast, enterprises reliant on non-patented products and those slow to adapt to change are gradually being phased out by the market. The transition between traditional and new growth drivers in the healthcare industry is accelerating, driving continuous optimization of the industrial landscape.

Under the aging trend, domestic demand for medical services continues to grow rapidly, while reforms in healthcare payment methods are further deepening. According to data from the National Healthcare Security Administration (NHSA), in 2024, the total revenue and expenditure of the basic medical insurance fund (including maternity insurance) reached 3,480.995 billion yuan and 2,967.592 billion yuan, respectively, representing year-on-year growth rates of 3.9% and 5.2%. In 2024, total outpatient visits reached 6.689 billion, a 37.44% increase year-on-year, while total inpatient admissions amounted to 291.8226 million, up 4.48% year-on-year. The average cost per hospitalization was 8,443.63 yuan, with 11,169.11 yuan for employees (down 8.3%) and 7,295.00 yuan for residents (down 4.9%). From the perspective of medical visits and expenditure trends, as China's aging population continues to grow, the number of medical treatments is rising rapidly. Meanwhile, due to policies such as volume-based procurement of drugs and high-value medical consumables and healthcare payment reforms, the average hospitalization costs have gradually declined, effectively maintaining a balance in medical insurance revenue and expenditure. According to NHSA statistics, by the end of 2024, diagnosis-related group (DRG) payment methods had been implemented in all coordinated regions nationwide, accounting for over 80% of inpatient medical insurance expenditures in these regions.

In 2024, comprehensive drug price regulation was implemented, and centralized volume-based procurement continued to expand. In January 2024, the National Healthcare Security Administration (NHSA) issued the *Notice on Promoting Fair, Transparent, and Balanced Interprovincial Pricing for Drugs with the Same Generic Name and Manufacturer*, marking the full launch of drug price regulation efforts. In June 2024, the NHSA released the *Letter on Launching a Special Campaign for "Online Price Checks, Data Comparison, and Governance Enforcement*, accelerating price comparisons among designated retail pharmacies. By January 2025, the NHSA announced the development of a national drug price catalog to comprehensively compile and display listed prices across regions, flagging abnormal pricing behaviors such as first-time increases or excessive hikes. This initiative aims to prompt continuous corrections of unreasonably high listed prices,

signaling a deepening of drug price governance. In 2024, volume-based procurement expanded further. The NHSA organized the 10th national drug bulk-buying program, covering 62 varieties, and the 5th national bulk procurement for high-value medical consumables, including cochlear implants and peripheral vascular stents. Additionally, interprovincial alliances expanded procurement for traditional Chinese medicines (TCMs) and herbal decoctions. Shandong Province led a nationwide joint procurement for 45 herbal decoction varieties, while Hubei Province spearheaded a national TCM procurement covering 175 varieties.

Comprehensive Support for high-quality development of innovative drugs and devices, with commercial insurance emerging as a key payment enabler. In July 2024, the State Council executive meeting approved the *Implementation Plan for Full-Chain Support for Innovative Drug Development*, which strengthens policy safeguards across the entire chain. The plan integrates pricing management, healthcare insurance reimbursement, commercial insurance, drug procurement and usage, and financing policies while optimizing regulatory review and hospital assessment mechanisms to collectively drive breakthroughs in innovative drugs. In January 2025, the General Office of the State Council issued the *Opinions on Deepening Drug and Medical Device Regulatory Reforms to Promote High-Quality Development of the Pharmaceutical Industry*. The document outlines five key measures: (a) strengthening R&D and innovation support for drugs and medical devices, (b) improving the efficiency and quality of regulatory review and approval, (c) enhancing industry compliance through rigorous supervision, (d) expanding international cooperation in the pharmaceutical sector, (e) building a regulatory system aligned with industrial development and safety needs. Also in January 2025, the NHSA clarified that the Category C Drug List would guide commercial insurance products to cover innovative drugs. This shift is expected to transform China's healthcare security system from "single-tier basic coverage" model to "multi-tiered, precision-coverage" framework, establishing a "basic insurance + commercial insurance" payment system and creating new opportunities for innovative drug. In March 2025, the NMPA released draft regulations—*Implementation Measures for Drug Trial Data Protection (Trial, Draft for Comments)* and *Procedures for Drug Trial Data Protection (Draft for Comments)*. These regulations specify that data protection applies to drugs containing new chemical entities and other eligible products upon approval, granting a maximum six-year protection period for undisclosed trial data submitted by applicants. In April 2025, the NMPA sought public feedback on the *Measures to Optimize Lifecycle Supervision and Support High-End Medical Device Innovation (Draft for Comments)*, proposing streamlined review and approval mechanisms, enhanced lifecycle oversight, and stronger backing for major innovations in high-end medical devices to accelerate the adoption of new technologies, materials, and processes in healthcare. With the gradual implementation of national and local support policies, corporate innovation momentum has significantly strengthened, laying a solid foundation for high-quality industry development.

2. Company's Industry Status

The company is a full-lifecycle integrated solutions provider in the cardiovascular disease sector, with business segments covering medical devices, pharmaceuticals, medical services and health management. Adhering to "Innovation, consumption and globalization" strategy, the company drives sustainable growth through diversified business engines. Founded in 1999, the company is one of China's earliest enterprises dedicated to the R&D of cardiovascular implantable devices and was designated as the "National Engineering Research Center for Cardiovascular Interventional Devices and Equipment" by the Ministry of Science and Technology of China. It has successfully developed and commercialized multiple "first-in-China" products, including drug-eluting coronary stent, dual-chamber cardiac pacemaker, bioresorbable coronary stent, coronary cutting balloon, and biodegradable occluder. The company's cardiovascular products have undergone long-term, large-scale real-world clinical use, earning widespread recognition from physicians and patients, thereby

solidifying its core competitive advantage in the cardiovascular field. As of the reporting period, the company has 2,332 cumulative patent applications, over 600 commercialized products globally, 670 Class II/III medical device approved by NMPA, 34 U.S. FDA clearances, and 213 EU CE certifications.

II. Main Business During the Reporting Period

1. Main business

During the reporting period, the company achieved operating revenue of 6,103.2691 million yuan, representing a year-on-year decrease of 23.52%; net profit attributable to shareholders of the listed company was 246.9377 million yuan, down 80.37% year-on-year; and net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses was 221.4304 million yuan, a decrease of 80.28% year-on-year. Net cash flow from operating activities amounted to 734.6439 million yuan, declining 25.82% year-on-year. At the end of the reporting period, the company's total assets stood at 24,573.1002 million yuan, down 1.80% from the beginning of the period; shareholders' equity attributable to the listed company was 15,201.4214 million yuan, decreasing by 4.85% from the beginning of the period; and the weighted average return on equity was 1.59%.

In terms of innovation, the company maintained its innovation-driven development strategy and achieved significant progress across various fields during the reporting period, particularly in cardiovascular implantable/interventional products, innovative drugs, and AI-powered medical devices.

In the field of cardiovascular implantable/interventional products: From early 2024 to the end of this report, the company obtained approvals for multiple cardiovascular interventional products, including: coronary intravascular shockwave catheter/equipment, coronary papillary balloon dilatation catheter, radiofrequency transseptal puncture needle/equipment, biodegradable atrial septal defect occluder, transcatheter implantable aortic valve system, anchoring balloon dilatation catheter, peripheral intravascular shockwave catheter/equipment, peripheral cutting balloon catheter, peripheral drug-coated balloon dilatation catheter, coronary spiny balloon dilatation catheter, and endovenous radiofrequency closure catheter/ equipment. The commercialization of these products has further enriched the company's product portfolio.

Commercialization estimation of important innovative products in the R&D pipeline by annual

	2025	2026	2027
Coronary Intervention	☆ Intravascular Ultrasound		
Structural Heart Disease	☆Transapical Mitral Clip Repair System (Clip)	Biodegradable PDA Occluder	Transapical Mitral Valve Repair System (Chordae Tendineae)
		Oxidized Membrane Patent Foramen Ovale PFO Occluder	Transfemoral Mitral Clip Repair System
		Biodegradable Left Atrial Appendage LAA Occluder	Abdominal Aortic Aneurysm Cross-Linking Reinforcement System
		☆ Transcatheter Aortic Valve System (TAVR for Regurgitation Indication)	Degradable Vascular Plug
			Biodegradable Aortic Occluder
Peripheral Intervention	Below-the-Knee PTA Drug-Coated Balloon	Rapid Thrombus Aspiration Catheter	☆ Intravascular Expansion Drug Delivery System
		Peripheral Hydrogel Coil	Peripheral Plaque Rotablator
CRM Electrophysiology	Qinming8632 Automatic Pacemaker	☆ Atrial Fibrillation Cryo Balloon System/Catheter (CBA)	☆ Atrial Fibrillation Pulsed Field Ablation Catheter/Equipment (PFA)
		MRI-Compatible Cardiac Pacemaker	
Heart Failure		☆ Implantable Cardiac Contractility	Transcatheter Left Ventricular Assist

Management		Modulator (CCM)	Device (LVAD)
			☆ Implantable Cardiac Resynchronization Therapy Pacemaker (CRT)
Neuromodulation	Implantable Deep Brain Stimulator (DBS)	Implantable Vagus Nerve Stimulator (VNS)	Implantable Spinal Cord Stimulator (SCS)
			Implantable Sacral Nerve Stimulator (SNM)

In the innovative drug sector, the company's subsidiary Shanghai Minwei Biotech focuses on cardiovascular, endocrine, and metabolic diseases and their complications, possessing three proprietary technology platforms: the LAGMA GPCR agonist screening platform, RAF™ ultra-long-acting molecular development platform, and Dual-siRNA development platform. These platforms enable the development of multi-target drugs (such as GLP-1/GIP), long-acting antibodies with extended half-lives and reduced clinical dosages, and novel small RNA therapeutics with dosing intervals up to six months or longer. As of the reporting date, the company's self-developed GLP-1/GCGR/GIP-Fc fusion protein candidate MWN101 has completed Phase II clinical trials for obesity and type 2 diabetes, marking China's first GLP-1/GCGR/GIP triple-target GLP-1 analog to enter Phase II clinical studies. The clinical trial applications for candidate drugs MWN109 injection and MWN105 injection have been approved by NMPA and are currently in Phase I trials, while the IND application for MWN109 tablets has been submitted to and accepted by the CDE. Additionally, MWN105 injection and MWN109 injection have received FDA clearance for clinical trials in the U.S.

R & D Progress of Innovative Drugs

Project	Target	Type	Indication	Dosage Form	Pre-clinical	Clinical Phase I	Clinical Phase II
MWN101	GLP-1/GIP/GCG	Fc Fusion Protein	Type 2 Diabetes, Obesity	Injection	√	√	√
MWN105	GLP-1/GIP/FGF21	Fc Fusion Protein	Type 2 Diabetes, Obesity, NASH	Injection	√	√	
MWN109	GLP-1/GIP/GCG	Fatty Acid Chain-Modified Polypeptide	Type II Diabetes, Obesity, NASH	Injection	√	√	
				Tablet	√	IND	

In the field of artificial intelligence medical devices: The new-generation implantable CGM product NeoGLU COMFORT® developed by the company's Artificial Intelligence Research Institute using artificial intelligence algorithms has been submitted for registration, and the GluRing® non-invasive continuous blood glucose monitor based on artificial intelligence has been declared for registration.

In the field of consumer healthcare, the company continues to promote the R&D of ophthalmic and dermatological products. As of the date of report disclosure, the company's in-research varieties, such as polylactic acid dermal injection fillers, cross-linked sodium hyaluronate gel for injection, sodium hyaluronate solution for injection, and sodium hyaluronate composite solution for injection, have entered the registration application stage, and the cross-linked sodium hyaluronate gel containing poly-L-lactic acid is in the clinical trial stage.

R & D Progress of Consumer Healthcare

Type	Name	Stage	Expected Certification Time
Ophthalmology	Orthokeratology Lens (Xingtai)	Application for Registration	2025Q2
	High-Power Contact Lenses	Clinical Trial	2026Q2

	Multifocal Intraocular Lens	Clinical Trial	2027Q4
Dermatology	Sodium Hyaluronate Solution for Injection	Application for Registration	2025Q2
	Polylactic Acid Dermal Injection Filler	Application for Registration	2025Q2
	Sodium Hyaluronate Composite Solution for Injection	Application for Registration	2026Q4
	Cross-Linked Sodium Hyaluronate Gel for Injection	Application for Registration	2025Q3
	Cross-Linked Sodium Hyaluronate Gel Containing Poly-L-lactic Acid	Clinical Trial	2026Q4

In the internationalization front, the company has been actively expanding its global presence by leveraging flexible sales channels and diversified product portfolios to gradually increase its overseas market share. As of the reporting period, the company has obtained 34 U.S. FDA clearances and 213 EU CE certifications. With an extensive global distribution network, the company has established comprehensive sales channels across more than 160 countries and regions in Asia, Europe, North America, and the Middle East. During the reporting period, the company actively participated in various international industry conferences and medical device exhibitions, where it showcased its latest products and technological achievements to strengthen collaboration with global distributors and academic experts, thereby enhancing brand reputation. The company's superior product performance and comprehensive service system have contributed to sustained growth in overseas sales.

(1) Medical Devices

The medical device segment is the largest revenue-generating segment in the company's business. Its sub-segments mainly include cardiovascular interventional implants, in vitro diagnostics, and surgical anesthesia, with cardiovascular interventional implants being the company's core business segment. During the reporting period, this segment achieved an operating revenue of 3,326.4913 million yuan, a year-on-year decrease of 9.47%.

Cardiovascular implantable/interventional products: The coronary interventional business achieved revenue of 1,621.8145 million yuan, up 6.35% year-on-year, while the structural heart disease business generated 469.3145 million yuan, representing 44.03% year-on-year growth. The company possesses mature commercialized products and a robust pipeline in both coronary intervention and structural heart disease fields, while continuously advancing R&D in peripheral intervention, cardiac rhythm management, electrophysiology, neuromodulation, and heart failure therapies. From early 2024 through the reporting date, the company obtained NMPA approvals for multiple cardiovascular interventional products including: coronary intravascular shockwave catheter/equipment, coronary papillary balloon dilatation catheter, radiofrequency transseptal puncture needle/equipment, biodegradable atrial septal defect occluder, transcatheter implantable aortic valve system, anchoring balloon dilatation catheter, peripheral intravascular shockwave catheter/equipment, peripheral cutting balloon catheter, peripheral drug-coated balloon dilatation catheter, coronary spiny balloon dilatation catheter, and endovenous radiofrequency closure catheter/ equipment. These approvals have further enriched the company's product portfolio, enabling synergistic advantages and reinforcing its leadership position.

Main Approved Products in Cardiovascular Interventional Implants

Main Category	Sub-category	Product Name	Class
Coronary	Stents	Partner® Intravascular Drug (Rapamycin) Eluting Stent System	Class III
		Nano plus® Intravascular Carrier-Free Drug (Rapamycin) Eluting Stent System	Class III
		GuReater® Cobalt-Based Alloy Rapamycin Eluting Stent System	Class III
		NeoVas® Bioabsorbable Coronary Rapamycin Eluting Stent System	Class III
	Drug-Coated Balloons	Vesselin® Drug-Coated Coronary Balloon Catheter	Class III
		Vitality mini® Drug-Coated Coronary Balloon Dilatation Catheter	Class III
	Functional Balloons	Vesscide® Cutting Balloon System	Class III
		VessCrack™ Coronary Intravascular Shock Wave Catheter/Equipment	Class III
		Vesspebble™ Coronary Papillary Balloon Dilatation Catheter	Class III
		Vessridge® Coronary Spiny Balloon Dilatation Catheter	Class III
	Diagnostic Devices	Fractional Flow Reserve Measuring Instrument	Class III
		VessTec™ Disposable Pressure Microcatheter	Class III
	Vascular Access Devices	Guidewires/Catheters/Disposable Interventional Accessories/PTCA Balloon Dilatation Catheters, etc.	Class III
Structural Heart Diseases	Congenital Heart Disease Occluders	MemoPart® Atrial Septal Defect Occluder (Double-Riveted)	Class III
		MemoCarna® Atrial Septal Defect Occluder (Oxide Film)	Class III
		MemoPart® Ventricular Septal Defect Occluder (Double-Riveted)	Class III
		MemoCarna® Ventricular Septal Defect Occluder (Oxide Film)	Class III
		MemoPart® Patent Ductus Arteriosus Occluder (Double-Riveted)	Class III
		MemoCarna® Patent Ductus Arteriosus Occluder (Oxide Film)	Class III
		MemoSorb® Total Degradable Occluder System	Class III
		MemoSorb® Biodegradable Atrial Septal Defect Occluder	Class III
	Cardioembolic Stroke Prevention Occluders	MemoLefort® Left Atrial Appendage Occluder	Class III
		MemoSorb® Biodegradable Patent Foramen Ovale Occluder	Class III
	Valves	ScienCrown® Transcatheter Implantable Aortic Valve Systems	Class III
	Access Devices	Ceniper® Disposable Atrial Septal Puncture System	Class III
		RF-Lance® Radiofrequency Puncture Generator/Puncture Needle	Class III
CRM Electrophysiology	Pacemakers	Qinming2312 Single-Chamber Pacemaker	Class III
		Qinming8631 D/DR Series Dual-Chamber Pacemakers	Class III
Peripheral	Functional Balloons	Angiocide® Peripheral Cutting Balloon (2-4mm)	Class III
		ANGIOCIDEII™ Peripheral Cutting Balloon Catheter (2-8mm)	Class III
		Thorcrack® Disposable Peripheral Intravascular Shock Wave Catheter/Equipment	Class III
	Drug-Coated Balloon Category	PeVaDilat™ Drug-Coated Peripheral Balloon Dilatation Catheter	Class III

	Treatment Devices	FireyZip® Endovenous Radiofrequency Closure Catheter/Equipment	Class III
	Debulking Devices	Rapid Thrombus Aspiration Equipment	Class II
	Vascular Access Devices	FLOWCROSS® Disposable Microcatheter	Class III
		Peaksheath™ Disposable Vascular Sheath	Class II
		Supercross® PTA Balloon Dilatation Catheter	Class III
		NC SUPERCROSS® Non-Compliant Peripheral Balloon Dilatation Catheter	Class III
		Wriggle™ Hydrophilic Guidewire	Class III
Imaging Equipment	DSA	Medical Vascular Angiography X-Ray Machine Vicor-CV Robin C/Robin F Type	Class III
		Medical Vascular Angiography X-Ray Machine Vicor-CV Swift Type	Class III
		Vicor-CV400/CV100 Medical Vascular Angiography X-Ray Machine	Class III
		Vicor-LARK Mobile C-Arm X-Ray Machine	Class II
	Medical Image Processing Software	Coronary Angiography Image Fractional Flow Reserve Calculation Software	Class III

In the field of coronary implantable/interventional products, the company adheres to independent innovation and continuously promotes the R&D of new products. From the beginning of 2024 to the date of this report's disclosure, the coronary intravascular shock wave catheter/equipment, coronary papillary balloon dilatation catheter, anchoring balloon dilatation catheter, and coronary spiny balloon dilatation catheter have successfully obtained registration approvals from the NMPA. The coronary intravascular shock wave system uses acoustic pressure waves to specifically act on calcified lesions in the coronary artery intima and sub-media. Without affecting the integrity of the vascular intima, it can effectively loosen or crack the calcified lesions, restore vascular compliance, and provide a more ideal lumen for subsequent coronary stent implantation. As of the date of this report's disclosure, as shown in the following table, the R&D of in-house products is progressing smoothly, and the intravascular ultrasound imaging (IVUS) has submitted a registration application.

R&D Pipeline of Coronary Implantable/Interventional Products

Category	Product	Development	Pre-Clinical	Clinical	Registration Application	Expected Approval Time
Intravascular Measurement	☆Intravascular Ultrasound Imaging (IVUS)	√	√		√	Q4, 2025
	Pressure Sensor System	√				Q4, 2025

In the field of structural heart diseases, during the reporting period, the company's subsidiary, Lepu ScienTech, achieved rapid growth in revenue and profits. ScienTech has a comprehensive product line of congenital heart disease occluders. Since 2020, the third-generation MemoCarna® oxide film single-riveted occluder series products have been successively approved for marketing and have quickly become the backbone of the congenital heart disease occluder business. Since 2022, the fourth-generation MemoSorb® total degradable occluder series products (ventricular septal defect, patent foramen ovale, atrial septal defect) have been approved for marketing one after another, and their commercialization has progressed smoothly. Their excellent clinical performance has made them the flagship series of products in the field of congenital heart diseases, attracting much attention from doctors and patients.

During the reporting period, the company's MemoSorb® biodegradable atrial septal defect occluder,

Ceniper® disposable atrial septal puncture system, RF-Lance® disposable radiofrequency atrial septal puncture needle/equipment, and ScienCrown® transcatheter implantable aortic valve system successfully obtained registration approvals from the NMPA. The MemoSorb® biodegradable atrial septal defect occluder is innovatively designed to meet the needs of atrial septal defect occlusion. It solves problems such as the lifelong retention of current occluders in patients, the obstruction of establishing left heart interventional access through atrial septal puncture, and the inapplicability of metal-allergic patients. Starting from clinical practice, it provides new solutions for doctors and patients. The RF-Lance® disposable radiofrequency atrial septal puncture needle focuses radiofrequency energy for precise puncture. It can easily cross the septum without mechanical force, greatly reducing the operation difficulty, and is safe and controllable. Its rounded and blunt tip design ensures a safe puncture process without scratches, improves the error tolerance rate, and avoids the risk of trauma. As a short-stent self-expanding valve, the ScienCrown® transcatheter implantable aortic valve system has advantages such as smooth pre-bending over the arch, coaxial release, stable deployment, good support, and 100% full retrievability under the working state of the artificial valve. It can effectively address the pain points of clinical needs, shorten the learning curve of operators, and thus bring a new standard treatment method for patients, providing a better clinical experience in terms of valve performance and prognosis.

In the future, the company will further improve the product pipeline in the field of structural heart diseases. Currently, the NeoSorb® bioabsorbable patent foramen ovale occluder and Bio-Lefort® biodegradable left atrial appendage occluder are in the clinical trial stage; the MemoClip-A® transapical mitral valve repair system has entered the final stage of clinical trial enrollment, and the follow-up results are good. The company will accelerate the enrollment progress of the second-stage clinical trial and plans to submit a registration application to the NMPA in the first half of 2025.

R&D Pipeline of Structural Heart Diseases

Category	Product	Development	Pre-Clinical	Clinical	Registration Application	Expected Approval Time
Occluders	NeoSorb® Bioabsorbable Patent Foramen Ovale Occluder	√	√	√		Q2, 2026
	Bio-Lefort® Biodegradable Left Atrial Appendage Occluder	√	√	√		Q3, 2026
Aortic Valves	☆ScienMelon® Transcatheter Implantable Polymer Leaflet Artificial Heart Valve	√	√			Q3, 2029
	Transcatheter Aortic Valve System (TAVR for Regurgitation Indication)	√	√			Q4, 2026
	ScienChute® Transcatheter Aortic Valve Stenosis Treatment System	√				Q4, 2026
	ScienChute® Pulsed Acoustic Wave Generator	√				Q4, 2026
Mitral Valves	☆MemoClip-A® Transapical Mitral Valve Repair System (Clips)	√	√	√		Q4, 2025
	MemoChord® Transapical Mitral Valve Repair System (Chordae Tendineae)	√	√	√		Q2, 2027
	MemoClip-F® Transfemoral Mitral Valve Clip Repair System	√	√			Q2, 2027
	Transcatheter Mitral Valve Replacement System	√	√			Q2, 2029

In other sub-fields of interventional medical devices, as of the date of this report's disclosure, the ANGIOCIDEII™ peripheral cutting balloon (2-8mm), Thorcrack® peripheral intravascular shock wave catheter/equipment, NC SUPERCROSS® non-compliant peripheral balloon, and PeVaDilat™ peripheral balloon have been approved by NMPA; the implantable deep brain stimulator has entered the registration

application stage; the atrial fibrillation cryo-balloon catheter/equipment, atrial fibrillation pulsed field ablation catheter/equipment, and implantable cardiac contractility regulator are in the clinical trial stage.

R&D Pipeline of Other Interventional Medical Devices

Category	Product	Development	Pre-Clinical	Clinical	Registration Application	Expected Approval Time
Peripheral						
Drug-Coated Balloons	Below-the-Knee PTA Drug-Coated Balloon	√	√	√	√	Q3, 2025
	☆Intravascular Expansion and Drug Delivery System	√	√	√		Q4, 2027
	Non-Compliant PTA Drug-Coated Balloon Catheter (AVF)	√	√	√		Q4, 2025
Debulking Devices	Peripheral Plaque Rotational Atherectomy	√	√	√		Q3, 2027
	Rapid Thrombus Aspiration Catheter	√	√		√	Q1, 2026
Electrophysiology						
Ultrasound Ablation	☆Renal Denervation Ultrasound Ablation Catheter/Equipment	√	√	√		Q4, 2028
Pulsed Field Ablation	☆Atrial Fibrillation Pulsed Field Ablation Catheter/Equipment	√	√	√		Q2, 2027
Cryoablation	☆Atrial Fibrillation Cryo-Balloon Catheter/Equipment	√	√	√		Q4, 2026
	Transbronchial Endoscopic Cryotherapy Catheter	√	√		√	Q4, 2025
CRM						
Cardiac Rhythm Management	Qinming8632 Automatic Pacemaker	√	√	√		Q4, 2025
	MRI-Compatible Automatic Pacemaker	√	√	√		Q3, 2026
	Implantable Cardioverter-Defibrillator	√				Q4, 2027
Neuromodulation						
Neuromodulation	Implantable Deep Brain Stimulator (DBS)	√	√	√	√	Q4, 2025
	Implantable Vagus Nerve Stimulator (VNS)	√	√	√		Q4, 2026
	Implantable Spinal Cord Stimulator (SCS)	√				Q2, 2027
	Implantable Sacral Nerve Stimulator (SNM)	√				Q2, 2027
Heart Failure						
Atrial Shunt Systems	Bioresorbable atrial shunt	√	√			Q1, 2027
	Radiofrequency-ablated shunt	√	√			Q1, 2027
Left Ventricular Assist Devices	Transcatheter LVAD	√	√			Q4, 2027
	Small-diameter LVAD	√				Q1, 2028
	Coronary-protective LVAD	√				Q2, 2028
Others	☆Implantable CRT-P	√				Q4, 2027
	☆CCM Device	√	√	√		Q3, 2026

Surgical Anesthesia Business: During the reporting period, the surgical anesthesia business generated revenue of 541.314 million yuan, a year-on-year increase of 0.27%. The company systematically advanced volume-based procurement (VBP) participation across provincial alliances while expanding sales channels. Additionally, it actively explored innovative applications in absorbable materials, biomaterials, drug-device combinations, and energy-driven technologies within this segment.

In Vitro Diagnostics (IVD) Business: The company maintains a comprehensive IVD product portfolio spanning biochemistry, immunoassay (chemiluminescence), molecular diagnostics, hematology & coagulation,

and POCT. Revenue for this segment reached 332.5602 million yuan, down 51.31% YoY, primarily due to intensified competition-driven price declines and transitional impacts from workforce and strategic realignments. With restructuring now complete, normalized growth is expected to resume.

(2) Pharmaceuticals

The company is a leading platform for cardiovascular disease management in China, with a product portfolio comprising active pharmaceutical ingredients (APIs) and finished dosage forms. During the reporting period, pharmaceutical revenue reached 1,757.7478 million yuan, down 42.25% YoY, including 1,408.6698 million yuan from generic drugs (down 46.50% YoY) and 349.078 million yuan from APIs (down 14.99% YoY). Following the inclusion of core products in national volume-based procurement (VBP), the company shifted its sales strategy to prioritize OTC retail channels. In 2024, price controls on reimbursed drugs under the NHSA's "Four-Category Drug Pricing Regulation" extended to non-reimbursed OTC products, compressing margins and disrupting retail sales amid declining pharmacy sector performance. This led to a temporary sharp drop in OTC shipments and revenue, though distribution has since stabilized, with generic drug operations expected to normalize. Given persistent VBP pricing pressures and intensifying competition, the company has strategically reduced generic drug investments, reallocating resources to innovative drugs and dermatology injectables to optimize its business mix and enhance long-term competitiveness.

The company's subsidiary, Shanghai Minwei Biotech, focuses on cardiovascular, endocrine, and metabolic diseases, leveraging its proprietary LAGMA GPCR agonist screening platform and RAFTTM ultra-long-acting molecular platform to develop multifunctional biologics with extended half-lives and improved patient compliance. As of the reporting date, the company's self-developed GLP-1/GCGR/GIP-Fc fusion protein candidate MWN101 has completed Phase II clinical trials for obesity and type 2 diabetes, marking China's first GLP-1/GCGR/GIP triple-target GLP-1 analog to enter Phase II clinical studies. The clinical trial applications for candidate drugs MWN109 injection and MWN105 injection have been approved by NMPA and are currently in Phase I trials, while the IND application for MWN109 tablets has been submitted to and accepted by the CDE. Additionally, MWN105 injection and MWN109 injection have received FDA clearance for clinical trials in the U.S.

As of the reporting date, the company's self-developed dulaglutide injection biosimilar (indication: type 2 diabetes) has essentially completed Phase III clinical trials; the semaglutide biosimilar (indications: type 2 diabetes and obesity) has completed Phase I trials demonstrating bioequivalence to the originator and is currently undergoing Phase III trials for type 2 diabetes; atropine eye drops for pediatric myopia have completed Phase I trials and are preparing to enter Phase III clinical trials.

(3) Medical services and health management

The company delivers cardiovascular care and health management through specialized hospitals, diagnostic labs, and e-commerce platforms for medical products. During the reporting period, this segment generated revenue of 1,019.0301 million yuan, down 19.24% YoY. Hefei Cardiovascular Hospital achieved 15.60% YoY revenue growth under new leadership with strong participation from key personnel.

2. Business Model

1. Profit Model

The company's main business involves the research, development, production, and sales of medical devices and drugs in the cardiovascular field, as well as the provision of corresponding medical services. Additionally, the company also has some non-cardiovascular medical device businesses. In the medical device segment, the company mainly generates sales revenue through distributors who act as agents to sell medical device products. Regarding drugs, the company sells through its own sales team at off-hospital pharmacies, and some products participate in centralized procurement. In the medical service area, the company obtains sales revenue by providing medical services to medical institutions or patients. The company's profit mainly comes from the difference between sales revenue and production costs and expenses.

2. Sales Model

The company's products strictly comply with international access standards and adopt a dual-track sales model combining direct sales and agency through online-offline integration, with strategies dynamically tailored to product characteristics, local regulations, market conditions, and customer procurement preferences. For hospital channels, the parent company deploys specialized academic teams to focus on niche areas, while subsidiaries maintain dedicated sales teams by product line. The company implements full-process compliance management for promotional activities, standardizing conduct for sales personnel and distributors through policies including the "Employee Anti-Bribery Agreement" and "Supplier Anti-Bribery Agreement," with internal audits conducting pre-event, in-process, and post-event compliance oversight. Third-party partners undergo compliance due diligence to ensure alignment with corporate policies. A comprehensive budget review mechanism governs all promotional expenditures throughout the payment lifecycle. For retail channels, dedicated OTC pharmacy and e-commerce teams employ hybrid direct/agency sales approaches. The International Division centrally manages overseas sales operations.

3. Production Model

The company has established a complete network of production bases in major economic regions across the country, focusing on strategic locations such as Beijing, Shenzhen, Henan, Zhejiang, and Shanghai. We have fully implemented a "Lean Production" management system, achieving manufacturing upgrades through three core strategies: 1) Demand-driven dynamic supply-demand management; 2) Continuous process optimization for efficiency improvement; and 3) Intelligent collaborative flexible inventory mechanisms. These initiatives systematically drive our lean transformation with integrated "quality enhancement, efficiency improvement, and cost reduction", continuously elevating our smart manufacturing capabilities.

4. R&D Model

The company's R&D center is mainly located in Beijing. The internal R&D is divided into two levels: (1) The headquarters R&D team focuses on fundamental research, technological platform upgrades, and clinical trial management; (2) Subsidiary R&D teams concentrate on product development optimization in specific fields and corresponding clinical trial management. Through continuous exploration, the company has established an integrated industry-academia-research collaboration model, adhering to the principle of "developing one generation, registering one generation, and commercializing one generation." New product development consistently centers on clinical and patient needs, with short-, medium-, and long-term R&D directions and feasibility plans formulated to advance product transformation and industrialization. This approach delivers products with enhanced efficacy and safety while continuously improving product performance and user experience.

5. Procurement Model

The company has a rich variety of products, and the scope of raw material procurement is relatively wide. It mainly adopts two procurement models: general procurement and outsourced procurement. For the procurement of standard parts, the company dynamically formulates procurement plans based on sales forecasts, production plans, and inventory situations. For customized outsourced parts, the company provides technical solutions, strictly selects qualified outsourced manufacturers according to the supplier access system, and implements full-process quality control. Currently, the company has established a complete supplier management system and has nearly a thousand cooperative suppliers, most of which maintain long-term and stable cooperative relationships, providing a strong guarantee for product quality and supply chain security.

3. Key Performance Drivers

1. Growing demand for cardiovascular disease prevention and treatment amid aging population trends

The company specializes in cardiovascular diseases and heart health, delivering high-quality medical products and innovative solutions to healthcare institutions and individuals. With accelerating population aging, demand for diagnosis and treatment of chronic cardiovascular conditions continues to grow. According to National Bureau of Statistics data, by the end of 2024, China's population aged 60 and above reached 310.31 million, accounting for 22.0% of the total population. The 2023 Report on Cardiovascular Health and Diseases in China reveals cardiovascular diseases rank first in mortality causes, representing 48.98% of rural deaths and 47.35% of urban deaths in 2021—approximately 2 out of every 5 deaths. Current cardiovascular disease patients are estimated at 330 million, including 13 million stroke cases, 11.39 million coronary heart disease cases, 8.9 million heart failure cases, 5 million pulmonary heart disease cases, 4.87 million atrial fibrillation cases, 2.5 million rheumatic heart disease cases, 2 million congenital heart disease cases, 45.3 million peripheral artery disease cases, and 245 million hypertension cases, presenting severe prevention and control challenges. Data from the National Interventional Cardiology Conference shows 1,636,055 registered coronary intervention cases in 2023 (excluding military hospitals), a 26.44% year-on-year increase. Under dual pressures of population aging and disease spectrum changes, cardiovascular disease prevention faces critical challenges with sustained market expansion. Through dual drivers of innovation and product upgrades, the company has established a full-cycle product portfolio covering prevention, diagnosis, treatment, and rehabilitation. Bolstered by enhanced product competitiveness and growing market demand, the company's cardiovascular business is poised for high-quality development, contributing professional expertise to China's Health Strategy implementation.

2. Comprehensive portfolio of cardiovascular implantable/interventional products

The company has built a comprehensive portfolio of cardiovascular implant/intervention products, with innovative products successively entering commercialization. Specializing in cardiovascular implantable devices, it has successfully commercialized multiple self-developed innovative devices to diversify revenue streams. Notably, the bioresorbable patent foramen ovale occluder has demonstrated outstanding market performance, contributing significantly to revenue growth. From early 2024 through the reporting date, the company achieved substantial milestones in cardiovascular interventions, securing NMPA approvals for multiple novel products including: coronary intravascular shockwave catheter/equipment, coronary papillary balloon dilatation catheter, radiofrequency transseptal puncture needle/equipment, biodegradable atrial septal defect occluder, transcatheter implantable aortic valve system, anchoring balloon dilatation catheter, peripheral

intravascular shockwave catheter/equipment, peripheral cutting balloon catheter, peripheral drug-coated balloon dilatation catheter, coronary spiny balloon dilatation catheter, and endovenous radiofrequency closure catheter/equipment. These products span key segments including structural heart disease, coronary interventions, and peripheral vascular interventions, positioning them as new growth drivers. Guided by a patient-centric R&D philosophy, the company has established a well-structured product pipeline. Through continuous introduction of clinically valuable innovations, it delivers superior treatment options while advancing toward high-quality development.

3. Layout of consumer-oriented medical products

Considering the impact of domestic medical industry policies and based on years of accumulation in R&D and commercialization, the company actively explores the self-paid medical product market to reduce the impact of industry policy changes on its performance and ensure the company's long-term stable development. Currently, the strategic focus is on two fields: ophthalmology and dermatology. In the ophthalmology segment, the orthokeratology lens product has achieved commercialization and generated revenue. In the dermatology field, it is expected that there will be a peak of approvals for injection-type products within the year, including multiple products such as polylactic acid dermal injection fillers, sodium hyaluronate injection solutions, cross-linked sodium hyaluronate gel for injection, and composite sodium hyaluronate solutions for injection. With the continuous enrichment of the product pipeline, these consumer medical products are expected to become new engines driving the company's performance growth.

4. Continuous advancement of overseas market

Geopolitics is reshaping the global trade pattern, having a profound impact on the global economy. Medical industry enterprises face challenges and opportunities. At this stage, as a core pillar of the company's strategic development, internationalization continues to be advanced through multi-dimensional layouts. Currently, the company has established a full-category medical device export matrix covering fields such as vascular access, occluders, in-vitro diagnostics, surgical anesthesia, and monitoring. Among them, 213 products have obtained EU CE certifications, forming a significant certification advantage. In terms of global layout, the company has constructed a three-dimensional sales network covering more than 160 countries and regions, radiating major medical markets in Asia, Europe, North America, and the Middle East. By implementing the "dual-wheel" drive strategy of "channel refinement + product diversification", the overseas business has maintained a steady growth trend. To strengthen its international brand influence, the company continuously participates in top-level global medical exhibitions and academic conferences, demonstrating innovative technical solutions and deepening strategic cooperation with international distributors and KOL experts. With its excellent product matrix and end-to-end service system, the company's overseas sales performance has increased. In addition, the company is focusing on cultivating cross-border e-commerce as a new growth point and actively exploring new digital overseas expansion models.

5. Artificial intelligence technology driving the upgrading and innovation of the medical industry

In recent years, artificial intelligence technology has been booming and accelerating its penetration into the medical industry. With the continuous iteration of technology, the medical industry ecosystem is expected to undergo a comprehensive transformation. The company relies on artificial intelligence and big data technology to continuously promote innovative applications in the medical field. In the field of vital sign monitoring, the company's globally first artificial intelligence electrocardiogram analysis software, AI-ECG Platform, has

obtained NMPA/FDA/CE triple certifications. Through the application and promotion of the AI-ECG system, this technology has achieved a technological innovation in the traditional electrocardiogram monitoring mode and has intelligently upgraded the electrocardiogram machines and electrocardiogram modules of monitors. The Shenzhen subsidiary, Lepu Cloud Technology, is responsible for the continuous R&D and commercialization of this product and continuously improves its market share through technological iteration. In the field of blood glucose monitoring, the company's independently designed and developed non-invasive blood glucose meter, NeoGLU®, which uses multi-parameter measurement and an AI algorithm model, has been successfully approved for marketing. The company's Artificial Intelligence Research Institute has developed a new-generation implantable CGM product, NeoGLU COMFORT®, based on artificial intelligence algorithms and has submitted it for registration. The GluRing® non-invasive continuous blood glucose meter based on big data artificial intelligence has also been applied for registration. In response to the shortage of optometry physicians in China, the company has innovatively launched the AI orthokeratology lens intelligent evaluation system, "Lepu Jingmou AI". This system optimizes the lens parameter selection process through intelligent algorithms, can significantly reduce the dependence on manual experience during the fitting process, provides the optimal fitting solution, and shortens the fitting time by more than 50%, effectively reducing the risk of cross-infection during the trial-fitting process and helping to improve the efficiency of myopia prevention and control. In the field of medical imaging, the coronary angiography fractional flow reserve calculation software has been approved for marketing.

III. Core Competitiveness Analysis

1. Continuous R&D Investment, Deep Cultivation in the Cardiovascular Implantable and Interventional Field

The company deeply cultivates the fields of cardiovascular disease diagnosis and treatment, providing comprehensive medical devices, drugs, medical services, and full-cycle health management solutions for medical institutions and patients. In the fields of coronary implantable and interventional procedures and structural heart disease, the company has constructed a one-stop surgical solution system. At the same time, through a complete R&D pipeline layout, it comprehensively covers other cardiovascular implantable and interventional fields. With more than 20 years of professional accumulation, the company has always maintained a leading position in the field of cardiovascular intervention in China and has successfully commercialized many "first-in-China" products, including drug-eluting coronary stent, dual-chamber cardiac pacemaker, bioresorbable coronary stent, coronary cutting balloon, and biodegradable occluder. The company's innovative coronary intervention product portfolio has led China's PCI into a new era of "intervention without implantation", achieving remarkable commercial success. Among them, the R&D breakthrough of the biodegradable occluder marks a new step in the independent innovation of China's cardiovascular medical devices and has become a major technical breakthrough in the field of interventional treatment. As the first domestic enterprise to apply AI technology to electrocardiogram monitoring, the company realizes the full process management of cardiovascular disease prevention-diagnosis-treatment-rehabilitation through the intelligent electrocardiogram monitoring digital service platform. All products have undergone large-scale real-world clinical verification, and their excellent quality system and clinical value have been highly recognized by both doctors and patients. The strong brand influence has become the company's core competitive advantage in the field of cardiovascular intervention.

2. Integration of Medical and Engineering, Strong Technological Innovation Capability

The company is committed to building a multi-disciplinary integrated technology platform covering fields such as devices, consumables, biomedical engineering, biodegradable materials, and artificial intelligence, continuously promoting the innovation of medical devices. Relying on this platform-based technology system, the company provides better medical solutions for medical institutions and patients through cross-field collaborative R&D. After years of accumulation, the company has formed a composite talent echelon covering fields such as materials science, engineering, clinical, and computer science, forming a R&D team with multi-disciplinary cross-advantages. In terms of R&D strategy, the company dynamically evaluates the commercialization potential of projects from a forward-looking perspective, scientifically adjusts R&D nodes, ensures that products can quickly respond to market demands after listing, and realizes efficient commercialization. With professional team configuration and an efficient collaboration mechanism, the company demonstrates excellent R&D execution capabilities. In the field of cardiovascular implantable and interventional procedures, the clinical team not only has rich experience in medical device clinical trials but also has a deep understanding of relevant regulatory requirements. The company owns a cardiovascular specialty hospital equipped with an animal experiment center and a clinical research center, realizing a closed-loop management system from R&D to clinical practice. The company continuously conducts R&D and expands its coronary implantable and interventional innovation product matrix and structural heart disease innovation product matrix. These products have not only been recognized by the market but also provided strong impetus for the company's continuous growth. Currently, the company has forward-looking R&D projects in six implantable and interventional fields, including coronary implantable and interventional procedures, peripheral implantable and interventional procedures, structural heart disease, electrophysiology, cardiac rhythm management, heart failure management, and neuromodulation. These pipelines representing "new-quality productivity" will continuously consolidate the company's leading position in the cardiovascular implantable and interventional field.

3. Coordinated Sales Channels, Accelerating the Product Commercialization Process

The company's sales network spreads across China, covering more than 9,000 medical institutions at all levels, including more than 3,000 hospitals with PCI surgery capabilities, and more than 360,000 retail pharmacies. The coverage rate of the top 100 chain pharmacies is nearly 90%. In addition, the company's business has also expanded to more than 160 countries and regions overseas. Based on product characteristics and market positioning, the company has constructed a strategic system of refined self-operation and distribution.

In the in-hospital market, in the field of cardiovascular implantable and interventional procedures, the company achieves in-depth clinical penetration relying on professional doctor teams. Through more than 20 years of industry accumulation, an efficient coordination mechanism for market promotion, channel construction, and distributor management has been formed. As a core-controlled subsidiary, Lepu ScienTech demonstrates a more significant competitive advantage in the commercialization of innovative products compared to single-pipeline enterprises with its independent and professional sales system. In the off-hospital market, the OTC team is fully responsible for the distribution and marketing of generic drugs and Chinese patent medicines at retail terminals and includes the sales of health management medical devices in regular assessments. The e-commerce team focuses on the sales of consumer-grade medical devices and continuously explores innovative business models such as DTC, realizing the linkage between online and offline channels. In the overseas market, the international business department has established a global sales network in Asia, Europe, North America, and the Middle East through the strategy of "regional deep-cultivation + channel

diversification". The company actively explores the sales potential of overseas e-commerce platforms, focusing on developing cross-border e-commerce platforms in Southeast Asia and other regions to cultivate new incremental markets.

4. Diversified Business Layout and Strategic Adjustment

The company has established a diversified business layout through independent R&D and strategic acquisitions. It owns three core business segments: medical devices, pharmaceuticals, and medical services & health management. These businesses have significantly supported the company's growth at different development stages. In the past few years, the company expanded rapidly by acquiring and integrating businesses in the fields of pharmaceuticals, surgery, and in vitro diagnostics, and leveraging management empowerment, which significantly enhanced its overall competitiveness. The diversified platform-based business structure effectively mitigates the policy and market risks of single products, providing a sustainable growth engine for the company's medium-and long-term stable development.

In recent years, with the evolution of policy orientations and market environments, the prosperity of each business segment has diverged, testing the management output of diversified businesses. Based on its judgment of the macro-environment and industry trends, the company is dynamically adjusting the development strategies of each business segment to promote overall sustainable and high-quality development. In the pharmaceutical segment, the company is gradually reducing its investment in generic drugs and focusing on cardiovascular innovative drugs and dermatology injectables through both investment-acquisitions and independent R&D. In the consumer healthcare segment, the company is strategically expanding into high-growth areas such as ophthalmology while structurally optimizing some highly competitive "red-ocean" businesses to improve profitability.

5. Strengthening Governance System and Hierarchical Control for Continuous Operational Efficiency Improvement

After over two decades of stable development, the company has established a corporate governance system with clear rights and responsibilities, effective checks and balances, and high-efficiency collaboration. Under this framework, the company continuously consolidates its governance foundation, dynamically optimizes its internal control mechanism, further refines its hierarchical management system, and implements a Key Performance Indicator (KPI) assessment mechanism for subsidiaries and business divisions. It conducts regular operational audits and business diagnoses, and exercises vertical management over core subsidiaries by dispatching senior management teams to directly oversee strategic modules such as R&D, marketing, and finance. Through this fine-grained control model, the company improves operational efficiency and optimizes costs. The company attaches great importance to compliance and internal control, building a multi-level compliance management system and issuing guidelines such as the Employee Anti-Commercial Bribery Agreement and the Supplier Anti-Commercial Bribery Agreement to regulate the behavior of employees and partners. By establishing a sound long-term development mechanism and continuously iterating its governance structure, the company achieves long-term high-quality business development.

IV. Analysis of primary business

1. Overview

During the reporting period, the Company achieved operating revenue of RMB 6,103.2691 million, a year-on-year decrease of 23.52%; net profit attributable to shareholders of the listed company of RMB 246.9377 million, a year-on-year decrease of 80.37%; and net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses of RMB 221.4304 million, a year-on-year decrease of 80.28%. Net cash flow from operating activities was RMB 734.6439 million, a year-on-year decrease of 25.82%.

At the end of the reporting period, in accordance with the *Accounting Standards for Business Enterprises* and the *Listing Rules of the Shenzhen Stock Exchange*, the Company conducted a systematic impairment test on assets showing signs of impairment in 2024 and on all goodwill arising from investments. An independent professional valuation agency was engaged to assess specific companies. Most enterprises, particularly several large-scale ones, maintained sound operations with no impairment risks. Based on the Company's prudent assessment, total impairment losses on goodwill and other specific assets amounted to RMB 251.2809 million, impacting net profit attributable to shareholders of the listed company by RMB 216.6694 million. These primarily included: goodwill of RMB 89.1017 million from the acquisition of Suzhou Bosimei, with impairment provision of RMB 59.2822 million; goodwill of RMB 9.3428 million from the acquisition of Lepu Equipment, with impairment provision of RMB 3.6656 million; emergency product inventory impairment provision of RMB 135.7509 million after prudent evaluation; self-developed COVID-19 POCT intangible asset impairment provision of RMB 15.7897 million; and full impairment provisions totaling RMB 36.7924 million for discontinued R&D projects related to exenatide and nesiritide drug technologies.

At the end of the reporting period, the Company's total assets were RMB 24,573.1002 million, a decrease of 1.80% from the beginning of the period; net assets attributable to shareholders of the listed company were RMB 15,201.4214 million, a decrease of 4.85%; and weighted average ROE was 1.59%.

Excluding the impact of the above-mentioned goodwill and specific asset impairments, net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses would have been RMB 438.0998 million, a year-on-year decrease of 64.94% on a comparable basis.

The medical device segment accounted for the largest revenue share. During the reporting period, it generated revenue of RMB 3,326.4913 million, down 9.47% YoY, including:

Coronary Intervention: Revenue of RMB 1,621.8145 million, up 6.35% YoY;

Structural Heart Disease: Revenue of RMB 469.3145 million, up 44.03% YoY;

Surgical and Anesthesia: Revenue of RMB 541.3140 million, up 0.27% YoY;

In Vitro Diagnostics: Revenue of RMB 332.5602 million, down 51.31% YoY.

Pharmaceutical segment revenue was RMB 1,757.7478 million, down 42.25% YoY, including: Formulations (Generics): Revenue of RMB 1,408.6698 million, down 46.50% YoY; APIs: Revenue of RMB 349.0780 million, down 14.99% YoY.

Medical services and health management segment reported revenue of RMB 1,019.0301 million, down 19.24% YoY. The Company provides cardiovascular healthcare services and management through specialized hospitals, diagnostic labs, and e-commerce platforms for medical supplies. Hefei Cardiovascular Hospital achieved rapid growth under new leadership, with revenue up 15.60% YoY.

2. Income and cost

(1) Composition of operating income

Unit: RMB

	2024		2023		Year-on-year increase/decrease
	Amount	Proportion to operating income	Amount	Proportion to operating income	
Total operating income	6,103,269,105.88	100%	7,979,899,319.74	100%	-23.52%
By industry					
Medical Device	3,326,491,257.02	54.50%	3,674,284,127.78	46.04%	-9.47%
Pharmaceutical	1,757,747,768.26	28.80%	3,043,785,611.77	38.14%	-42.25%
Medical services and health management	1,019,030,080.60	16.70%	1,261,829,580.19	15.81%	-19.24%
By product					
By region					
Overseas	1,001,758,188.08	16.41%	1,027,397,862.47	12.87%	-2.50%
Chinese mainland	5,101,510,917.80	83.59%	6,952,501,457.27	87.13%	-26.62%
By sales model					

(2) Industries, products, regions or sales models making up over 10% of the Company's operating income or operating profit

Unit: RMB

	Operating income	Operating cost	Gross profit margin	Year-on-year increase/decrease in operating income	Year-on-year increase/decrease in operating cost	Year-on-year increase/decrease in gross profit margin
By industry						
Medical Devices	3,326,491,257.02	1,011,376,771.63	69.60%	-9.47%	-17.38%	2.91%
Pharmaceuticals	1,757,747,768.26	813,026,692.22	53.75%	-42.25%	-14.68%	-14.94%
Medical services and health management	1,019,030,080.60	563,243,637.78	44.73%	-19.24%	-16.72%	-1.67%
By product						
By region						
Overseas	1,001,758,188.08	561,874,997.77	43.91%	-2.50%	-8.19%	3.48%
Chinese mainland	5,101,510,917.80	1,825,772,103.86	64.21%	-26.62%	-18.54%	-3.55%

(3) Whether the Company's income from physical sales is greater than the labor service income

☒ Yes ☐ No

Industry	Item	Unit	2024	2023	Year-on-year increase/decrease
Medical Devices	Sales volume	Unit/strip	50,903,462	69,879,778	-27.16%
	Production volume	Unit/strip	51,141,856	71,167,439	-28.14%
	Inventory volume	Unit/strip	8,109,869	7,871,475	3.03%
Pharmaceuticals	Sales volume	unit/kg	296,876,217	335,453,495	-11.50%
	Production volume	unit/kg	306,198,936	338,811,636	-9.63%

	Inventory volume	unit/kg	26,752,544	17,429,825	53.49%
Medical services and health management	Sales volume	Unit/strip	6,559,304	11,445,153	-42.69%
	Production volume	Unit/strip	6,784,536	11,748,208	-42.25%
	Inventory volume	Unit/strip	1,729,772	1,504,540	14.97%

Reasons why the relevant data changed by over 30% year on year

Sales volume, production volume, and inventory represent aggregated data of various products with different unit prices and costs. During the reporting period, the Company's pharmaceutical inventory increased by 53.49% year-over-year, primarily due to a smaller decline in sales volume compared to the decrease in production volume. For healthcare services and health management, both sales and production volumes decreased by 54.03% and 58.40% respectively year-over-year, mainly attributable to the Company's strategic focus on high-value products and consumables.

(4) Performance of major sales contracts signed by the Company as of the reporting period

☐Applicable ☒Not Applicable

(5) Composition of operating costs

Product Category

unit: RMB

Industry	Item	2024		2023		Year-on-year increase/decrease
		Amount	Proportion to operating cost	Amount	Proportion to operating cost	
Medical Devices	Raw materials	427,324,577.50	42.25%	485,640,800.34	39.67%	-12.01%
Pharmaceuticals	Raw materials	431,150,112.52	53.03%	651,247,302.28	68.34%	-33.80%
Medical services and health management	Raw materials	290,150,681.07	51.51%	360,661,680.07	53.33%	-19.55%

(6) Whether there was any change in the consolidation scope during the reporting period

☒Yes ☐No

In 2024, the Company added Shanghai Minwei, Shenzhen Ruihan, and Lepu Switzerland GmbH to its portfolio, while divesting Qinming Medical and Lejian Clinic.

(7) Major changes or adjustments of the Company's business, products or services during the reporting period

☐Applicable ☒Not Applicable

(8) Major customers and major suppliers

Major customers of the Company

Aggregate sales amount from top five customers (RMB)	342,652,239.73
Proportion of aggregate sales amount of top five customers' sales to total annual sales	5.61%
Proportion of related party sales among sales of top five customers to total annual sale	0.00%

Information of top 5 customers of the Company

No.	Customer's name	Sales amount (RMB)	Proportion to the total annual sales amount
1	Customer 1	80,151,918.59	1.31%

2	Customer 2	73,135,847.85	1.20%
3	Customer 3	68,374,697.35	1.12%
4	Customer 4	60,594,461.22	0.99%
5	Customer 5	60,395,314.72	0.99%
Total	--	342,652,239.73	5.61%

Major suppliers of the Company

Total purchase amount achieved through the top 5 suppliers (RMB)	173,202,006.22
Proportion of total purchase achieved through top 5 suppliers in the total annual purchase amount of the Company	6.47%
Proportion of the total purchase amount achieved through related parties among the top 5 customers in the total annual purchase amount of the Company	3.28%

Information of top 5 suppliers of the Company

No.	Supplier's name	Purchase amount (RMB)	Proportion to the total annual purchase amount
1	Supplier 1	44,169,199.84	1.65%
2	Supplier 2	43,570,188.35	1.63%
3	Supplier 3	39,110,922.55	1.46%
4	Supplier 4	25,900,368.05	0.97%
5	Supplier 5	20,451,327.43	0.76%
Total	--	173,202,006.22	6.47%

3. Expenses

Unit: RMB

	2024	2023	Year-on-year increase/decrease	Reasons for major changes
Selling expenses	1,436,940,700.37	1,624,613,745.79	-11.55%	
General and administrative expenses	799,337,214.54	815,825,521.24	-2.02%	
Financial expenses	42,243,911.43	84,928,947.12	-50.26%	The decrease in financial expenses was primarily driven by increased foreign exchange gains due to currency fluctuations affecting the Company's foreign-denominated assets/liabilities during the reporting period.
R&D expenditures	769,557,235.27	879,418,426.88	-12.49%	

4. R&D input

R&D personnel of the Company

	2024	2023	Change ratio
Number of R&D persons	1,285	1,676	-23.33%
Proportion of R&D persons	14.60%	16.60%	-2.00%
Educational background of R&D personnel			
Bachelor	721	929	-22.39%
Master	293	326	-10.12%
Doctor	24	25	-4.00%
Age of R&D persons			
Under 30 years old	365	612	-40.33%
30~40 years old	734	848	-13.46%

R&D input of the Company

	2024	2023	Change ratio
Amount of R&D input (RMB)	1,165,248,636.87	1,241,657,991.24	1,283,678,170.61

Proportion of R&D input in operating income	19.09%	15.56%	12.10%
Capitalized amount of R&D input (RMB)	395,691,401.60	362,239,564.36	326,616,102.82
Proportion of capitalized amount of R&D input in R&D input	33.96%	29.17%	25.44%
Proportion of capitalized amount of R&D input in net profit	200.56%	28.03%	14.54%

5. Cash flow

Unit: RMB

Item	2024	2023	Year-on-year increase/decrease
Subtotal of cash inflow from operating activities	6,561,773,639.50	8,409,445,745.78	-21.97%
Subtotal of cash outflow from operating activities	5,827,129,750.43	7,419,085,931.47	-21.46%
Net cash flow from operating activities	734,643,889.07	990,359,814.31	-25.82%
Subtotal of cash inflow from investing activities	957,160,119.04	761,633,650.56	25.67%
Subtotal of cash outflow from investing activities	1,701,062,180.27	2,647,832,697.91	-35.76%
Net cash flow from investing activities	-743,902,061.23	-1,886,199,047.35	60.56%
Subtotal of cash inflow from financing activities	3,218,352,229.41	3,044,187,117.84	5.72%
Subtotal of cash outflow from financing activities	3,703,571,153.11	3,337,104,910.79	10.98%
Net cash flow from financing activities	-485,218,923.70	-292,917,792.95	-65.65%
Net increase in cash and cash equivalents	-485,555,354.45	-1,209,342,799.91	59.85%

Main reasons for the major year-on-year changes in relevant data

(1) Net cash outflow from investing activities was RMB 743.9021 million, a decrease of RMB 1,142.2970 million compared with the same period last year, primarily due to the purchase of large-denomination certificates of deposit amounting to RMB 450 million in the same period last year, coupled with a RMB 319.9166 million year-on-year decrease in cash paid for acquiring subsidiaries during the reporting period.

(2) Net cash outflow from financing activities was RMB 485.2189 million, an increase of RMB 192.3011 million compared with the same period last year, mainly attributable to the Company's emphasis on reasonable investment returns for shareholders, resulting in a RMB 285.2180 million year-on-year increase in cash dividend payments during the reporting period.

Explanation for material differences between net cash flow from operating activities and net profit: The significantly higher net cash flow from operating activities compared to net profit was principally caused by non-cash expense items in the profit composition, including depreciation and amortization totaling RMB 656.4634 million during the reporting period.

V. Non-primary business

Unit: RMB

	Amount	Proportion of Total Profit	Explanation of Formation Reasons	Sustainability
Investment Income	-89,713,050.06	-39.74%	The investment loss is mainly due to the recognized share of investment losses of affiliated companies during the reporting	No

			period. Some affiliated companies are in the initial stage of research and development, resulting in book losses for the invested enterprises in the short to medium term.	
Fair Value Change Gain or Loss	389,477.71	0.17%	The fair value change gain is mainly due to the fair value changes of the wealth management products held by the company during the reporting period.	No
Asset Impairment	-287,867,093.11	-127.51%	The asset impairment loss is mainly due to the provision for inventory of some emergency products and the impairment of goodwill of individual companies.	No
Non-operating Income	13,225,333.92	5.86%	The non-operating income is mainly due to government subsidies such as government incentive funds received by the company during the reporting period.	No
Non-operating Expenses	40,603,998.68	17.99%	The non- operating expenses are mainly due to the company's external social donations and inventory damage and write - off.	No
Other Income	93,561,373.25	41.44%	The other income is mainly due to government subsidies related to daily activities received by the company.	No

VI. Analysis of assets and liabilities

1. Major changes in asset composition

Unit: RMB

	End of 2024		Beginning of 2024		Increase/ decrease in proportion	Reasons for major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary Funds	3,718,016,911.13	15.13%	4,220,754,806.78	16.87%	-1.74%	
Accounts Receivable	1,530,657,231.48	6.23%	1,753,160,708.35	7.01%	-0.78%	
Inventories	2,030,235,942.18	8.26%	2,289,473,586.38	9.15%	-0.89%	
Investment Property	463,953,038.77	1.89%	296,774,138.94	1.19%	0.70%	
Long-term Equity Investments	1,189,771,189.43	4.84%	1,353,760,737.79	5.41%	-0.57%	The increase in investment property is

						mainly due to the increase in leased-out houses by the company during the reporting period.
Fixed Assets	3,991,276,420.92	16.14%	2,812,962,375.74	11.24%	4.90%	
Constructions in progress	533,097,328.96	2.17%	1,797,285,664.72	7.18%	-5.01%	The increase in fixed assets is mainly due to the completion and transfer of some construction-in-progress projects to fixed assets during the reporting period.
Right-of-use assets	338,472,348.46	1.38%	326,430,233.20	1.30%	0.08%	The decrease in construction-in-progress is mainly due to the completion and transfer of some construction-in-progress projects to fixed assets during the reporting period.
Short-term borrowing	301,656,435.95	1.23%	1,039,743,103.15	4.16%	-2.93%	
Contract Liabilities	242,043,458.27	0.98%	269,519,519.47	1.08%	-0.10%	The decrease in short-term borrowings is mainly due to the company's adjustment of its financing structure during the reporting period.
Long-term Borrowings	2,015,583,172.32	8.20%	1,542,190,754.84	6.16%	2.04%	
Lease Liabilities	251,912,745.16	1.03%	269,967,672.04	1.08%	-0.05%	The increase in long-term borrowings is mainly due to the company's adjustment of its financing structure to meet its medium-and long-term funding needs during the reporting period.

Notes Receivable	116,747,820.08	0.48%	84,509,973.95	0.34%	0.14%	
Financing of Receivables	159,509,608.70	0.65%	83,407,668.79	0.33%	0.32%	The increase in notes receivable is mainly due to the increase in accepted bills received by the company during the reporting period.
Non-current Assets Due within One Year	33,010,145.09	0.13%	3,302,070.61	0.01%	0.12%	The increase in financing of receivables is mainly due to the increase in accepted bills received by the company during the reporting period.
Deferred Income Tax Assets	314,866,760.31	1.28%	167,324,190.66	0.67%	0.61%	The increase in non-current assets due within one year is mainly due to the maturity of some large-value certificates of deposit within one year during the reporting period.
Notes Payable	87,698,748.88	0.36%	167,917,721.65	0.67%	-0.31%	The increase in deferred income tax is mainly due to the increase in deferred income tax assets recognized for the losses of the company's subsidiaries during the reporting period.
Taxes Payable	135,655,297.65	0.55%	199,105,826.66	0.80%	-0.25%	The decrease in notes payable is mainly due to the decrease in the outstanding balance of unsettled acceptance bills used by the company during the reporting period.
Non-current	1,591,697,242.	6.48%	498,035,202.06	1.99%	4.49%	The decrease in

Liabilities Due within One Year	05						taxes payable is mainly due to the decrease in value-added tax and corporate income tax resulting from the decline in the company's business volume during the reporting period.
Treasury Shares	608,492,292.32	2.48%	431,064,877.67	1.72%	0.76%		The increase in non-current liabilities due within one year is mainly due to the increase in long-term borrowings due within one year during the reporting period.
Other Comprehensive Income	-41,347,794.62	-0.17%	-80,892,863.74	-0.32%	0.15%		The increase in treasury shares is mainly due to the increase in share repurchases by the company during the reporting period.

VII. Analysis of investment status

Investment amount during the reporting period (RMB)	Investment amount in the same period of previous year (RMB)	Change ratio
1,493,791,800.21	1,829,742,535.53	-18.36%

VIII. Sales of major assets and equity

The Company did not sell major assets during the reporting period

IX. Analysis of major shareholding companies

Information of major subsidiaries and affiliated companies whose net profit impact on the company exceeds 10%

Unit: RMB

Company Name	Company Type	Main Business	Registered Capital	Total Assets	Net Assets	Operating Revenue	Operating Profit	Net Profit
Lepu ScienTech	Subsidiary	Technical development, technical consultation, technical services, and technology transfer in	324.294997 million	2,083,031,430.32	1,997,049,397.80	471,643,607.84		

		the field of shape - memory alloys and related medical materials and devices; engage in the import and export of goods and technologies						
Lepu Pharmaceutical	Subsidiary	Production, research and development, and sales of powder injections, tablets, hard capsules, APIs, lyophilized powder injections, etc.	55.00 million	3,227,693,327.03	2,800,811,578.42	855,297,021.32		
Zhejiang Lepu Pharmaceutical	Subsidiary	Production of tablets, hard capsules, and APIs; production and sales of pharmaceutical intermediates and chemical products; engage in import and export business; research and development and technology transfer of drugs	160.00 million	2,573,048,361.32	2,044,333,932.52	941,857,160.66		
Bingkun Medical	Subsidiary	Production, research and development, and sales of surgical medical devices such as	396.258193 million	1,023,202,829.92	921,879,797.32	546,304,822.78		

		staplers and ultrasonic scalpels, as well as auxiliary anesthesia and nursing devices such as central venous catheter kits and invasive medical blood pressure sensors						
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Situation of Obtaining and Disposing of Subsidiaries during the Reporting Period

Company Name	Method of Obtaining and Disposing of Subsidiaries during the Reporting Period	Impact on Overall Production, Operation, and Performance
Shanghai Minwei	Increased capital to acquire a 27.5% stake, with the shareholding ratio reaching 55%	No material impact
Shenzhen Ruihan	Acquired a 21.19% stake, with the shareholding ratio reaching 71.27%	No material impact
Hangzhou Anyou Eye Clinic Co., Ltd.	Disposed of 100% of its equity	No material impact
Suzhou Jingmou Medical Technology Co., Ltd.	Disposed of 100% of its equity	No material impact
Xi'an Qinming Medical Instrument Co., Ltd.	Disposed of 100% of its equity	No material impact
Beijing Lejian Dongwai Clinic Department Co., Ltd.	Disposed of 100% of its equity	No material impact
Changsha Runjie Medical Device Co., Ltd.	Disposed of 100% of its equity	No material impact

Explanation of the Situation of Major Holding and Affiliated Companies

- During the reporting period, the operating revenue of Lepu ScienTech Technology increased by 44.40% year-on-year. As of December 31, 2024, the total assets and net assets of Lepu ScienTech Technology increased by 4.75% and 3.66% year-on-year respectively, mainly due to profit contributions and dividends during the reporting period.
- During the reporting period, the operating revenue of Lepu Pharmaceutical decreased by 56.56% year-on-year. As of December 31, 2024, the total assets and net assets of Lepu Pharmaceutical decreased by 7.40% and 3.92% year-on-year respectively, mainly due to profit contributions and dividends during the reporting period.
- During the reporting period, the operating revenue of Zhejiang Lepu Pharmaceutical decreased by 18.52% year-on-year. As of December 31, 2024, the total assets and net assets of Zhejiang Lepu Pharmaceutical increased by 2.73% and 8.00% year-on-year respectively, mainly due to profit contributions and dividends during the reporting period.
- During the reporting period, the operating revenue of Bingkun Medical decreased by 0.60% year-on-year. As of December 31, 2024, the total assets and net assets of Bingkun Medical increased by 13.67% and 16.21% year-on-year respectively, mainly due to profit contributions during the reporting period.

The above data are all based on the consolidated financial statements of each subsidiary.

X. Outlook on the Company's Future Development

1. Development Strategy

The company adheres to the medium-and long-term development strategy of "Innovation, Consumption, Internationalization, Integration, Efficiency-enhancement, and Stable Development". Through years of coordinated internal growth and external expansion, its business segments cover medical devices,

pharmaceuticals, medical services and health management, with medical devices, especially cardiovascular interventional devices, being the core business. As a leader in the coronary interventional field, the company has become a leading enterprise in this niche market after more than 20 years of in-depth cultivation. Leveraging the technical advantages and clinical experience in the coronary interventional field, the company is horizontally expanding into sub-fields of cardiovascular interventional devices such as peripheral vascular intervention, structural heart disease, CRM and electrophysiology. These emerging businesses will be important drivers of future performance growth. To enhance risk resistance and optimize the revenue structure, the company has proactively laid out the consumer healthcare segment, cultivating new performance growth points by developing non-insurance-dependent products and achieving diversified business development.

In terms of innovation, the company deeply explores the interventional medical device field. Through continuous R&D investment, it has constructed an R&D matrix covering all sub-fields. Based on a forward-looking analysis and judgment of the market landscape, the company dynamically adjusts the R&D progress of projects, giving priority to projects with high R&D barriers and clear commercialization paths. The company has integrated professionals from fields such as materials science, biomedical engineering, clinical and artificial intelligence to form a R&D team. It has now built a multi-dimensional system including device, consumable, engineering, biodegradable material and AI, laying the foundation for developing innovative medical devices with global competitiveness. Currently, its R&D pipeline has a comprehensive layout in sub-fields such as coronary interventions, peripheral interventions, structural heart disease, CRM, electrophysiology, heart failure management, and neuro-regulation. Against the backdrop of the normalization of volume-based procurement, the company adheres to innovation-driven development, and the proportion of innovative products continues to increase. The company has successfully launched a portfolio of innovative coronary interventions and a portfolio of innovative structural heart disease products, and achieved commercial success for some products.

In the future, the company's R&D directions mainly include the following four aspects:

(1) Collaborative innovation of devices and consumables: The company focuses on developing core R&D products such as cryoablation balloon systems and PFA catheters by systematically integrating energy platforms and consumables.

(2) Integration of tissue regeneration engineering and interventions: The company is building a composite technical platform of "tissue engineering materials + interventions", including core technical matrices such as a hydrogel platform, an animal-derived patch platform, and a collagen platform.

(3) Industrial application of biodegradable material: As a pioneer in the field of biodegradable interventions in China, the company has established a complete product echelon. In 2019, the company's coronary bioresorbable stent was approved by NMPA. In 2022, the company's biodegradable occluder was approved. In 2023, the company's biodegradable patent foramen ovale occluder was approved. In 2024, the company's biodegradable atrial septal defect occluder was approved. Currently, the NeoSorb® biodegradable patent foramen ovale occluder and the Bio-Lefort® biodegradable left atrial appendage occluder are in the clinical trial stage.

(4) Exploration of the application of artificial intelligence in medical: The company's Artificial Intelligence Research Institute has submitted a registration application for the new-generation implantable CGM product NeoGLU COMFORT® developed based on artificial intelligence algorithms, and the GluRing® non-invasive continuous blood glucose monitor based on big-data-driven artificial intelligence has also been applied for registration.

In the innovative drug sector, the company's subsidiary Shanghai Minwei Biotech focuses on cardiovascular, endocrine, and metabolic diseases and their complications, possessing three proprietary technology platforms: the LAGMA GPCR agonist screening platform, RAFTTM ultra-long-acting molecular development platform, and Dual-siRNA development platform. These platforms enable the development of multi-target drugs (such as GLP-1/GIP), long-acting antibodies with extended half-lives and reduced clinical dosages, and novel small RNA therapeutics with dosing intervals up to six months or longer. As of the reporting date, the company's self-developed GLP-1/GCGR/GIP-Fc fusion protein candidate MWN101 has completed Phase II clinical trials for obesity and type 2 diabetes, marking China's first GLP-1/GCGR/GIP triple-target GLP-1 analog to enter Phase II clinical studies. The clinical trial applications for candidate drugs MWN109 injection and MWN105 injection have been approved by NMPA and are currently in Phase I trials, while the IND application for MWN109 tablets has been submitted to and accepted by the CDE. Additionally, MWN105 injection and MWN109 injection have received FDA clearance for clinical trials in the U.S.

In the consumer healthcare segment, the company continues to promote the R&D of ophthalmology and dermatology products. As of the report disclosure date, the company's in-development products such as polylactic acid dermal injection fillers, injectable cross-linked sodium hyaluronate gels, injectable sodium hyaluronate solutions, and injectable sodium hyaluronate composite solutions have entered the registration application stage, and the cross-linked sodium hyaluronate gel containing poly-L-lactic acid is in the clinical trial stage.

In terms of internationalization, the company continues to develop its overseas business through a rich product portfolio and multi-channel sales system. Its overseas-sold products include coronary access devices, occluders, in vitro diagnostic products, staplers, and active pharmaceutical ingredients. The company continues to promote the overseas registration and application of its products. As of the end of the reporting period, the company has a cumulative total of 2,332 patent applications, 670 Class II and Class III medical device registration certificates approved by the National Medical Products Administration, 34 US FDA certifications, and 213 EU CE certifications.

2. 2025 Business Plan

In 2024, affected by the National Healthcare Security Administration's "Four-same Drugs" price regulation, the prices of in-hospital drugs were transmitted to the OTC market, and the prices of non-medical-insurance drugs were also under pressure. This led to blocked OTC terminal sales and a downward trend in the prosperity of the physical pharmacy industry. Against this backdrop, the company's pure sales and shipments of generic drugs at the retail channel declined significantly in the short term, and the revenue of pharmaceutical was affected. Given the challenges faced by the generic drug industry as a whole, such as volume-based procurement price cuts and intensified market competition, the company has strategically reduced its investment in the generic drug business and gradually shifted resources to the R&D of innovative drugs and dermatology injectables to optimize its business structure and enhance its long-term competitiveness.

In 2024, affected by the macro-environment and industry policies, the commercialization of innovative cardiovascular interventions slowed down. In 2025, the company will continue to promote the commercialization of the following key products: coronary intravascular shockwave catheters/devices, coronary papillary balloons, radiofrequency atrial septal puncture needles/devices, biodegradable atrial septal defect occluders, transcatheter aortic valves, anchoring balloons, peripheral intravascular shockwave catheters/devices, peripheral cutting balloons, drug-coated peripheral balloons, coronary spinous balloons, and endovenous radiofrequency closure catheters/devices. These products are expected to achieve commercial value with their

excellent performance, laying a solid foundation for the company's medium-and long-term development.

In 2025, the company plans to achieve steady revenue growth while rationally controlling costs and expenses through fine-grained management. The specific business plans for each business segment in 2025 are as follows:

(1) Medical Device

The company's medical device segment mainly includes three sub-segments: cardiovascular interventions, in vitro diagnostics, and surgical anesthesia. In 2025, the cardiovascular intervention segment is expected to achieve rapid growth, the in vitro diagnostic business is expected to see a profit margin recovery, and the surgical anesthesia business is expected to achieve stable growth.

Cardiovascular interventions: 1) Coronary interventions: Maintain the stable growth of existing products, complete the renewal bidding for volume-based procurement products, and focus on promoting the commercialization of new products such as coronary intravascular shockwave catheters/devices, coronary papillary balloons, and coronary spinous balloons to achieve stable growth in the coronary business segment. 2) Structural heart disease: Continuously promote the commercialization of biodegradable occluders and biodegradable patent foramen ovale occluders, and focus on promoting the commercialization of radiofrequency atrial septal puncture, biodegradable atrial septal defect occluders, and transcatheter aortic valves to achieve rapid growth in the structural heart disease business segment. 3) Other cardiovascular interventions: Accelerate the R&D progress of products such as atrial fibrillation cryoablation balloons/devices, atrial fibrillation pulsed-field ablation catheters/devices, and implantable cardiac contractility regulators.

In vitro diagnostics: Sort out product categories and continue to optimize the organizational structure to achieve a profit margin recovery.

Surgical anesthesia: Currently, various manual/electric staplers have won bids in provincial-level alliance volume-based procurements. The company plans to actively attract distributors to expand its sales scope and achieve stable growth in this business.

(2) Pharmaceutical

The company's pharmaceutical segment is divided into active pharmaceutical ingredients and pharmaceutical formulations. For the pharmaceutical formulation business, after clearing channel inventory, product shipments will gradually resume, and the business is expected to recover. For the active pharmaceutical ingredient business, which is relatively stable, the company is actively seeking market opportunities to explore business transformation.

(3) Medical Services and Health Management

Medical services strategically contribute to the formation of the company's cardiovascular platform closed-loop. Hefei Gaoxin Cardiovascular Hospital not only provides professional medical services to patients in the radiation area but also has a strategic positioning as a clinical trial base for the company's innovative medical devices. For the home medical device and vital sign monitoring businesses, the company will further optimize the organizational structure, explore business models through multiple online and offline channels, and promote business development with a focus on profit margins. In addition, the company's dermatology injectable products are expected to be approved for marketing within the year.

3. Potential Risks

(1) Risks of Volume-based Procurement of High-value Medical Consumables and Pharmaceuticals

Currently, volume-based procurement of medical consumables and generic drugs has become the norm. It is expected that the scope and coverage area of volume-based procurement will further expand in the future. The company's medical device and pharmaceutical segments will continue to be affected by volume-based procurement policies. Since the rules and winning bid prices of volume-based procurement are highly uncertain, the company's products face the risk of not winning the bid. If the products win the bid, the winning bid prices may negatively impact the company's revenue and profits.

To address the above risks, the company will implement the following measures in line with its medium- and long-term strategy of "Innovation, Consumption, Internationalization, Integration, Efficiency-enhancement, and Stable Development": (1) By laying out a forward-looking R&D pipeline, accelerate the R&D, clinical trials, registration approval, and commercialization processes of new products to build a diversified product echelon. Currently, the innovative medical devices that the company focuses on developing have a favorable competition pattern and a low risk of being included in volume-based procurement. (2) Actively layout self-paid consumer healthcare products to reduce reliance on medical insurance, optimize the revenue structure, and enhance the ability to resist policy risks. (3) Expand global business to diversify the single-market risk brought by domestic volume-based procurement policies.

(2) Risks of Anti-corruption Governance in Medical Industry

In recent years, under the leadership of the Central Commission for Discipline Inspection, the anti-corruption work in the medical field has continued to deepen. Under the high-pressure situation, academic conferences and market promotion activities are subject to regulatory constraints, and the admission progress of new products to hospitals has generally slowed down, which poses risks to the company's business activities and new product promotions.

To address these risks, the company takes the following measures: (1) Adhere to a clinical-need-oriented approach, focus on developing product lines with clear clinical value, and achieve compliant hospital admission through the distributor system. (2) Establish an academic-driven sales system, and strictly regulate the behavior of partners through the Distributor Management System and a regular assessment mechanism. (3) Build an anti-corruption management mechanism that runs through the entire cooperation process, incorporate integrity clauses into the distributor evaluation system, build a digital supervision platform to strengthen the whole-process trace-recording and dynamic monitoring of market activities, and compile the *Integrity Risk Prevention and Control and Violation Evidence-Collection Guide Manual* to improve the accountability system for violations. (4) Regularly conduct compliance training to enhance the legal awareness of all employees and ensure that business activities comply with laws and regulations such as the *Anti-Unfair Competition Law*.

(3) Risks of Pharmaceutical Price Regulation Actions

Since 2024, the National Healthcare Security Administration has issued a notice on promoting fair, honest, transparent, and balanced prices of drugs with the same generic name and brand across provinces, requiring the interconnection of price information of drugs listed on the network to promote fair, honest, transparent, and balanced prices of drugs with the same generic name and brand across provinces. This policy has a significant impact on the price formation mechanism at the pharmaceutical retail end. In 2025, with the further deepening of pharmaceutical price governance work, it may pose a policy-related risk to the company's generic drug business.

To meet this challenge, the company will implement a differentiation strategy: gradually reduce the revenue proportion of the generic drug business; at the same time, focus on the R&D of innovative drugs and dermatology injectables to optimize the business structure and reduce the potential impact of policy changes on business performance.

(4) Risks of DRG/DIPs

Currently, the medical insurance payment method reform is being gradually carried out in China, with the implementation and promotion of payment methods such as Diagnosis-Related Groups (DRG) and Diagnosis-Intervention Packet (DIP). The rigid constraints of DRG/DIP payment method reform on the diagnosis and treatment behavior of public hospitals make the use of self-paid medical devices and drugs by patients increasingly restricted. For enterprises, the implementation of the DRG/DIP payment method has a great impact on the clinical promotion of some new products with high unit prices, and there is a risk that the commercialization of new products after launch may not meet expectations.

Under the DRG/DIP payment method, hospitals tend to use drugs and medical devices with high cost-effectiveness. The company will strengthen its top-level forward-looking strategic layout, enrich its R&D product pipeline, and ensure that its products remain competitive under the DRG/DIP payment system. At the same time, the company will reduce production costs by optimizing the production process, improving production efficiency, and reducing raw material costs to cope with price pressure under the DRG/DIP payment method. In addition, the company will actively explore new business models, including cooperation with commercial insurance companies, to explore risk-sharing payment models such as pay-for-performance and pay-for-patient-health-outcome.

(5) Geopolitical Risks

In recent years, geopolitical risks have continued to intensify, the process of globalization has been hindered, trade barriers have been increasing, resulting in restricted flows of goods and services, a decline in the efficiency of the global supply chain, and a significant increase in the uncertainty and complexity of the overseas market environment. In early 2025, the repeated adjustments of the Trump administration's tariff policies had a huge impact on the global medical industry. For the company, the complex and volatile global political and economic situation poses unpredictable risks to the advancement of the company's globalization strategy. The company's overseas business faces risks such as increased costs and loss of customers due to geopolitical influences.

At present, the US business accounts for a small proportion of the company's revenue and has not yet affected the company's overseas business. To avoid potential trade risks in the future, the company will implement the following strategies: (1) The company will deeply cultivate the domestic medical market. The domestic business is the cornerstone of the company. The company will adhere to scientific and technological innovation as its core competitiveness, be committed to providing more competitive products and comprehensive solutions for the market, actively promote product research and development, continuously optimize the company's product structure, expand the product line, and promote the long-term and stable development of the business. (2) The company has a wide-ranging overseas business layout and a rich product portfolio. It has currently established extensive sales networks in more than 160 countries and regions in Asia, Europe, North America, the Middle East, etc., and has a low degree of dependence on a single overseas country or region. The company will continue to explore various market demands, constantly optimize product performance, strengthen sales service strategies, and strive to reduce the impact of trade barriers on its business.

(6) R&D Risks

Innovative drugs and medical devices are characterized by high R&D investment, high risks, and long certification cycles. The company faces risks such as possible R&D failures, unmet clinical trial expectations, and failure of approvals for its R&D projects.

The company will strengthen its top-level forward-looking strategic layout, expand its R&D product pipeline, and reduce its dependence on a single R&D project. In addition, the company will continuously strengthen its R&D capabilities, implement strict full-process control from the project initiation stage, improve R&D efficiency and the progress of clinical trials, and optimize the registration and declaration strategy to ensure sustainable development through product iteration and upgrading.

(7) Market Competition Risks

With the support of policies and the boost of capital, the number of domestic innovative drug and medical device enterprises has surged, and the R&D process has accelerated, resulting in an increase in potential competitors for the company's products. The intensification of future market competition may lead to downward price pressure and affect the company's profit level.

The company will establish a dynamic R&D evaluation mechanism, prioritize the promotion of projects with high competitive barriers and strong commercialization certainty, and ensure the long-term competitiveness of the company's products. At the same time, the company will enhance its cost control ability through lean production and supply chain optimization to cope with the impact of market competition risks such as price changes.

(8) Product Quality Risks

The medical industry is strictly regulated. Relevant institutions have set strict management standards for product quality and conduct product spot checks or unannounced on-site inspections. The company faces the risk of poor product quality due to various factors, which will have an adverse impact on the company's production and operation.

As the company's product production and sales scale continues to expand, quality management is the focus of the company's continuous attention. The company will build a full-chain quality control system covering raw materials, the production process, and finished products; improve the quality traceability mechanism and internal audit system; and regularly conduct GMP compliance self-inspections to prevent quality accidents.

(9) New Business Development Risks

The company is transforming from a single-business enterprise to a platform-type enterprise. It has entered market such as IVD and surgical anesthesia and has a strategic layout in the consumer medical. In the process of exploring new fields, the company will face challenges and risks in terms of technology, market, and talent team building.

The company will strengthen the management of mergers and acquisitions and other matters. It will conduct comprehensive due diligence before mergers and acquisitions and strictly control the qualifications of the targets. After completing the acquisition of relevant targets, the company will gradually strengthen the management of subsidiaries, including optimizing the talent echelon, sorting out the business context, formulating medium-and long-term development strategies and internal rules and regulations, fully mobilizing the enthusiasm of the original teams in new fields, introducing relevant talents, strengthening management in

production, technology, and quality control, and optimizing the sales network to defuse or reduce the risks of entering new fields.

(10) Group-level Management Risks

With the continuous merger and integration of businesses, the company's organizational structure has developed into an industrial group with multiple first-level subsidiaries. Group-level management poses higher requirements for the company's overall operation and management and talent team building. How to coordinate and unify, strengthen control, improve overall operation efficiency, and achieve synergistic development after diversification is one of the risk factors facing the company's future development.

According to the needs of group-level development, the company will further subdivide business segments, improve the management system among the parent company, subsidiaries, and tertiary companies, and gradually establish an internal operation mechanism and supervision mechanism that are compatible with group-level development to ensure the healthy overall operation of the company. The company will continue to strengthen corporate culture construction to make the corporate values, business philosophy, and employees' concepts within the group company consistent, and use a sound system and advanced corporate culture to ensure the scientific and efficient operation of the group.

Section IV. Corporate Governance

I. Overview of corporate governance

During the reporting period, the Company, in strict accordance with the Company Law, the Securities Law, the Governance Guidelines for Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operation of Listed Companies on the Main Board and other laws, regulations and normative documents, improved the internal management and control system, strengthened the information disclosure work, actively carried out investor relationship management, safeguard the interests of the Company and shareholders, standardized the Company's operation, continuously improved the Company's governance structure, and further improved the level of corporate governance of the Company. As at the end of the reporting period, the Company's governance structure complied with the requirements of relevant laws and regulations and the Articles of Association of the Company. During the reporting period, the Company's operation and management were implemented in accordance with the requirements of various systems, without difference between the actual implementation and the requirements of the system documents. The details of the Company's corporate governance structure are as follows:

1. Shareholders and general meetings of shareholders

During the reporting period, the Company complied with relevant laws and regulations, and the Company's procedures for convening and holding general meeting, the qualifications of persons attending the general meeting, and the voting procedures for the general meeting were in compliance with the relevant provisions of the Company Law, the Articles of Association, and the Rules of Procedure of the General Meeting of the Company, to guarantee all shareholders (especially for minority shareholders) may enjoy equal rights according to the shares they hold and can fully exercise their corresponding rights. Meanwhile, the Company held a general meeting by combining on-site and online voting to ensure that all shareholders have the right to know and vote on the Company's major matters and can fully exercise their corresponding rights. Lawyers have attended the previous general meetings and made complete meeting minutes to effectively safe guard the legitimate rights and interests of the listed company and all shareholders

2. Controlling shareholder and the Company

The Company has independent business and autonomous operating capabilities and is independent of controlling shareholder in terms of business, personnel, assets, institutions and finances, in compliance with the relevant provisions of the CSRC on the independence of listed companies. The Company's Board of Directors, Board of Supervisors and internal institutions can operate independently. Major decisions of the Company are made by the general meeting of shareholders in accordance with the law, and the controlling shareholder exercises the rights and undertakes the corresponding obligations of shareholders in accordance with the Law and regulates its conduct strictly. During the reporting period, the controlling shareholder and its related parties did not directly or indirectly interfere with the decision-making and operation activities of the Company, nor did they harm the interests of the Company and its minority shareholders

3. Directors and the Board of Directors

The Company elected the directors in strict accordance with relevant laws and regulations and the election procedures stipulated in the Articles of Association of the Company, and the number and structure of the Board of Directors of the Company follow the requirements of the relevant laws and regulations. All Directors have

carried out their work in accordance with the Company Law, the Articles of Association and the Rules of Procedure of the Board of Directors of the Company, attended the meetings of the Board of Directors, nothogeneric meetings of shareholders, performed their duties and obligations diligently and conscientiously, and actively participated in relevant training to familiarize themselves with relevant laws and regulations. The independent directors have performed their duties independently in accordance with laws and regulations, promoted the standardized operation of the Company, safeguarded the interests of the Company as a whole, and paid particular attention to protect the legitimate interests of small and medium shareholders from being infringed. There are four special committees under the Board of Directors, which are Audit Committee, Nomination Committee, Compensation and Appraisal Committee, and Strategy Committee, which help establish and improve rules of procedure, provide scientific and professional advice to the Board of Directors in their decision making and ensure effective supervision of the management by the Board of Directors.

4. Supervisors and the Board of Supervisors

During the reporting period, the number and structure of the Board of Supervisors of the Company follow the requirements of relevant laws and regulations. The convening, holding and voting procedures of the meeting of the Board of Supervisors comply with relevant laws and regulations. All Supervisors perform their duties in strict accordance with the Company Law, the Articles of Association and the Rules of Procedure of the Board of Supervisors, to supervise the law fulness and compliance of the Company's directors and senior officers in the performance of their duties, continuously supervise the Board of Directors' decision-making procedures, resolution matters and the Company's operation in accordance with the law, inspect the Company's finances, improve and standardize corporate governance, and safeguard the legitimate rights and interests of the Company and its shareholders.

5. Performance and incentives

The appointment of the senior officers of the Company is open, transparent and in compliance with the laws and regulations. The Company conducts performance evaluation of the senior officers at the end of the year to determine their remuneration. In addition, the Company continuously improved employee performance evaluation and incentive constraint mechanisms, actively created a fair and efficient professional environment in management, actively mobilized the work enthusiasm of all parties, and thus continuously improved the Company's performance.

6. Information Disclosure and Transparency

During the reporting period, the Company strictly complied with relevant laws and regulations, including the *Articles of Association* and *Information Disclosure Management Policy*, to ensure truthful, accurate, complete, timely, and fair disclosure of corporate information. The Company released 4 periodic reports and 121 interim announcements through CSRC-designated media (*China Securities Journal*, *Shanghai Securities News*, *Securities Times*, *Securities Daily*) and the CNINFO website.

7. Investor Relations Management

In compliance with relevant laws and regulations and the *Investor Relations Management Policy*, the Company has designated the Board Secretary as the responsible officer for investor relations. This role coordinates investor communications, handles shareholder visits, responds to investor inquiries, and provides access to disclosed company information. Through multiple channels including telephone, email, the investor relations interactive platform, the "Investor Relations" section of the corporate website, and investor reception

days, the Company ensures timely responses to inquiries. These measures enhance information transparency while strengthening effective communication and constructive engagement with investors.

8. Stakeholder Engagement

The Company fully respects and safeguards the legitimate rights and interests of stakeholders, maintaining balanced coordination among shareholders, employees, healthcare providers, patients, and society. While pursuing sustainable development and shareholder value creation, we prioritize environmental protection and actively participate in philanthropic initiatives.

9. Internal Audit System

The Board of Directors has established an Audit Committee responsible for coordinating internal/external audits, conducting oversight, organizing meetings, and performing verifications. The Audit Department serves as its standing operational unit. Post-listing, the Department has enhanced its functions and staffing in compliance with public company requirements, rigorously monitoring the establishment/implementation of internal control systems and verifying the authenticity/completeness of financial information.

II. Annual general meetings and extraordinary general meetings held during the reporting period

General meetings held during the reporting period

Session	Meeting type	Investor participation ratio	Date of meeting	Disclosure date	Resolutions
Annual general meeting of 2023	Annual general meeting	36.90%	2024/5/15	2024/5/15	Announcement No.: 2024-051
First extraordinary general meeting of 2024	Extraordinary general meeting	35.03%	2024/9/9	2025/9/9	Announcement No.: 2024-100
Second extraordinary general meeting of 2024	Extraordinary general meeting	35.04%	2024/9/25	2024/9/25	Announcement No.: 2024-106

III. Employees

1. Number of employees, specialty and educational background

Number of existing employees of parent company as at the end of the reporting period	1,828
Number of existing employees of major subsidiaries as at the end of the reporting period	6,984
Total number of existing employees as at the end of the reporting period	8,812
Total number of salaried employees in the current period	8,812
Number of retired employees to be paid by the parent company and major subsidiaries	0
Specialty	
Category	Number of persons
Production employees	3,741

Sales employees	2,573
Technical employees	1,569
Financial employees	278
Administrative employees	651
Total	8,812
Educational background	
Category	Number of persons
Doctor's degree	35
Master's degree	567
Bachelor's degree	2,949
Associate degree	2,480
Below associate degree	2,781
Total	8,812

Profits distribution and increase of share capital with reserved fund

IV. Company's profit distribution and the conversion of capital reserve funds into share capital

On May 15, 2024, the Company's 2023 Annual General Meeting approved the 2023 annual profit distribution plan. On June 19, 2024, the Company disclosed the "2023 Annual Rights Distribution Implementation Announcement" (Announcement No.: 2024-063), which stipulated a cash dividend distribution of RMB 3.314100 per 10 shares (tax inclusive) based on the total share capital of 1,848,744,858 shares (after deducting 31,865,700 repurchased shares from the total 1,880,610,558 shares), resulting in total cash dividends of RMB 612,692,533.39 (tax inclusive).

The equity distribution record date was June 26, 2024, with the ex-dividend date being June 27, 2024.

On September 9, 2024, the Company's First Extraordinary General Meeting of 2024 approved the 2024 interim profit distribution plan. On September 11, 2024, the Company disclosed the "2024 Interim Rights Distribution Implementation Announcement" (Announcement No.: 2024-102), which stipulated a cash dividend distribution of RMB 1.420000 per 10 shares (tax inclusive) based on the total share capital of 1,843,394,896 shares (after deducting 37,215,700 repurchased shares from the total 1,880,610,596 shares), resulting in total cash dividends of RMB 261,762,075.23 (tax inclusive). The equity distribution record date was September 19, 2024, with the ex-dividend date being September 20, 2024.

As of the end of the reporting period, the Company has completed the implementation of both the 2023 annual and 2024 interim rights distributions.

Special notes on cash dividend policies	
Do they comply with the Articles of Association of the Company or the resolution of the shareholders' meeting:	Yes
Are the dividend standards and ratios clear and explicit:	Yes
Is the decision-making process and mechanism complete:	Yes
Do independent directors have fulfilled their duties and played their due role:	Yes

State the specific reasons if the Company does not distribute cash dividends, as well as the measures to be taken next to enhance investor returns:	Not Applicable
Do minority shareholders have sufficient opportunities to express their opinions and demands, and have their legitimate rights and interests been fully protected:	Yes
Are the conditions and procedures for adjusting or changing cash dividend policies are compliant and transparent:	Not Applicable

Profit distribution and the increase of share capital with reserved fund during the reporting period.

Number of bonus shares per 10 shares (shares)	0.000000
Dividend per 10 shares (RMB) (tax included)	1.350000
Equity base for distribution proposal (shares)	0.00
Cash dividend amount (RMB) (tax included)	1,843,395,382.00
Amount of cash dividends in other ways (e.g., share repurchases) (RMB)	510,620,451.80
The amount of cash dividends distributed by other means (such as share repurchase) (RMB)	177,408,712.41
Total cash dividends (including other means) (yuan)	688,029,164.21
Distributable profit (RMB)	498,312,992.38
Total cash dividends (including other methods) as a percentage of total profit distribution	138.07%
The current cash dividend	
For companies in the growth phase with significant capital expenditure arrangements, the cash dividend payout ratio shall account for no less than 20% of the total profit distribution.	
Details of the Profit Distribution or Capital Reserve Conversion Proposal	
<p>Audited by ShineWing Certified Public Accountants (Special General Partnership), the Company achieved a net profit attributable to shareholders of the listed company of RMB 246,937,715.50 in 2024, with the parent company recording a net profit of RMB 553,681,102.64. In accordance with the Company Law and the Articles of Association, statutory surplus reserves of RMB 55,368,110.26 (10% of the parent company's 2024 net profit) were allocated, resulting in distributable profits of RMB 498,312,992.38 for the year.</p> <p>The Company proposes a cash dividend distribution of RMB 1.3500 per 10 shares (tax inclusive), based on the total share capital as of the future record date for the 2024 equity distribution plan, after deducting repurchased shares. Any remaining undistributed profits will be carried forward to the next fiscal year.</p> <p>As of March 31, 2025, the Company's total share capital stood at 1,880,611,082 shares, with 37,215,700 shares (1.9789% of total shares) repurchased via centralized bidding through a dedicated securities account. Based on the adjusted share capital (total shares minus repurchased shares), the preliminary total cash dividend amounts to approximately RMB 248.89 million (tax inclusive).</p> <p>Should the share capital change between the disclosure date of this cash dividend proposal and the record date for implementation, the distribution will be adjusted based on the updated share capital while maintaining the unchanged ratio of RMB 1.3500 per 10 shares (tax inclusive).</p>	

V. Construction and implementation of internal control system during the reporting period

1. Internal control construction and implementation

The Company has established and constantly improved internal control system in strict accordance with the Company Law, the Basic Standards for Enterprises' Internal Control and its supporting guidelines, as well

as relevant internal control regulatory requirements of the CSRC and the SZSE, and taking into consideration the actual situation, characteristics, and management needs of the Company, and ensured the effective operation of such system. Meanwhile, the Company carried out all kinds of special internal control evaluation work and annual internal control evaluation work regularly or irregularly every year, and included important subsidiaries, key business-related matters and high-risk areas in the evaluation scope. By reviewing, analyzing and evaluating the internal control design and implementation every year, the Company has effectively prevented risks in operation and management, and continuously optimized the internal control system and achieved internal control objectives.

In the Company's identification of significant deficiencies in its internal control, no significant deficiencies were found in the Company's internal control for financial reporting or non-financial reporting as of the benchmark date of the internal control evaluation report.

Section V. Environmental and Social Responsibility

1. Major environmental issues

(1) Wastewater Discharge Standards

GB21908-2008 *Water Pollutant Discharge Standard for Pharmaceutical Industry-Mixed Formulation Category*; Acceptance Criteria of Xiangcheng Second Wastewater Treatment Plant; GB8978-1996 *Integrated Wastewater Discharge Standard*; DB11/307-2013 *Water Pollutant Discharge Standard*; HJ 91.1-2019 *Technical Specification for Wastewater Monitoring*; HJ 353-2019 *Technical Specification for Installation of Online Monitoring Systems for Water Pollution Sources (CODCr, NH₃-N, etc.)*; DB33/887-2013 *Indirect Discharge Limits for Nitrogen and Phosphorus Pollutants in Industrial Wastewater*; CJ343-2010 *Standard for Water Quality of Wastewater Discharged into Urban Sewers*; GB18918-2002 *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants*; GB21904-2008 *Water Pollutant Discharge Standard for Pharmaceutical Industry-Chemical Synthesis Category*; HJ 819-2017 *Self-Monitoring Technical Guidelines for Polluting Units*.

(2) Air Emission Standards

GB37823-2019 *Emission Standard of Air Pollutants for Pharmaceutical Industry*; GB16297-1996 *Integrated Emission Standard of Air Pollutants*; GB14554-93 *Emission Standard for Odor Pollutants*; DB41/2089-2008 *Henan Provincial Standard-Emission Standard of Air Pollutants for Boilers*; DB33/310005-2021 *Emission Standard of Air Pollutants for Pharmaceutical Industry*; GB13271-2014 *Emission Standard of Air Pollutants for Boilers*; DB11/139-2015 *Emission Standard of Air Pollutants for Boilers*; HJ 819-2017 *Self-Monitoring Technical Guidelines for Polluting Units*; DB11/501-2017 *Integrated Emission Standard of Air Pollutants*.

(3) Noise Emission Standards

Class 3 requirements of GB12348-2008 *Emission Standard for Industrial Enterprises Noise at Boundary*.

(4) Solid Waste Standards

GB18599-2001/XG1-2013 *Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes*; GB18597-2023 *Standard for Pollution Control on Hazardous Waste Storage*; HG1276-2022 *Technical Specification for Hazardous Waste Identification Standards*.

(5) Others

Regulations on Pollutant Discharge Permits Management; Measures for the Administration of Pollutant Discharge Permits; Taizhou Pharmaceutical Industry Environmental Access Guidance.

Administrative permit for environmental protection:

Lepu Pharmaceuticals Co., Ltd. (West Factory) : Received on: 2024/12/31, Validity period: 5 years

Lepu Pharmaceuticals Co., Ltd. (West Factory) : Received on: 2024/6/14, Validity period: 5 years

Lepu Medical Technology (Beijing) Co., Ltd.: Received on: 2024/6/14, Validity period: 5 years

Zhejiang Lepu Pharmaceuticals Co., Ltd.: Received on: 2024/8/21, Validity period: 5 years

Lepu Pharmaceutical (Beijing) Co., Ltd.: Received on: 2023/12/20, Validity period: 5 years

2. Treatment of Pollutants

1. Lepu Pharmaceutical Co., Ltd. and Lepu Pharmaceutical Technology Co., Ltd.

(1) Construction and operation of wastewater treatment facilities: The sewage treatment station of Lepu Pharmaceutical Co., Ltd. has a treatment capacity of 300 t/d, and that of Lepu Pharmaceutical Technology Co., Ltd. has a treatment capacity of 100 t/d. Both sewage treatment facilities are operating normally. After treatment, the wastewater is discharged into the Xiangcheng City Sewage Treatment Plant through the urban sewage pipeline network, and the treatment effect can meet the reception standards of the Xiangcheng City Sewage Treatment Plant and the "Water Pollutant Discharge Standard for the Pharmaceutical Industry of Mixed Preparation Types" (GB21908-2008). A new sewage treatment facility with a treatment capacity of 600 t/d is under construction in Lepu Great Health Industrial Park.

(2) Construction and operation of waste gas treatment facilities: The deodorization equipment of the sewage station of Lepu Pharmaceutical Co., Ltd. has been installed and is operating normally. The tail-gas treatment facilities in Lepu Great Health Industrial Park are currently under construction. All pollutants in the boiler exhaust gas meet the discharge standards, the tail-gas treatment facilities are operating normally, and both VOC and dust meet the discharge standards through testing.

2. Zhejiang Lepu Pharmaceutical Co., Ltd.

(1) The existing wastewater treatment station of Zhejiang Lepu Pharmaceutical has a treatment capacity of 1200 t/d. After treatment, the wastewater is uniformly discharged into the Jiaojiang City Sewage Treatment Plant. The wastewater treatment has a good effect on removing COD and total nitrogen, and can ensure that the effluent meets the intake standards of the subsequent sewage treatment plant.

(2) Construction and operation of waste gas treatment facilities: The company has established a plant-wide waste gas collection and treatment system. In a single production workshop, the waste gas discharge pipes of production equipment are connected to the main waste gas discharge pipe (negative pressure). For parts where waste gas is likely to be discharged without organization, gas-collecting hoods are set up above them and connected to the main waste gas discharge pipe. The company also takes different treatment measures according to the characteristics of waste gas discharged from different product production processes. For various organic solvent waste gases, membrane, resin, activated carbon, secondary condensation, and primary water spray absorption are used and then connected to the main waste gas pipe. The wastewater treatment station is covered for negative-pressure exhaust, pre-treated, and then sent to the main pipe, and finally enters the RTO for incineration and biological deodorization before meeting the discharge standards. In 2024, a new RTO with a treatment capacity of 35,000 cubic meters per hour was purchased to ensure stable compliance of waste gas emissions.

3. Lepu Pharmaceutical (Beijing) Co., Ltd.

(1) Construction and operation of wastewater treatment facilities: The existing sewage treatment station of Lepu Pharmaceutical (Beijing) Co., Ltd. has a treatment capacity of 40 t/d. The treated wastewater is used for watering the factory greenery (not connected to the municipal pipeline network). The current sewage treatment facilities are operating normally. Under normal circumstances, the treatment effect can meet the standards specified in Table B of "Water Pollutant Discharge Standard" (DB11/ 307—2013). However, since the source water of the sewage consists of production sewage, domestic sewage, and laboratory wastewater, the source water is unstable. Coupled with the too-low limits, occasionally some data fluctuate and exceed the standard.

Overall, it operated stably in 2024.

(2) Construction and operation of waste gas treatment facilities: All pollutants in the boiler exhaust gas meet the discharge standards, the tail-gas treatment facilities are operating normally, and the dust meets the discharge standards.

(3) In mid-May 2024, it was listed on the mandatory clean-production audit list by the Municipal Ecology Bureau. Currently, it has cooperated with the third-party consulting agency, Beijing University of Technology, to prepare for the relevant work of clean-production certification, mainly measures and plans to reduce VOC. The preliminary plan was basically completed by the end of 2024 and is expected to be completed by the end of May 2025.

(4) In June 2024, it was included in the soil hidden-danger investigation list by the Municipal Ecology Bureau. The investigation report was completed on November 30, 2024 and submitted to the Changping Ecology Bureau. There are no other problems for the time being.

(5) In 2024, there were two changes to the pollutant discharge permit. One was in June, when boiler water testing items were added as required by the Beijing Municipal Ecology Bureau; the other was in September, when self-monitoring of rainwater was added as required by the Beijing Municipal Ecology Bureau. Both have been completed.

3. Emergency Plan for Sudden Environmental Incidents

To prevent and reduce the occurrence of sudden environmental incidents, control, mitigate, and eliminate the hazards caused by sudden environmental incidents, establish and improve the emergency response mechanism for sudden environmental incidents, and improve the company's ability to respond to sudden environmental incidents, so as to effectively prevent, timely control, and eliminate various sudden environmental incidents, the company has taken the following measures:

2. Composition of the command headquarters
3. Emergency response
 1. Alarm and communication
 2. On - site rescue
4. Emergency rescue of environmental pollution accidents
 1. Pollutants and their main sources
 2. Analysis of the causes of environmental pollution
 3. Emergency rescue measures for environmental pollution accidents
 4. Disposal and prevention measures for environmental pollution accidents
5. Supporting measures
 1. Material supply support
 2. System support
6. Training and drills

To prevent and reduce the occurrence of sudden environmental incidents, control, mitigate, and eliminate the hazards caused by sudden environmental incidents, establish and improve the emergency response mechanism for sudden environmental incidents, and improve the company's ability to respond to sudden environmental incidents, the company compiled the "Environmental Emergency Incident Plan of Lepu Pharmaceutical (Beijing) Co., Ltd." in April 2024 and completed the filing on the website of the Changping Ecological Environment Bureau.

4. Investment in Environmental Governance and Protection and Relevant Information on Payment of Environmental Protection Taxes

1. Lepu Pharmaceutical Co., Ltd. invested a total of 3,200,000 yuan in environmental governance and protection in 2024 and paid a total of 16,549.60 yuan in environmental protection taxes.

2. Zhejiang Lepu Pharmaceutical Co., Ltd. invested a total of 21,930,000 yuan in environmental governance and protection in 2024 and paid a total of 1,311.04 yuan in environmental protection taxes.

3. Lepu Pharmaceutical (Beijing) Co., Ltd. invested a total of 179,299.66 yuan in environmental governance and protection in 2024 and paid a total of 5,249.02 yuan in environmental protection taxes.

Situations of Administrative Penalties Received Due to Environmental Issues during the Reporting Period

Name of the Company or Subsidiary	Reason for Penalty	Violation Circumstances	Penalty Result	Impact on the Production and Operation of the Listed Company	Rectification Measures of the Company
None	None	None	None	None	None

5. Social Responsibility Situation

Since its establishment, the company has always taken the responsibility of creating value for society, patients, and employees. The values of "Integrity, Gratitude, Respect, Understanding, Cooperation, Sharing" fully reflect that the company deeply roots social responsibility in its corporate culture. By establishing a sound responsibility management system, each management function department can perform its duties under clear management regulations, unite and assist each other, and effectively combine the demands and expectations of the company's stakeholders with the company's management and operation work. This ensures the safe, efficient, compliant, and harmonious operation of the company while fully fulfilling social responsibilities.

Product and service: The company aims to create maximum value for customers through high - quality medical products and comprehensive services. By establishing a sound and rapid customer service mechanism, the company can keep abreast of the market situation of its products in real - time, respond to customer needs promptly, serve patients, improve customer satisfaction, and thus achieve a good ecological environment for enterprise development.

Environmental protection: Lepu Medical regards environmental protection as an important part of its corporate sustainable development strategy, attaches great importance to fulfilling environmental protection responsibilities, and actively practices the development concepts of an environment - friendly and resource - saving enterprise. The company strictly complies with the requirements of the "Environmental Protection Law of the People's Republic of China", actively controls environmental risks, including the discharge of pollutants such as waste gas, wastewater, and waste residue. It continuously practices the development concepts of an environment - friendly and resource - saving enterprise to achieve the goals of cost reduction, loss reduction,

environmental protection, and pollution prevention, and promotes the continuous clean, stable, and civilized development of society.

Talent construction: Lepu Medical advocates and promotes the people - oriented concept. It always takes the well - being and sense of achievement of employees as the core of enterprise productivity and the realization of employees' personal value as an important symbol of the company's success. An enterprise aiming to create a great cause should always create value for employees, aiming to enable employees to achieve their careers, accumulate wealth, and live happily, and maximize the potential of employees by providing opportunities and an environment for innovation.

Social public welfare: "Science and Technology Care for Life" is the mission of Lepu Medical and also the social responsibility and commitment of its corporate culture. Since its establishment, the company has always adhered to the promise of giving back to society with care and being enthusiastic about public welfare activities. By continuously leveraging its technological and resource advantages, it actively serves the community in three aspects: improving primary medical care levels, making public welfare donations, and caring for children, and is committed to improving the medical and health levels of the public. The company is committed to improving the primary medical care level. By giving full play to its advantages in the medical and health industry, it benefits more medical institutions and patients through training, free medical consultations, patient education, and other means, bringing leading medical equipment and concepts, as well as convenient high - quality medical services.

Section VI. Major Matters

Commitment Matters Fulfilled during the Reporting Period and Unfulfilled as of the End of the Reporting Period by the Company's Actual Controllers, Shareholders, Related Parties, Acquirers, and Other Promise-related Parties

Matters of Commitment	Promisors	Types of Commitment	Commitment Content	Commitment Date	Commitment Period	Performance Status
Commitments Made during the Initial Public Offering or Refinancing	Luoyang Ship Material Research Institute of China Shipbuilding Group Co., Ltd.	Commitments Regarding Competition with Affiliated Enterprises, Related Party Transactions, and Occupation of Funds	"Statement and Commitment on Avoiding Competition with Affiliated Enterprises"	September 18, 2009	No specified commitment period	Being fulfilled normally
	China Shipbuilding Group Co., Ltd. (formerly China Shipbuilding Industry Corporation)	Commitments Regarding Competition with Affiliated Enterprises, Related Party Transactions, and Occupation of Funds	"Statement and Commitment on Avoiding Competition with Affiliated Enterprises"	September 18, 2009	No specified commitment period	Being fulfilled normally
	Pu Zhongjie	Share Lock-up Commitment	After the lock-up period ends on October 30, 2010, during my tenure in the company, the number of shares transferred each year will not exceed 25% of the total number of shares I hold in the company. Within six months after my resignation, I will not transfer the shares I hold in the company.	September 18, 2009	No specified commitment period, to be fulfilled during Mr. Pu Zhongjie's tenure	Being fulfilled normally
	WP Medical Technologies, Inc.	Share Lock-up Commitment	After the lock-up period ends on October 30, 2010, during the tenure of Mr. Pu Zhongjie in the company, the number of shares transferred by our company each year will not exceed 25% of the total number of shares we hold in the company.	September 18, 2009	No specified commitment period, to be fulfilled during Mr. Pu Zhongjie's tenure	Being fulfilled normally

			Within six months after Mr. Pu Zhongjie's resignation, our company will not transfer the shares we hold in the company.			
	Lepu Medical Technology (Beijing) Co., Ltd.	Refinancing	Before the raised funds from this convertible corporate bond issue are fully utilized or within 36 months after the raised funds are in place, the company will not make any new capital investments (including capital increases, loans, and other forms of capital investments) in quasi-financial businesses.	January 7, 2021	April 5, 2024	Fulfilled
Equity Incentive Commitment	Lepu Medical Technology (Beijing) Co., Ltd.	Equity Incentive	The funds for incentive objects to subscribe for restricted shares and pay individual income tax shall be self-raised. The company undertakes not to provide loans or any other form of financial assistance to incentive objects for obtaining the underlying shares under the incentive plan, including guaranteeing their loans.	October 28, 2022	During the equity incentive period	Fulfilled
Whether the Commitments Are Fulfilled on Time	yes					
If the Commitments Are Not Fulfilled on	none					

Time and Have Expired, the Specific Reasons for Non-fulfillment and the Next-step Work Plan Should Be Detailed	
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Explanation of Changes in the Scope of Consolidated Financial Statements Compared with the Previous Year's Financial Report

During the reporting period, the scope of consolidated financial statements added a wholly-owned subsidiary, Lepu Switzerland GmbH, and new holding companies, Shanghai Minwei and Shenzhen Ruihan.

During the reporting period, wholly-owned subsidiaries Yinchuan Lepu, Ruixiangtaikang, and Xiangcheng Lepu were liquidated and deregistered, and Hangzhou Anyou, Suzhou Jingmou, Xian Qinming, Beijin Lejian, and Changsha Runjie were sold, and Pu Jie Biology went through bankruptcy liquidation.

Information on the Appointment and Dismissal of Accounting Firms

Accounting firm currently appointed

Name of the Domestic Accounting Firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration of domestic accounting firms (million yuan)	4.10
Consecutive Years of Audit Services Provided by the Domestic Accounting Firm	12
Names of Certified Public Accountants of the Domestic Accounting Firm	Wang Na, Wang Ping
Consecutive Years of Audit Services Provided by the Certified Public Accountants of the Domestic Accounting Firm	3 years, 4 years

Section VII. Change of Shares and Information of Shareholders

1. Changes in shares

Unit: share

	Prior to the change		Increase/decrease in the change					After the change	
	Number	Proportion	Shares newly issued	Shares granted	Shares converted from capital reserve	Others	Subtotal	Number	Proportion
I. Shares subject to sales restriction	264,512,662	14.07%				61,875	61,875	264,574,537	14.07%
Shares held by the state									
2. Shares held by state legal persons									
3. Shares held by other domestic subjects	171,536,212	9.12%				61,875	61,875	171,598,087	9.12%
Including: shares held by domestic legal persons									
Shares held by domestic natural persons	171,536,212	9.12%				61,875	61,875	171,598,087	9.12%
4. Shares held by foreign subjects	92,976,450	4.94%				0	0	92,976,450	4.94%
Including: shares held by foreign legal persons	92,976,450	4.94%				0	0	92,976,450	4.94%
Shares held by foreign natural persons									
II. Shares not subject to sales restriction	1,616,097,690	85.93%	653			-61,875	-61,222	1,616,036,468	85.93%
1. RMB ordinary shares	1,616,097,690	85.93%	653			-61,875	-61,222	1,616,036,468	85.93%
2. Shares listed at									

home and held by foreign subjects									
3. Shares listed overseas and held by foreign subjects									
4. Others									
III. Total number of shares	1,880,610,352	100.00%	653			0	653	1,880,611,005	100.00%

Reasons for Share Capital Changes

Lepu Convertible Bond 2 ("Lepu CB2") entered its conversion period on October 8, 2021. During the reporting period, 297 Lepu CB2 bonds were converted into 653 shares. As of December 31, 2024, there remained 16,376,708 Lepu CB2 bonds outstanding, with a remaining convertible bond balance of RMB 1,637,670,800.

Approval Status of Share Capital Changes

Pursuant to the *Approval Letter on the Registration of Lepu (Beijing) Medical Equipment Co., Ltd.'s Public Offering of Convertible Corporate Bonds to Indefinite Objects* (CSRC Approval [2021] No. 741) issued by the China Securities Regulatory Commission (CSRC), the Company publicly issued 16.38 million convertible corporate bonds on March 30, 2021, with a par value of RMB 100 per bond and a total issuance amount of RMB 1.638 billion.

With approval from the Shenzhen Stock Exchange (SZSE), the Company's RMB 1.638 billion convertible bonds commenced trading on the SZSE on April 19, 2021, under the bond abbreviation "Lepu CB2" and code "123108". The bonds' term runs from March 30, 2021, to March 29, 2026.

2. Changes in shares subject to sales restriction

Unit: share

Shareholder Name	Initial Restricted Shareholding Quantity	Restricted Shareholding Quantity Increased during the Period	Restricted Shareholding Quantity Released during the Period	Ending Restricted Shareholding Quantity	Reasons for Share Restriction	Date of Share Restriction Release
Pu Zhongjie	171,056,062			171,056,062	Locked shares of senior management	During Mr. Pu Zhongjie's tenure in the company, the number of shares he transfers each year shall not exceed 25% of the total number of shares he holds in the company. Within six months after his departure from the company, he shall not

						transfer the shares he holds.
WP MEDICAL TECHNOLOGIES, INC	92,976,450			92,976,450	Pre-IPO restricted shares	During Mr. Pu Zhongjie's tenure in the company, the number of shares transferred each year shall not exceed 25% of the total number of shares held in the company. Within six months after leaving the company, no shares shall be transferred.
Wei Zhanjiang	145,200			145,200	Locked shares of senior management	During Mr. Wei Zhanjiang's tenure in the company, the number of shares he transfers each year shall not exceed 25% of the total number of shares he holds in the company. Within six months after his departure from the company, he shall not transfer the shares he holds.
Wang Yong	143,775			143,775	Locked shares of senior management	During Ms. Wang Yong's tenure in the company, the number of shares she transfers each year shall not exceed 25% of the total number of shares she holds in the company. Within six months after her departure from the company, she shall not transfer the shares she holds.
Feng Xiaoying	5,550			5,550	Locked shares	During Ms.

					of senior management	Feng Xiaoying's tenure in the company, the number of shares she transfers each year shall not exceed 25% of the total number of shares she holds in the company. Within six months after her departure from the company, she shall not transfer the shares she holds.
Zhang Zhibin	163,125	54,375		217,500	Locked shares of senior management	During Mr. Zhang Zhibin's tenure in the company, the number of shares he transfers each year shall not exceed 25% of the total number of shares he holds in the company. Within six months after his departure from the company, he shall not transfer the shares he holds.
Zheng Guorui	22,500	7,500		30,000	Locked shares of senior management	During Mr. Zheng Guorui's tenure in the company, the number of shares he transfers each year shall not exceed 25% of the total number of shares he holds in the company. Within six months after his departure from the company, he shall not transfer the shares he holds.
Total	264,512,662	61,875	0	264,574,537	--	--

3.Explanation of Changes in the Company's Total Share Capital, Shareholder Structure, and Changes in the Company's Asset and Liability Structure

Approved by the China Securities Regulatory Commission's *Reply on Approving the Registration of Lepu Medical Technology(Beijing) Co., Ltd. to Issue Convertible Corporate Bonds to Unspecified Objects* (Zheng Jian Xu Ke [2021] No. 741), the company issued 16.38 million convertible corporate bonds to unspecified objects on March 30, 2021. Each bond had a face value of 100 yuan, and the total issuance amount was 1.638 billion yuan. Approved by the Shenzhen Stock Exchange, the company's 1.638-billion-yuan convertible bonds were listed and traded on the Shenzhen Stock Exchange on April 19, 2021. The bond abbreviation is "Lepu Convertible Bond 2", and the bond code is "123108". The duration of the convertible bonds is from March 30, 2021, to March 29, 2026.

Lepu Convertible Bond 2 entered the conversion period on October 8, 2021. During the reporting period, 297 Lepu Convertible Bond 2 were converted, with a conversion quantity of 653 shares. As of December 31, 2024, there were still 16,376,708 Lepu Convertible Bond 2, and the remaining convertible-bond amount was 1,637,670,800 yuan.

As of the end of the reporting period, the company's total share capital increased to 1,880,611,005 shares.

4.Information on the Company's Controlling Shareholder

Nature of the controlling shareholder: Controlled by a natural person

Unit: share

Total number of common shareholders at the end of the reporting period	93,645	Total number of common shareholders at the end of the month before the disclosure date of the Annual Report	94,228	Total number of preferred shareholders recovering voting rights at the end of reporting period	0	Total number of preferred shareholders recovering voting rights at the end of the month before the disclosure date of the Annual Report	0	Total number of shareholders holding special voting shares (if any)	0
Shareholding status of the top ten shareholders (excluding shares lent through transfer financing business)									
Name of shareholder(s)	Nature of shareholder(s)	Shareholding ratio	Number of shares held	Number of shares held with restricted conditions	Name of shareholder(s)	Nature of shareholder(s)	Pledge, marking or freezing information		
							Share status	Share status	
Luoyang Ship Material Research	State-owned legal person	12.98%	244,063,788	0	0	244,063,788	N/A	0	

Institute								
PU Zhongjie	Domestic natural person	12.13%	228,074,749	0	171,056,062	57,018,687	Pledge	155,809,988
WP MEDICAL TECHNOLOGIES, INC	Foreign legal person	6.59%	123,968,600	0	92,976,450	30,992,150	Pledge	85,000,000
Houde Yimin (Beijing) Investment Management Co., Ltd.	Domestic non-state-owned legal person	3.60%	67,750,000	0	0	67,750,000	N/A	0
Bank of China Limited - Huabao CSI Healthcare Sector ETF	Others	2.29%	42,996,418	3745600	0	42,996,418	N/A	0
Houde Yimin (Ningbo) Investment Management Co., Ltd.	Domestic non-state-owned legal person	1.91%	35,850,000	0	0	35,850,000	N/A	0
Industrial and Commercial Bank of China Limited - E Fund ChiNext ETF	Others	1.80%	33,764,645	15565026	0	33,764,645	N/A	0
Agricultural Bank of China Limited - CSI 500 ETF	Others	0.99%	18,537,340	11277440	0	18,537,340	N/A	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.83%	15,515,372	-55270418	0	15,515,372	N/A	0
China Construction Bank Corporation	Others	0.75%	14,066,214	3042784	0	14,066,214	N/A	0

ion - HuaAn ChiNext 50 ETF								
Cases where strategic investors or institutional investors became top 10 shareholders through new share placements (if any)	No							
Description of associated relationships or concerted actions of the above shareholders	Mr. PU Zhongjie, WP Medical Technologies, Inc., Houde Yimin (Beijing) Investment Management Co., Ltd. and Houde Yimin (Ningbo) Investment Management Co., Ltd. were persons acting in concert within the meaning of PRC law. There was no relationship between other shareholders of the Company or concerted action as stipulated in Measures for the Administration of Acquisition of Listed Companies (Order No.35 of China Securities Regulatory Commission).							
Disclosure on Voting Rights Entrustment/Waiver by the Above-mentioned Shareholders	No							
Special Note Regarding Share Repurchase Accounts Among Top 10 Shareholders (if any)	Lepu Medical Technology (Beijing) Co., Ltd.'s special securities account for share repurchases holds 37,215,700 shares, making it the Company's 6th largest shareholder. However, this account is excluded from the top 10 shareholder listing							
Shareholding Details of Top 10 Shareholders with Unrestricted Shares(Excluding shares lent through securities lending arrangements and executive lock-up shares)								
Name of shareholder(s)	Shareholding Details of Unrestricted Shares at Period-End	Share Type						
		type	Number					
Luoyang Ship Material Research Institute	244,063,788	A-shares	244,063,788					
Houde Yimin (Beijing) Investment Management Co., Ltd.	67,750,000	A-shares	67,750,000					
PU Zhongjie	57,018,687	A-shares	57,018,687					
Bank of China Limited - Huabao CSI Healthcare Sector ETF	42,996,418	A-shares	42,996,418					
Houde Yimin (Ningbo) Investment Management Co., Ltd.	35,850,000	A-shares	35,850,000					
Industrial and Commercial Bank of China Limited - E Fund ChiNext ETF	33,764,645	A-shares	33,764,645					
WP MEDICAL TECHNOLOGIES, INC	30,992,150	A-shares	30,992,150					
Agricultural Bank of China Limited - CSI 500 ETF	18,537,340	A-shares	18,537,340					
Hong Kong Securities Clearing Company Limited	15,515,372	A-shares	15,515,372					
China Construction Bank Corporation - HuaAn ChiNext 50 ETF	14,066,214	A-shares	14,066,214					

Description of associated relationships or concerted actions of the above shareholders	Mr. PU Zhongjie, WP Medical Technologies, Inc., Houde Yimin (Beijing) Investment Management Co., Ltd. and Houde Yimin (Ningbo) Investment Management Co., Ltd. were persons acting in concert within the meaning of PRC law. There was no relationship between other shareholders of the Company or concerted action as stipulated in Measures for the Administration of Acquisition of Listed Companies (Order No.35 of China Securities Regulatory Commission).
Disclosure on Shareholders Participating in Margin Trading (if any)	None

5.Information on the Company's Controlling Shareholder

Nature of the controlling shareholder: Controlled by a natural person

Type of the controlling shareholder: Natural person

Name of the Controlling Shareholder	Nationality	Whether Having the Right of Abode in Other Countries or Regions
Pu Zhongjie and his concerted actors	China	Yes
Main Occupations and Positions	Chairman, Technical Director	
Equity Situations of Other Domestic and Foreign Listed Companies Held or Invested in by the Controlling Shareholder during the Reporting Period	Lepu Biopharma Co., Ltd.	

The company's controlling shareholder did not change during the reporting period.

6.The Company's Actual Controller and His/Her Concerted Actors

Nature of the actual controller: Domestic natural person

Type of the actual controller: Natural person

Name of the Actual Controller	Relationship with the Actual Controller	Nationality	Whether Having the Right of Abode in Other Countries or Regions
Pu Zhongjie	Himself	China	Yes
Main Occupations and Positions	Chairman, Technical Director		
Situations of Domestic and Foreign Listed Companies Controlled by the Actual Controller in the Past 10 Years	Lepu Biopharma Co., Ltd.		

The company's actual controller did not change during the reporting period.

7.Other Legal-Person Shareholders with a Shareholding of More than 10%

Name of the Legal-Person Shareholder	Legal Representative/Principal of the Unit	Date of Establishment	Registered Capital	Main Business Operations or Management Activities
The 725th Research Institute of China Shipbuilding Industry Corporation (Luoyang Ship Material Research Institute)	Wang Qihong	August 11, 1995	815.99 million yuan	Development, inspection, and testing of metals, non-metals, composite materials and their products, bellows, titanium-alloy products, anti-corrosion and anti-fouling technologies and products, welding electrodes, welding wires, welding fluxes, bridge bearings, pipeline supports, instruments, and meters. Research and development of fine chemical products (excluding

				<p>inflammable, explosive, and dangerous goods), high-pressure vessels, titanium pumps, and valves, as well as the export business of self-developed products.</p> <p>Import business of technologies, raw and auxiliary materials, mechanical equipment, instruments, meters, and spare parts required for scientific research and production, automobile transportation, business of the journal "Materials Development and Application", and design, production, and publication of domestic magazine advertisements.</p> <p>Leasing of self-owned houses and internal property management.</p>
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8. Specific Implementation of Share Repurchase during the Reporting Period

Date of Plan Disclosure	Number of Shares Intended to be Repurchased	Proportion of Total Share Capital	Intended Repurchase Amount (10,000 yuan)	Intended Repurchase Period	Repurchase Purpose	Number of Shares Repurchased	Proportion of the Number of Repurchased Shares in the Underlying Stocks Involved in the Equity-Incentive Plan (if any)
October 26, 2023	10,000,000-20,000,000	0.5317%-1.0635%	25,000-50,000	From October 26, 2023, to October 25, 2024	For equity-incentive plans or employee-stock-ownership plans	18,942,200	0.00%

Section VIII. Preferred Shares

The Company does not have any preferred shares during the reporting period.

Section IX. Bonds

Convertible Corporate Bonds

1. Adjustment of Conversion Prices in Successive Times

Approved by the China Securities Regulatory Commission's "Reply on Approving the Registration of Lepu Medical Technology (Beijing) Co., Ltd. to Issue Convertible Corporate Bonds to Unspecified Objects" (Zheng Jian Xu Ke [2021] No. 741), the company issued 16.38 million convertible corporate bonds to unspecified objects on March 30, 2021. Each bond had a face value of 100 yuan, and the total issuance amount was 1,638,000,000 yuan. The initial conversion price was 29.73 yuan per share.

In June 2021, the company implemented the 2020-annual rights and interests distribution plan. Based on the company's existing total share capital of 1,804,581,117 shares, after deducting the 12,402,781 shares already repurchased, the share capital was 1,792,178,336 shares. A cash dividend of 2.28 yuan per 10 shares (including tax) was distributed to all shareholders. Calculated based on the company's total share capital (including the shares already repurchased in the company's repurchase special account), the cash dividend per share = total actual cash-dividend amount ÷ total share capital (including the shares already repurchased in the company's repurchase special account) = 408,616,660.60 yuan ÷ 1,804,581,117 shares = 0.2264329 yuan per share. That is, the cash dividend per share was calculated as 0.2264329 yuan per share.

According to the company's "Prospectus" issuance terms and the relevant regulations of the China Securities Regulatory Commission on the issuance of convertible corporate bonds, the conversion price of "Lepu Convertible Bond 2" was adjusted as follows: $P1 = P0 - D = 29.73 - 0.2264329 \approx 29.50$ yuan per share. The conversion price of "Lepu Convertible Bond 2" was adjusted to 29.50 yuan per share, and the adjusted conversion price became effective on June 25, 2021 (the ex-rights and ex-dividend date). "Lepu Convertible Bond 2" entered the conversion period on October 8, 2021.

In June 2022, the company implemented the 2021-annual rights and interests distribution plan. Based on the company's existing total share capital of 1,804,589,657 shares, after deducting the 30,096,281 shares already repurchased, the share capital was 1,774,493,376 shares. A cash dividend of 2.75 yuan per 10 shares (including tax) was distributed to all shareholders. Calculated based on the company's total share capital (including the shares already repurchased in the company's repurchase special account), the cash dividend per share = total actual cash-dividend amount ÷ total share capital (including the shares already repurchased in the company's repurchase special account) = 487,985,678.40 yuan ÷ 1,804,589,657 shares = 0.2704136 yuan per share. That is, the cash dividend per share was calculated as 0.2704136 yuan per share. According to the company's "Prospectus" issuance terms and the relevant regulations of the China Securities Regulatory Commission on the issuance of convertible corporate bonds, the conversion price of "Lepu Convertible Bond 2" was adjusted as follows: $P1 = P0 - D = 29.50 - 0.2704136 \approx 29.23$ yuan per share. The conversion price of "Lepu Convertible Bond 2" was adjusted to 29.23 yuan per share, and the adjusted conversion price became effective on June 30, 2022 (the ex-rights and ex-dividend date).

In September 2022, approved by the China Securities Regulatory Commission's "Reply on Approving Lepu Medical Technology (Beijing) Co., Ltd. to Issue Global Depositary Receipts for the First Time and List on the SIX Swiss Exchange" (Zheng Jian Xu Ke [2022] No. 1984) and the approval of relevant Swiss regulatory authorities, 17,684,396 Global Depositary Receipts (GDRs) issued by Lepu Medical Technology (Beijing) Co., Ltd. (hereinafter referred to as the "company") were listed on the SIX Swiss Exchange on September 21, 2022.

(Swiss time) (hereinafter referred to as "this issuance"). The new underlying securities corresponding to this issuance were 88,421,980 A-shares of the company. After the completion of this issuance (without considering the conversion of new convertible bonds), the company's total share capital changed to 1,893,012,089 shares. According to the company's "Prospectus" issuance terms and the relevant regulations of the China Securities Regulatory Commission on the issuance of convertible corporate bonds, the conversion price of "Lepu Convertible Bond 2" was adjusted to 28.68 yuan per share, and the adjusted conversion price became effective on September 21, 2022.

In December 2022, the company cancelled the repurchase of 12,402,781 shares, accounting for 0.6552% of the company's total share capital of 1,893,012,358 shares as of November 28, 2022. After the completion of this cancellation, the company's total share capital was reduced by 12,402,781 shares. After the completion of the cancellation of part of the repurchased shares, according to the company's "Prospectus" issuance terms and the relevant regulations of the China Securities Regulatory Commission on the issuance of convertible corporate bonds, the conversion price of "Lepu Convertible Bond 2" was adjusted to 28.73 yuan per share, and the adjusted conversion price became effective on December 6, 2022.

In June 2023, the company implemented the 2022-annual rights and interests distribution plan. Based on the company's total share capital of 1,880,610,036 shares, after deducting the 18,273,500 shares already repurchased, the share capital was 1,862,336,536 shares. A cash dividend of 3.41 yuan per 10 shares (including tax) was distributed to all shareholders. Calculated based on the company's total share capital (including the shares already repurchased in the company's repurchase special account), the cash dividend per share = total actual cash-dividend amount ÷ total share capital (including the shares already repurchased in the company's repurchase special account) = 635,056,758.78 yuan ÷ 1,880,610,036 shares = 0.3376865 yuan per share. That is, the cash dividend per share was calculated as 0.3376865 yuan per share. The conversion price of "Lepu Convertible Bond 2" was adjusted to: $P1 = P0 - D = 28.73 - 0.3376865 \approx 28.39$ yuan per share.

In June 2024, the Company implemented the 2023 annual profit distribution plan, using the total share capital of 1,848,744,858 shares (after deducting 31,865,700 repurchased shares from the total outstanding shares of 1,880,610,558) as the base, distributing a cash dividend of RMB 3.314100 per 10 shares (tax inclusive) to all shareholders. The per-share cash dividend calculated based on the total share capital (including repurchased shares held in the Company's repurchase account) = Total actual cash dividend ÷ Total share capital (including repurchased shares) = RMB 612,692,533.39 ÷ 1,880,610,558 shares = RMB 0.3257944 per share, thus using RMB 0.3257944 per share to calculate the cash dividend per share. The conversion price of "Lepu Convertible Bond 2" was adjusted to: $P1 = P0 - D = 28.39 - 0.3257944 \approx \text{RMB } 28.06$ per share.

In September 2024, the Company implemented the 2024 interim profit distribution plan, using the total share capital of 1,843,394,896 shares (after deducting 37,215,700 repurchased shares from the total outstanding shares of 1,880,610,596) as the base, distributing a cash dividend of RMB 1.42 per 10 shares (tax inclusive) to all shareholders. The per-share cash dividend calculated based on the total share capital (including repurchased shares held in the Company's repurchase account) = Total actual cash dividend ÷ Total share capital (including repurchased shares) = RMB 261,762,075.23 ÷ 1,880,610,596 shares = RMB 0.1391899 per share, thus using RMB 0.1391899 per share to calculate the cash dividend per share. The conversion price of "Lepu Convertible Bond 2" was adjusted to: $P1 = P0 - D = 28.06 - 0.1391899 \approx \text{RMB } 27.92$ per share.

2. Cumulative Conversion of Convertible Bonds

Convertible Bond Abbreviation	Conversion Period	Total Issuance Quantity (sheets)	Total Issuance Amount (yuan)	Cumulative Conversion Amount (yuan)	Cumulative Conversion Quantity (shares)	Proportion of Conversion Quantity in the Total Number of Shares Issued by the Company Before the Start of Conversion	Unconverted Bond Amount (yuan)	Proportion of Unconverted Bond Amount in the Total Issuance Amount
Lepu Convertible Bond 2	From October 8, 2021, to March 29, 2026	16,380,000	1,638,000,000.00	329,200.00	10,689	0.00%	1,637,670,800.00	99.98%

3.Top Ten Convertible Bondholders

Serial Number	Name of the Convertible Bondholder	Nature of the Convertible Bondholder	Number of Convertible Bonds Held at the End of the Reporting Period (sheets)	Amount of Convertible Bonds Held at the End of the Reporting Period (yuan)	Proportion of Convertible Bonds Held at the End of the Reporting Period
1	China Merchants Bank Co., Ltd.-Bosera CSI Convertible Bond and Exchangeable Bond Exchange-Traded Fund	Others	693,906	69,390,600.00	4.24%
2	ICBC Credit Suisse Tianfeng Fixed-Income Pension Product-Bank of China Co., Ltd.	Others	595,494	59,549,400.00	3.64%
3	Everbright Securities Co., Ltd.	State-owned legal person	586,572	58,657,200.00	3.58%
4	China Merchants Bank Co., Ltd.-Franklin Templeton Sealand Hengrui Bond-Type Securities Investment Fund	Others	509,195	50,919,500.00	3.11%
5	Bank of Beijing Co., Ltd.-Invesco Great Wall Jingyi Double-Interest Bond-Type Securities Investment Fund	Others	476,807	47,680,700.00	2.91%
6	Taiping Life Insurance Co., Ltd.	State-owned legal person	320,414	32,041,400.00	1.96%
7	Guosen Securities Co., Ltd.	State-owned legal person	313,251	31,325,100.00	1.91%
8	China Minsheng Bank Co., Ltd.-Changxin Wenyu Three-Month Regular Open Bond-Type Initiated Securities Investment Fund	Others	278,415	27,841,500.00	1.70%
9	People's Pension Stable Fixed-Income Pension Product-Industrial and Commercial Bank of China Co., Ltd.	Others	240,902	24,090,200.00	1.47%

10	China Pacific Life Insurance Co., Ltd.- Traditional-Ordinary Insurance Product	Others	234,516	23,451,600.00	1.43%
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4.The Company's Liability Situation, Credit Rating Changes at the End of the Reporting Period, and Cash Arrangements for Debt Repayment in Future Years

The company's total assets are 24,573.1002 million yuan, an decrease of 1.80% compared with the beginning of the period; the net assets attributable to shareholders of the listed company are 15,201.4214 million yuan, a decrease of 4.85% compared with the beginning of the period.

On June 14, 2024, China Chengxin International Credit Rating Co., Ltd. conducted a follow-up rating on the company and related debt items during the company's duration. After review, it was determined that the company's main body credit rating was maintained at AA +, with a stable rating outlook; the credit rating of "Lepu Convertible Bond 2" was maintained at AA +.

The term of the convertible bond "Lepu Convertible Bond 2" issued by the company is 5 years from the date of issuance, that is, from March 30, 2021, to March 29, 2026. The principal and interest repayment method is to pay interest once a year, and the principal and the interest of the last year will be repaid upon maturity. The annual interest rates are 0.30% in the first year, 0.50% in the second year, 1.00% in the third year, 1.50% in the fourth year, and 1.80% in the fifth year.

The company operates stably and has a good financial condition, with a relatively strong ability to repay principal and interest. At the end of the reporting period, the company's interest coverage ratio is 3.07, 16.23 in the same period of the previous year. The interest coverage ratio at the end of this reporting period decreased by 81.10% compared with the same period of the previous year. The loan repayment rate and interest payment rate at the end of this reporting period and in the same period of the previous year were both 100%, remaining stable.

Section X Financial Report

LEPU MEDICAL TECHNOLOGY (BEIJING) CO., LTD

AUDITOR'S REPORT AND FINANCIAL

STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

**ENGLISH TRANSLATION OF
AUDITOR'S REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

**IF THERE IS ANY CONFLICT
BETWEEN THE CHINESE VERSION
AND ITS ENGLISH TRANSLATION,
THE CHINESE VERSION WILL
PREVAIL**

Lepu Medical Technology (Beijing) Co., Ltd
Auditor's Report and Financial Statements

(From 1 January 2024 to 31 December 2024)

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Auditor's Report

Xinkuaishibaozi2025-ZG11565

To the Shareholders of Lepu Medical Technology (Beijing) Co., Ltd:

Opinion

We have audited the accompanying financial statements of Lepu Medical Technology (Beijing) Co., Ltd ("LEPU"), which comprise the consolidated and company's balance sheets as at 31 December 2024, the consolidated and company's income statements, the consolidated and company's statements of cash flows, and the consolidated and company's statements of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at 31 December 2024 and the consolidated and company's financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of LEPU in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were

addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters in our audit:

Key Audit Matters	How these matters were addressed in the audit
I. Goodwill	
<p>As at 31 December 2024, the carrying amount of goodwill of the LEPU was RMB3,878,764,994.17, with a provision of goodwill impairment of RMB258,916,191.85. Please refer to Note V.20 to the consolidated financial statements for further details.</p> <p>Management of LEPU performed impairment test annually for goodwill, based on which management adjusted the carrying amount accordingly. The calculation of the impairment of goodwill involved significant management judgement and assumption, such as future sales and growth rate, gross profit rate, net profit rate, discount rates etc., which are key parameters for the estimate of asset groups expected future cash flows. As the assessment process is relatively complicated and involves significant estimates, which may be affected by unexpected future market and economic conditions, impairment assessment of goodwill was considered as a key audit matter during the year.</p>	<p>We performed the following audit procedures, among others, in relation to the revenue recognition:</p> <ul style="list-style-type: none"> (1) obtaining an understanding of key internal controls of goodwill from management to assess their design and operating effectiveness.. (2) evaluate the reasonableness of management's division of asset portfolio and the allocation of goodwill to asset portfolio or asset portfolios (3) evaluate the reasonableness of key assumptions used by management in impairment testing, review whether the sensitivity analysis of key assumptions used by management in impairment assessment, such as perpetual growth rate, gross margin and discount rate, is appropriate, and evaluate whether management has properly considered the potential impact of impairment assessment results on reasonable changes. (4) understand and evaluate the

	<p>competence, professional quality and objectivity of external appraisers hired by management, and evaluate whether the recovery amount appraisal method, valuation model, key assumptions and estimates made by external appraisers are appropriate.</p> <p>(5) check whether information related to goodwill impairment has been properly presented in the financial statements.</p>
II. Revenue recognition	
<p>For the relevant disclosures on revenue recognition in the notes to the financial statements, please refer to Note III. (27) of the consolidated financial statements for accounting policies and Note V. (46). For the year ended 31 December 2024, LEPU and its subsidiaries (the “Group”) generated revenue of RMB6,103,269,105.88.</p> <p>Revenue was considered as a key audit matter during the year due to the inherent risk that management might potentially manipulate timing of revenue to achieve specific goals or expectations as it is one of the Group’s key performance indicators.</p>	<p>We performed the following audit procedures, among others, in relation to the revenue recognition:</p> <p>(1) obtaining an understanding of key internal controls of revenue recognition from management to assess their design and operating effectiveness.</p> <p>(2) selecting significant customers to check the sales contracts signed between the Group and the customers, and conducting interviews with management; performing five-step analysis to identify single performance obligation and contract terms relating to transfer of control, to evaluate whether revenue recognition is in compliance with the Accounting Standards for Business Enterprises.</p> <p>(3) performing analytical review on revenue and gross profit combined by product type to identify any abnormal</p>

	<p>fluctuation.</p> <p>(4) on sample basis of significance and exceptional criteria, examining supporting documents in relation to revenue recognition, such as accounting vouchers, sales records, contracts, shipping documents, receipts, delivery receipts, customs declarations, bills of lading etc. to verify the existence and accuracy of revenue.</p> <p>(5) sending confirmation to selected major customers, in conjunction with the auditing of accounts receivables and contract liabilities, to verify the transaction amount during the reporting period and year-end balance, and checking subsequent receipt after the balance sheet date to verify the accuracy of revenue, accounts receivables and contract liabilities.</p> <p>(6) performing cut-off test on sales transactions before and after the balance sheet date, on sample basis, by reviewing sales contracts, sales invoices, warehouse delivery notes, customs declarations, bills of lading, goods receipts and other supporting documents related to revenue recognition to evaluate whether revenue was recorded in an appropriate period.</p>
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Other Information

Management of LEPU (“Management”) is responsible for the other information. The other information comprises all of the information included in the 2024 annual report of LEPU, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing LEPU's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate LEPU or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing LEPU's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the 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.
- (2) 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 internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's 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 LEPU'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 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 LEPU to cease to continue as a going concern.

(5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within LEPU to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**BDO CHINA Shu Lun Pan
Certified Public Accountants LLP**

**Certified Public Accountant of China:
(Engagement Partner)**

Certified Public Accountant of China:

Shanghai, China

18 April 2025

Lepu Medical Technology (Beijing) Co., Ltd
Consolidated Balance Sheet
As at 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Assets	Note	2024.12.31	2023.12.31
Current assets:			
Cash at bank and on hand	V. (1)	3,718,016,911.13	4,220,754,806.78
Settlement reserve			
Lending funds			
Financial assets held-for-trading	V. (2)	274,862,862.96	275,203,779.61
Derivative financial assets			
Notes receivable	V. (3)	116,747,820.08	84,509,973.95
Accounts receivable	V. (4)	1,530,657,231.48	1,753,160,708.35
Receivable financing	V. (5)	159,509,608.70	83,407,668.79
Prepayments	V. (6)	226,737,694.48	320,471,238.27
Insurance premium receivable			
Reinsurance premium receivable			
Reserves for reinsurance contracts receivable			
Other receivables	V. (7)	114,401,883.63	110,449,885.41
Financial assets purchased under agreements to resell			
Inventories	V. (8)	2,030,235,942.18	2,289,473,586.38
Including: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year	V. (9)	33,010,145.09	3,302,070.61
Other current assets	V. (10)	232,101,603.89	184,703,896.89
Total current assets		8,436,281,703.62	9,325,437,615.04
Non-current assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables	V. (11)	189,453.63	2,968,556.17
Long-term equity investments	V. (12)	1,189,771,189.43	1,353,760,737.79
Investments in other equity instruments	V. (13)	1,086,887,464.61	1,190,240,450.59
Other non-current financial assets	V. (14)	26,500,000.00	26,500,000.00
Investment properties	V. (15)	463,953,038.77	296,774,138.94
Fixed assets	V. (16)	3,991,276,420.92	2,812,962,375.74
Construction in progress	V. (17)	533,097,328.96	1,797,285,664.72
Productive biological assets			
Oil and gas assets			
Right-of-use assets	V. (18)	338,472,348.46	326,430,233.20
Intangible assets	V. (19)	2,018,616,893.91	1,817,546,203.28
Including: Data resources			
Development expenses	VI	1,020,885,502.67	861,745,696.38
Including: Data resources			
Goodwill	V. (20)	3,619,848,802.32	3,504,330,628.08
Long-term deferred expenses	V. (21)	290,734,919.11	256,771,874.86
Deferred income tax assets	V. (22)	314,866,760.31	167,324,190.66
Other non-current assets	V. (23)	1,241,718,372.47	1,282,253,121.24
Total non-current assets		16,136,818,495.57	15,696,893,871.65
Total assets		24,573,100,199.19	25,022,331,486.69

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Consolidated Balance Sheet (Continued)
As at 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Liabilities and owners' equity	Note	2024.12.31	2023.12.31
Current liabilities:			
Short-term borrowings	V. (25)	301,656,435.95	1,039,743,103.15
Loans from central bank			
Placements from banks and other financial institutions			
Financial liabilities held-for-trading	V. (26)	93,983.38	
Derivative financial liabilities			
Notes payable	V. (27)	87,698,748.88	167,917,721.65
Accounts payable	V. (28)	709,454,994.52	861,366,956.73
Advances from customers			
Contract liabilities	V. (29)	242,043,458.27	269,519,519.47
Securities sold under agreements to repurchase			
Deposits from customers and interbanks			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee benefits payable	V. (30)	85,548,165.19	104,817,928.71
Taxes payable	V. (31)	135,655,297.65	199,105,826.66
Other payables	V. (32)	397,963,800.74	555,678,277.77
Fee and commission payable			
Reinsured accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	V. (33)	1,591,697,242.05	498,035,202.06
Other current liabilities	V. (34)	60,739,818.02	62,471,403.25
Total current liabilities		3,612,551,944.65	3,758,655,939.45
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	V. (35)	2,015,583,172.32	1,542,190,754.84
Bonds payable	V. (36)	1,608,915,230.87	1,560,810,898.63
Including: Preference shares			
Perpetual bonds			
Lease liabilities	V. (37)	251,912,745.16	269,967,672.04
Long-term payable			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income	V. (38)	137,907,778.27	195,216,181.81
Deferred income tax liabilities	V. (22)	205,793,013.00	197,934,919.32
Other non-current liabilities			
Total non-current liabilities		4,220,111,939.62	3,766,120,426.64
Total liabilities		7,832,663,884.27	7,524,776,366.09
Owners' equity:			
Share capital	V. (39)	1,880,611,005.00	1,880,610,352.00
Other equity instruments	V. (40)	214,747,153.96	214,751,048.51
Including: Preference shares			
Perpetual bonds			
Capital reserve	V. (41)	3,533,592,427.30	3,464,665,903.83
Less: Treasury shares	V. (42)	608,492,292.32	431,064,877.67
Other comprehensive income	V. (43)	-41,347,794.62	-80,892,863.74
Special reserve			
Surplus reserve	V. (44)	787,909,316.71	732,541,206.45
Provision for general risks			
Retained earnings	V. (45)	9,434,401,562.79	10,195,491,193.93
Total equity attributable to shareholders of the Company		15,201,421,378.82	15,976,101,963.31
Non-controlling interests		1,539,014,936.10	1,521,453,157.29
Total equity		16,740,436,314.92	17,497,555,120.60
Total liabilities and equity		24,573,100,199.19	25,022,331,486.69

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Company's Balance Sheet
As at 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Assets	Note	2024.12.31	2023.12.31
Current assets:			
Cash at bank and on hand		1,253,790,384.38	1,184,116,971.83
Financial assets held-for-trading			
Derivative financial assets			
Notes receivable			
Accounts receivable	XVII. (1)	55,409,599.24	197,685,442.05
Receivable financing		2,097,526.20	4,495,649.64
Prepayments		14,615,721.04	56,169,678.85
Other receivables	XVII. (2)	2,231,671,775.43	2,485,080,815.54
Inventories		231,313,619.44	280,022,435.78
Including: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		369,436.16	3,517,519.87
Total current assets		3,789,268,061.89	4,211,088,513.56
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII. (3)	10,206,669,727.90	10,162,921,459.75
Investments in other equity instruments		682,428,159.59	763,960,974.01
Other non-current financial assets		26,500,000.00	26,500,000.00
Investment properties		38,059,103.37	40,113,161.49
Fixed assets		347,952,806.39	337,560,085.61
Construction in progress		4,017,626.13	8,931,258.75
Productive biological assets			
Oil and gas assets			
Right-of-use assets		14,915,635.08	6,283,021.14
Intangible assets		241,506,388.08	48,308,954.94
Including: Data resources			
Development expenses		267,705,289.85	317,903,588.10
Including: Data resources			
Goodwill			
Long-term deferred expenses		54,584,176.31	55,918,794.05
Deferred income tax assets		40,440,771.86	30,923,989.10
Other non-current assets		740,007,796.89	1,133,519,122.69
Total non-current assets		12,664,787,481.45	12,932,844,409.63
Total assets		16,454,055,543.34	17,143,932,923.19

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Company's Balance Sheet (Continued)
As at 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Liabilities and owners' equity	Note	2024.12.31	2023.12.31
Current liabilities:			
Short-term borrowings		105,553,915.27	569,483,266.63
Financial liabilities held-for-trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		154,947,256.99	124,663,691.92
Advances from customers			
Contract liabilities		10,260,525.85	15,906,733.48
Employee benefits payable		1,743,422.29	1,543,988.37
Taxes payable		48,741,877.30	70,583,103.27
Other payables		1,755,031,523.83	2,101,762,885.38
Liabilities held for sale			
Non-current liabilities due within one year		1,447,655,451.95	449,504,636.23
Other current liabilities		1,217,173.58	729,382.70
Total current liabilities		3,525,151,147.06	3,334,177,687.98
Non-current liabilities:			
Long-term borrowings		999,943,191.00	1,474,308,442.33
Bonds payable		1,608,915,230.87	1,560,810,898.63
Including: Preference shares			
Perpetual bonds			
Lease liabilities		8,065,558.11	3,900,064.70
Long-term payable			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		9,400,000.00	10,066,666.67
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		2,626,323,979.98	3,049,086,072.33
Total liabilities		6,151,475,127.04	6,383,263,760.31
Owners' equity:			
Share capital		1,880,611,005.00	1,880,610,352.00
Other equity instruments		214,747,153.96	214,751,048.51
Including: Preference shares			
Perpetual bonds			
Capital reserve		4,069,508,945.89	4,024,106,499.27
Less: Treasury shares		608,492,292.32	431,064,877.67
Other comprehensive income		39,416,929.79	58,422,369.53
Special reserve			
Surplus reserve		912,333,679.22	856,965,568.96
Retained earnings		3,794,454,994.76	4,156,878,202.28
Total equity		10,302,580,416.30	10,760,669,162.88
Total liabilities and equity		16,454,055,543.34	17,143,932,923.19

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Consolidated Income Statement
For the year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	2024	2023
I. Total operating revenue		6,103,269,105.88	7,979,899,319.74
Including: Operating revenue	V. (46)	6,103,269,105.88	7,979,899,319.74
Interest income			
Premium earned			
Income for handling charges and commissions			
II. Total operating costs		5,522,118,442.71	6,354,887,008.61
Including: Operating cost	V. (46)	2,387,647,101.63	2,853,285,885.47
Interest expense			
Handling charges and commissions			
Refunded premiums			
Net amount of compensation payout			
Net amount withdrawn for insurance contract reserves			
Policy dividend expense			
Reinsured expenses			
Taxes and surcharges	V. (47)	86,392,279.47	96,814,482.11
Selling expenses	V. (48)	1,436,940,700.37	1,624,613,745.79
Administrative expenses	V. (49)	799,337,214.54	815,825,521.24
Research and development expenses	V. (50)	769,557,235.27	879,418,426.88
Financial expenses	V. (51)	42,243,911.43	84,928,947.12
Including: Interest expenses		180,999,999.83	170,645,096.13
Interest income		115,513,065.30	115,343,171.74
Add: Other income	V. (52)	93,561,373.25	134,679,694.05
Investment income (loss expressed with "-")	V. (53)	-89,713,050.06	-16,533,187.83
Including: Income from investment in associates and joint ventures		-65,950,372.92	-24,360,974.71
Gains from derecognition of financial assets measured at amortised cost			
Exchange gain (loss expressed with "-")			
Net exposure hedging benefits (loss expressed with "-")			
Gains from change in fair value (loss expressed with "-")	V. (54)	389,477.71	3,091,760.83
Loss on impairment of credit (loss expressed with "-")	V. (55)	-56,113,783.90	-29,870,886.49
Loss on impairment of assets (loss expressed with "-")	V. (56)	-287,867,093.11	-165,092,450.49
Gains from disposal of asset (loss expressed with "-")	V. (57)	11,731,723.82	-4,072,105.04
III. Operating profit (loss expressed with "-")		253,139,310.88	1,547,215,136.16
Add: Non-operating income	V. (58)	13,225,333.92	44,388,686.76
Less: Non-operating expenses	V. (59)	40,603,998.68	37,105,865.43
IV. Total profit before tax (total loss expressed with "-")		225,760,646.12	1,554,497,957.49
Less: Income tax expense	V. (60)	28,466,779.07	262,147,007.11
V. Net profit (net loss expressed with "-")		197,293,867.05	1,292,350,950.38
(I) Classified by continuity of operations			
1. Net profit from continuing operations (net loss expressed with "-")		197,293,867.05	1,292,350,950.38
2. Net profit from discontinued operations (net loss expressed with "-")			
(II) Classified by ownership			
1. Net profit attributable to shareholders of the Company (net loss expressed with "-")		246,937,715.50	1,258,200,337.67
2. Net profit attributable to non-controlling interests (net loss expressed with "-")		-49,643,848.45	34,150,612.71
VI. Net other comprehensive income after tax		-60,891,593.56	63,426,376.92
Net other comprehensive income after tax attributable to shareholders of the Company		-38,659,869.39	86,636,084.31
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss		-38,577,096.48	69,493,602.48
1. Change in remeasurement of defined benefit plans			
2. Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss			
3. Change in fair value of investments in other equity instruments		-38,577,096.48	69,493,602.48
4. Changes in fair value of other equity instrument investments			
(II) Other comprehensive income that will be subsequently reclassified to profit or loss		-82,772.91	17,142,481.83
1. Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss		128,494.42	118,398.92
2. Change in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Exchange differences arising from translation of foreign currency financial statements		-211,267.33	17,024,082.91
7. Others			
Net other comprehensive income attributable to non-controlling interests after tax		-22,231,724.17	-23,209,707.39
VII. Total comprehensive income		136,402,273.49	1,355,777,327.30
Total comprehensive income attributable to shareholders of the Company		208,277,846.11	1,344,836,421.98
Total comprehensive income attributable to non-controlling interests		-71,875,572.62	10,940,905.32
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.1336	0.6757
(II) Diluted earnings per share (RMB/share)		0.1336	0.6757

There is enterprise merger under the same control occurs, the net profit realized by the merged party before the merger is RMB 0.00 , the previous period is RMB 0.00.

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Company's Income Statement
For the year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	2024	2023
I. Operating revenue	XVII. (4)	1,541,513,185.49	1,576,981,486.92
Less: Operating cost	XVII. (4)	520,557,352.76	474,594,028.59
Taxes and surcharges		21,454,676.98	22,742,804.37
Selling expenses		262,119,549.67	234,152,286.82
Administrative expenses		188,788,207.62	235,112,314.17
Research and development expenses		121,076,170.16	171,152,763.55
Financial expenses		104,994,759.91	105,930,783.87
Including: Interest expenses		173,417,974.16	178,381,542.89
Interest income		67,658,215.06	87,721,447.28
Add: Other income		11,580,352.79	7,384,197.02
Investment income (loss expressed with "-")	XVII. (5)	307,195,333.64	400,621,741.90
Including: Income from investment in associates and joint ventures		-53,734,317.06	-14,709,625.78
Gains from derecognition of financial assets measured at amortised cost			
Net exposure hedging benefits (loss expressed with "-")			
Gains from change in fair value (loss expressed with "-")			
Loss on impairment of credit (loss expressed with "-")		-2,607,415.58	-5,915,218.26
Loss on impairment of assets (loss expressed with "-")		-43,624,961.37	-6,924,695.04
Gain from disposal of assets (loss expressed with "-")			153.17
II. Operating profit (Loss expressed with "-")		595,065,777.87	728,462,684.34
Add: Non-operating income		263,418.88	29,861.50
Less: Non-operating expenses		2,265,707.65	897,626.70
III. Total profit before tax (loss expressed with "-")		593,063,489.10	727,594,919.14
Less: Income tax expense		39,382,386.46	42,608,520.47
IV. Net profit (Net loss expressed with "-")		553,681,102.64	684,986,398.67
(I) Net profit from continuing operations (net loss expressed with "-")		553,681,102.64	684,986,398.67
(II) Net profit from discontinued operations (net loss expressed with "-")			
V. Net other comprehensive income after tax attributable to shareholders of the company		-5,287,341.77	82,194,778.25
(I) Other comprehensive incomes that will not be reclassified into profit or loss		-5,415,836.19	82,239,741.46
1.Change in remeasurement of defined benefit plans			
2.Share of other comprehensive income accounted for using equity method that will not be reclassified to profit or loss			
3.Change in fair value of investments in other equity instruments		-5,415,836.19	82,239,741.46
4.Change in fair value of credit risks of own credit risks			
(II) Other comprehensive income that will be subsequently reclassified to profit or loss		128,494.42	-44,963.21
1.Share of other comprehensive income accounted for using equity method that will be reclassified to profit or loss		128,494.42	-44,963.21
2.Change in fair value of other debt investment			
3.Amount of financial assets reclassified into other comprehensive income			
4.Provision of credit impairment of other debt investments			
5.Cash flow hedging reserve			
6.Exchange differences arising from translation of foreign currency financial statements			
7.Others			
VI. Total comprehensive income		548,393,760.87	767,181,176.92
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Consolidated Statement of Cash Flows
For the year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	2024	2023
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		6,289,063,077.95	7,996,335,161.45
Net increase in deposit from customer and due from bank and other financial institutions			
Net increase in borrowings from central bank			
Net increase in borrowings from other financial institutions			
Cash received from premium income from direct insurance contracts			
Net cash received from reinsurance business			
Net increase in policyholders' deposits and investments contract liabilities			
Cash received from interests, handling charges and commissions			
Net increase in loans from other banks and other financial institutions			
Net increase in repurchase business			
Net cash received from agency purchases and sales of securities			
Cash received from tax refund		95,940,930.03	132,875,741.53
Cash received relating to other operating activities	V. (61)	176,769,631.52	280,234,842.80
Sub-total of cash inflows from operating activities		6,561,773,639.50	8,409,445,745.78
Cash paid for goods and services		1,806,884,696.11	2,538,111,640.07
Net increase in loans and advances to customers			
Net increase in central bank and interbank deposits			
Cash paid for claims of direct insurance contracts			
Net increase in lending funds			
Cash paid for interests, handling charges and commissions			
Cash paid for the policy dividends			
Cash paid to and on behalf of employees		1,914,250,847.98	2,231,194,505.28
Payments of taxes and surcharges		871,221,842.00	1,103,434,541.07
Cash paid relating to other operating activities	V. (61)	1,234,772,364.34	1,546,345,245.05
Sub-total of cash outflows from operating activities		5,827,129,750.43	7,419,085,931.47
Net cash flows from operating activities		734,643,889.07	990,359,814.31
II. Cash flows from investing activities:			
Cash received from disposal of investments		566,076,996.92	568,738,152.08
Cash received from investment income		80,052,174.15	173,194,633.25
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		30,031,440.18	8,524,435.05
Net cash received from the disposal of subsidiaries and other business entities		15,250,149.21	
Cash received relating to other investing activities	V. (61)	265,749,358.58	11,176,430.18
Sub-total of cash inflows from investing activities		957,160,119.04	761,633,650.56
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		658,820,857.02	844,669,216.86
Cash paid for investments		803,961,915.30	634,147,726.79
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other business units		31,009,027.89	350,925,591.88
Cash paid relating to other investing activities	V. (61)	207,270,380.06	818,090,162.38
Sub-total of cash outflows from investing activities		1,701,062,180.27	2,647,832,697.91
Net cash flows from investing activities		-743,902,061.23	-1,886,199,047.35
III. Cash flows from financing activities:			
Cash received from capital contributions		7,260,000.00	298,710,624.89
Including: Cash received by subsidiaries from receiving investments made by minority interest		7,260,000.00	298,710,624.89
Cash received from borrowings		3,167,604,764.32	2,693,517,425.50
Cash received relating to other financing activities	V. (61)	43,487,465.09	51,959,067.45
Sub-total of cash inflows from financing activities		3,218,352,229.41	3,044,187,117.84
Cash repayment of borrowings		2,293,429,148.82	2,251,950,000.00
Cash payments for distribution of dividends profits or interest expenses		1,046,117,237.36	784,224,306.21
Including: Dividends and profits paid by subsidiaries to non-controlling interests		55,222,264.53	15,566,786.53
Cash payments for other financing activities	V. (61)	364,024,766.93	300,930,604.58
Sub-total of cash outflows from financing activities		3,703,571,153.11	3,337,104,910.79
Net cash flows from financing activities		-485,218,923.70	-292,917,792.95
IV. Effect of change in foreign exchange rate on cash and cash equivalents		8,921,741.41	-20,585,773.92
V. Net increase in cash and cash equivalents		-485,555,354.45	-1,209,342,799.91
Add: Beginning balance of cash and cash equivalents		4,099,954,989.87	5,309,297,789.78
VI. Ending balance of cash and cash equivalents		3,614,399,635.42	4,099,954,989.87

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Company's Statement of Cash Flows
For the year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	2024	2023
I. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		1,788,033,101.39	1,568,758,770.80
Cash received from tax refund		646,734.19	826,970.34
Cash received relating to other operating activities		85,431,785.17	153,770,352.23
Sub-total of cash inflows from operating activities		1,874,111,620.75	1,723,356,093.37
Cash paid for goods and services		223,971,133.26	255,354,252.80
Cash paid to and on behalf of employees		491,624,547.25	547,555,631.24
Payments of taxes surcharges		237,858,262.06	204,408,587.54
Cash paid relating to other operating activities		263,036,329.71	263,521,814.77
Sub-total of cash outflows from operating activities		1,216,490,272.28	1,270,840,286.35
Net cash flows from operating activities		657,621,348.47	452,515,807.02
II. Cash flows from investing activities:			
Cash received from disposal of investments		327,671,672.98	184,482,925.46
Cash received from returns on investments		190,006,828.94	430,160,673.70
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			95,389.00
Net cash received from the disposal of subsidiaries and other business entities		258,892,405.52	18,500,000.00
Cash received relating to other investing activities		290,418,557.08	5,172,896.66
Sub-total of cash inflows from investing activities		1,066,989,464.52	638,411,884.82
Cash paid to acquire fixed assets, intangible assets and other long-term assets		169,430,209.39	57,347,013.80
Cash paid to acquire investments		115,000,000.00	159,003,362.65
Net cash paid for acquisition of subsidiaries and other business units		358,091,111.24	583,879,167.81
Cash paid relating to other investing activities		47,190,000.00	388,500,000.00
Sub-total of cash outflows from investing activities		689,711,320.63	1,188,729,544.26
Net cash flows from investing activities		377,278,143.89	-550,317,659.44
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		1,588,017,948.82	2,041,000,000.00
Cash received relating to other financing activities		514,115,087.31	91,467,707.71
Sub-total of cash inflows from financing activities		2,102,133,036.13	2,132,467,707.71
Cash repayment of borrowings		1,534,429,148.82	1,904,250,000.00
Cash payments for distribution of dividends profits or interest expenses		973,179,094.83	771,754,901.56
Cash payments for other financing activities		558,825,553.94	632,541,869.92
Sub-total of cash outflows from financing activities		3,066,433,797.59	3,308,546,771.48
Net cash flows from financing activities		-964,300,761.46	-1,176,079,063.77
IV. Effect of change in foreign exchange rate on cash and cash equivalents		383,808.22	-18,750,833.94
V. Net increase in cash and cash equivalents		70,982,539.12	-1,292,631,750.13
Add: Beginning balance of cash and cash equivalents		1,158,667,481.61	2,451,299,231.74
VI. Ending balance of cash and cash equivalents		1,229,650,020.73	1,158,667,481.61

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Consolidated Statement of Changes in Owners' Equity
For the year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	2024													
	Equity attributable to shareholders of the Company												Non-controlling interests	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total		
Preference shares		Perpetual bonds	Others											
I. Ending balance of last year	1,880,610,352.00			214,751,048.51	3,464,665,903.83	431,064,877.67	-80,892,863.74		732,541,206.45		10,195,491,193.93	15,976,101,963.31	1,521,453,157.29	17,497,555,120.60
Add: Changes in accounting policies														
Correction of previous errors														
Business combination under common control														
Others														
II. Beginning balance of the year	1,880,610,352.00			214,751,048.51	3,464,665,903.83	431,064,877.67	-80,892,863.74		732,541,206.45		10,195,491,193.93	15,976,101,963.31	1,521,453,157.29	17,497,555,120.60
III. Increase/decrease for the year (Decrease expressed with "-.")	653.00			-3,894.55	68,926,523.47	177,427,414.65	39,545,069.12		55,368,110.26		-761,089,631.14	-774,680,584.49	17,561,778.81	-757,118,805.68
(I) Total comprehensive income							-38,659,869.39				246,937,715.50	208,277,846.11	-71,875,572.62	136,402,273.49
(II) Capital paid in and reduced by shareholders	653.00			-3,894.55	28,133,106.67	177,427,414.65						-149,297,549.53	147,255,524.39	-2,042,025.14
1.Ordinary shares paid by shareholders														
2.Capital paid by holders of other equity instruments	653.00			-3,894.55	20,390.12							17,148.57		17,148.57
3.Amount of share-based payments recognized in owners' equity					31,479,881.90							31,479,881.90	5,086,362.75	36,566,244.65
4.Others					-3,367,165.35	177,427,414.65						-180,794,580.00	142,169,161.64	-38,625,418.36
(III) Profit distribution									55,368,110.26		-929,822,408.13	-874,454,297.87	-57,818,172.96	-932,272,470.83
1.Transfer to surplus reserve									55,368,110.26		-55,368,110.26			
2.Transfer to provision for general risks														
3.Distribution to owners (or shareholders)											-874,454,297.87	-874,454,297.87	-57,818,172.96	-932,272,470.83
4.Others														
(IV) Transfer within owners' equity							78,204,938.51				-78,204,938.51			
1.Capitalization of capital reserve (or share capital)														
2.Capitalization of surplus reserve (or share capital)														
3.Loss offset by surplus reserve														
4.Transfer to retained earnings arising from change in defined benefit plans														
5.Transfer from other comprehensive income to retained earnings							78,204,938.51				-78,204,938.51			
6.Others														
(V) Special reserve														
1.Transfer in the year														
2.Utilisation in the year														
(VI) Others					40,793,416.80							40,793,416.80		40,793,416.80
IV. Ending balance of the year	1,880,611,005.00			214,747,153.96	3,533,592,427.30	608,492,292.32	-41,347,794.62		787,909,316.71		9,434,401,562.79	15,201,421,378.82	1,539,014,936.10	16,740,436,314.92

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Consolidated Statement of Changes in Owners' Equity (Continued)
For the year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	2023													
	Equity attributable to shareholders of the Company												Non-controlling interests	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Retained earnings	Sub-total		
		Preference shares	Perpetual bonds	Others										
I. Ending balance of last year	1,880,609,691.00			214,753,553.08	3,243,091,853.19	355,820,438.37	-90,764,197.71		664,042,566.58		9,591,299,351.64	15,147,212,379.41	1,224,641,891.33	16,371,854,270.74
Add: Changes in accounting policies														
Correction of previous errors														
Business combination under common control														
Others														
II. Beginning balance of the year	1,880,609,691.00			214,753,553.08	3,243,091,853.19	355,820,438.37	-90,764,197.71		664,042,566.58		9,591,299,351.64	15,147,212,379.41	1,224,641,891.33	16,371,854,270.74
III. Increase/decrease for the year (Decrease expressed with "-")	661.00			-2,504.57	221,574,050.64	75,244,439.30	9,871,333.97		68,498,639.87		604,191,842.29	828,889,583.90	296,811,265.96	1,125,700,849.86
(I) Total comprehensive income							86,636,084.31				1,258,200,337.67	1,344,836,421.98	10,940,905.32	1,355,777,327.30
(II) Capital paid in and reduced by shareholders	661.00			-2,504.57	185,632,599.89	75,244,439.30					-27,217,854.74	83,168,462.28	303,811,625.18	386,980,087.46
1. Ordinary shares paid by shareholders														
2. Capital paid by holders of other equity instruments	661.00			-2,504.57	19,379.69							17,536.12		17,536.12
3. Amount of share-based payments recognized in owners' equity					160,550,126.59							160,550,126.59	7,659,776.98	168,209,903.57
4. Others					25,063,093.61	75,244,439.30					-27,217,854.74	-77,399,200.43	296,151,848.20	218,752,647.77
(III) Profit distribution									68,498,639.87		-703,555,390.98	-635,056,751.11	-17,941,264.54	-652,998,015.65
1. Transfer to surplus reserve									68,498,639.87		-68,498,639.87			
2. Transfer to provision for general risks														
3. Distribution to owners (or shareholders)											-635,056,751.11	-635,056,751.11	-17,941,264.54	-652,998,015.65
4. Others														
(IV) Transfer within owners' equity							-76,764,750.34				76,764,750.34			
1. Capitalization of capital reserve (or share capital)														
2. Capitalization of surplus reserve (or share capital)														
3. Loss offset by surplus reserve														
4. Transfer to retained earnings arising from change in defined benefit plans														
5. Transfer from other comprehensive income to retained earnings							-76,764,750.34				76,764,750.34			
6. Others														
(V) Special reserve														
1. Transfer in the year														
2. Utilisation in the year														
(VI) Others					35,941,450.75							35,941,450.75		35,941,450.75
IV. Ending balance of the year	1,880,610,352.00			214,751,048.51	3,464,665,903.83	431,064,877.67	-80,892,863.74		732,541,206.45		10,195,491,193.93	15,976,101,963.31	1,521,453,157.29	17,497,555,120.60

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Company's Statement of Changes in Owners' Equity (Continued)
For the year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	2024										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
		Preference shares	Perpetual bonds	Others							
I. Ending balance of last year	1,880,610,352.00			214,751,048.51	4,024,106,499.27	431,064,877.67	58,422,369.53		856,965,568.96	4,156,878,202.28	10,760,669,162.88
Add: Changes in accounting policies											
Correction of previous errors											
Others											
II. Beginning balance of the year	1,880,610,352.00			214,751,048.51	4,024,106,499.27	431,064,877.67	58,422,369.53		856,965,568.96	4,156,878,202.28	10,760,669,162.88
Increase/decrease for the year (Decrease expressed with "-")	653.00			-3,894.55	45,402,446.62	177,427,414.65	-19,005,439.74		55,368,110.26	-362,423,207.52	-458,088,746.58
(I)Total comprehensive income							-5,287,341.77			553,681,102.64	548,393,760.87
(II)Capital paid in and reduced by shareholders	653.00			-3,894.55	4,913,518.69	177,427,414.65					-172,517,137.51
1.Ordinary shares paid by shareholders											
2.Capital paid by holders of other equity instruments	653.00			-3,894.55	20,390.12						17,148.57
3.Amount of share-based payments recognized in owners' equity					4,893,128.57						4,893,128.57
4.Others						177,427,414.65					-177,427,414.65
(III)Profit distribution									55,368,110.26	-929,822,408.13	-874,454,297.87
1.Transfer to surplus reserve									55,368,110.26	-55,368,110.26	
2.Distribution to owners (or shareholders)										-874,454,297.87	-874,454,297.87
3.Others											
(IV)Transfer within owners' equity							-13,718,097.97			13,718,097.97	
1.Capitalization of capital reserve (or share capital)											
2.Capitalization of surplus reserve (or share capital)											
3.Loss offset by surplus reserve											
4.Transfer to retained earnings arising from change in defined benefit plans											
5.Transfer from other comprehensive income to retained earnings							-13,718,097.97			13,718,097.97	
6.Others											
(V)Special reserve											
1.Transfer in the year											
2.Utilisation in the year											
(VI)Others					40,488,927.93						40,488,927.93
IV. Ending balance of the year	1,880,611,005.00			214,747,153.96	4,069,508,945.89	608,492,292.32	39,416,929.79		912,333,679.22	3,794,454,994.76	10,302,580,416.30

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Company's Statement of Changes in Owners' Equity (Continued)
For the year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

Item	2023										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
		Preference shares	Perpetual bonds	Others							
I. Ending balance of last year	1,880,609,691.00			214,753,553.08	3,887,723,492.11	355,820,438.37	-3,824,056.34		788,466,929.09	4,155,498,842.21	10,567,408,012.78
Add: Changes in accounting policies											
Correction of previous errors											
Others											
II. Beginning balance of the year	1,880,609,691.00			214,753,553.08	3,887,723,492.11	355,820,438.37	-3,824,056.34		788,466,929.09	4,155,498,842.21	10,567,408,012.78
Increase/decrease for the year (Decrease expressed with "-")	661.00			-2,504.57	136,383,007.16	75,244,439.30	62,246,425.87		68,498,639.87	1,379,360.07	193,261,150.10
(I)Total comprehensive income							82,194,778.25			684,986,398.67	767,181,176.92
(II)Capital paid in and reduced by shareholders	661.00			-2,504.57	100,504,328.02	75,244,439.30					25,258,045.15
1.Ordinary shares paid by shareholders											
2.Capital paid by holders of other equity instruments	661.00			-2,504.57	19,379.69						17,536.12
3.Amount of share-based payments recognized in owners' equity					104,467,031.30						104,467,031.30
4.Others					-3,982,082.97	75,244,439.30					-79,226,522.27
(III)Profit distribution									68,498,639.87	-703,555,390.98	-635,056,751.11
1.Transfer to surplus reserve									68,498,639.87	-68,498,639.87	
2.Distribution to owners (or shareholders)										-635,056,751.11	-635,056,751.11
3.Others											
(IV)Transfer within owners' equity							-19,948,352.38			19,948,352.38	
1.Capitalization of capital reserve (or share capital)											
2.Capitalization of surplus reserve (or share capital)											
3.Loss offset by surplus reserve											
4.Transfer to retained earnings arising from change in defined benefit plans											
5.Transfer from other comprehensive income to retained earnings							-19,948,352.38			19,948,352.38	
6.Others											
(V)Special reserve											
1.Transfer in the year											
2.Utilisation in the year											
(VI)Others					35,878,679.14						35,878,679.14
IV. Ending balance of the year	1,880,610,352.00			214,751,048.51	4,024,106,499.27	431,064,877.67	58,422,369.53		856,965,568.96	4,156,878,202.28	10,760,669,162.88

The notes to the financial statements followed are an integral part of the financial statements.

Legal Representative:

Chief Financial Officer:

Accounting Manager:

Lepu Medical Technology (Beijing) Co., Ltd
Notes to the Financial Statements
For the year ended 31 December 2024
(All amounts in RMB Yuan unless otherwise stated)

I. Basic Information of the Company

(1) General information

Lepu Medical Technology (Beijing) Co., Ltd (the "Company"), formerly known as Beijing Lepu Medical Instrument Co., Ltd, was established on 11 June 1999 with the approval from Beijing Municipal Administrative Bureau for Industry and Commerce. The registered share capital of the Company was RMB12.60 million then with Luoyang Ship Material Research Institute contributing the capital in cash of RMB8.82 million and WP Medical Technologies, Inc (hereinafter referred to as the " US WP") contributing the capital in technology of RMB3.78 million. The aforementioned paid-in capital was verified by Beijing Yanping CPA Co., Ltd. who issued the verification report numbered Yankuaikeyanzi (2000) No. 018.

As at 31 December 2024, the Company has cumulatively issued 1,880,611,005.00 shares with a registered share capital of RMB1,880,610,488.

Social credit code: 911100007000084768

Registered address: No. 37 Chaoqian Road, Changping District, Beijing

Legal representative: Mr. Pu Zhongjie (蒲忠傑)

Scope of business: Company Business Scope: Production and sales of medical devices and their accessories; technical development of medical devices and their accessories; provision of technical consulting services for self-produced products; import and export of the aforementioned products; technology import and export; commission agency (excluding auction, goods subject to quota license management, and special provisions shall be handled according to national regulations). (Business entities may independently choose their business projects and conduct business activities in accordance with the law; for projects that require approval by law, they must obtain approval from relevant departments and conduct business activities according to the approved content; no business activities shall be conducted in industries prohibited or restricted by national and municipal industrial policies.)

The financial statements have been approved by the board of Directors of the Company on 17 April 2024.

(2) Scope of the consolidated financial statements

As at 31 December 2024, particulars of the Company's second-level subsidiaries are as follows:

Lepu Qianshi Digital Technology (Shanghai) Co., Ltd.

Lepu Medical Equipment(Beijing) Co., Ltd.

Lepu Medical Electronics Technology Co., Ltd.

Changzhou Bingkun Medical Technology Co., Ltd.(used name: Ningbo Bingkun Medical Technology Co., Ltd.)

Beijing Lepu Medical Technology Co., Ltd.

Beijing Lepu bright vision Technology Co., Ltd

Lepu Medical (Europe) Coöperatief U.A.

Beijing Star GK Medical Device Co., Ltd.

Shenzhen Sonolepu Medical Technology Co., Ltd.

Shenzhen Lepu Intelligent Medical Equipment Co., Ltd.

Lepu Pharmaceutical Co., Ltd.

Zhejiang Lepu Pharmaceutical Co., Ltd.

Beijing Haihetian Technology Development Co., Ltd.

Beijing Lepucare Technology Co., Ltd.

Beijing Lejian Medical Investment Co., Ltd.

Beijing JWJ Science & Technology Development Co., Ltd.

Anhui High Tech Cardiovascular Hospital Management Co., Ltd.

Beijing Lepu Growth Investment Management Co., Ltd.

Lepu Medical (Shenzhen) International Development Center Co., Ltd.

Lepu (Shenzhen) Medical Technology Co., Ltd.

Shanghai Lepu CloudMed Co., Ltd

Qingdao Minyi Investment Center (Limited Partnership)

Beijing Guoyihui Healthcare Technology Co., Ltd.

Beijing Lepu Tongxin Technology Co., Ltd

Tianjin Yuhengjia Medical Technology Co., Ltd.
Liaoning Bo'ao Bio-pharmaceutical Co., Ltd.
Beijing Lepu Precision Medical Technology Co., Ltd.
Lepu International Holdings (Shenzhen) Co., Ltd.
Lepu Ruikang (Shanghai) Intelligent Technology Co., Ltd
Lepu Guanzhi Biotechnology Co., Ltd.
Lepu Youkang (Beijing) Pharmaceutical Technology Co., Ltd.
Shanxi Xingtai Biotechnology Co., Ltd
Sichuan Xingtaipule Medical Technology Co., Ltd.
Aonuo (Qingdao) Pharmaceutical Co., Ltd.
Suzhou Bonsmile Medical Technology Co., Ltd.
Tibet Tiandome Technology Development Co., Ltd.
Lepu Ruikang (Shenzhen) Technology Co., Ltd.
Lepu Xintai Medical Technology (Shanghai) Co., L
Lepu (Beijing) Medical Technology Co., Ltd
Beijing Ledongpukang Medical Technology Co., Ltd.
Lepu Ruikang (Beijing) Pension Service Management Co., LTD
Lepu Jiantang Pharmaceutical (Chongqin) Co., Ltd.
Shanghai Gurong Biotechnology Co., Ltd.(used name:Shanghai Gurong New Energy Technology Co., Ltd.)
Beijing Lepu Digital Health Technology Co., Ltd
Shanxi Letong Printing Technology Co., Ltd
Shanghai Minwei Biotechnology Co., Ltd
Shenzhen Ruihan Medical Technology Co., Ltd
Lepu Technology (Malaysia) Sdn.Bhd.
Lepu Switzerland GmbH

II. Basis of Preparation for the Financial Statements

(1) Basis of preparation

The financial statements have been prepared in accordance with the *Accounting Standards*

for Business Enterprises – Basic Standards and other various accounting standards, Application Guideline of the Accounting Standards for Business Enterprises, Interpretation of the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter referred to as the "Accounting Standards for Business Enterprises"), as well as *No. 15 of Regulations on Information Disclosures of Companies that Issue Public Offering Shares – General Rules of Preparing Financial Reports* issued by China Securities Regulatory Commission (CSRC).

(2) Going concern

As at 31 December 2024, the Company did not have any material uncertain eventuality that may prejudice the Company's ability to continue as a going concern.

III. Significant Accounting Policies and Accounting Estimates

(1) Statement of compliance with the Accounting Standards for Business

Enterprises

The financial statements of the Company for the year ended 31 December 2024 are in compliance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely present the consolidated and company's financial position of the Company as at 31 December 2024, and of the consolidated and company's financial performance and cash flows for the year then ended.

(2) Accounting period

The accounting period of the Company is from 1 January to 31 December of each calendar year.

(3) Operating cycle

The Company's operating cycle is 12 months.

(4) Reporting currency

The Company's reporting currency is Renminbi ("RMB").

(5) Accounting treatment for business combinations under common control and business combinations not under common control

For business combination under common control: The assets and liabilities (including the goodwill that generated from the ultimate controller's acquisition of the combined party) that the combining party obtains in a business combination shall be measured at their respective carrying amounts as recorded by the combined party in the consolidated financial statements of the ultimate controller on the combining date. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combinations (or total par value of issued shares) shall be adjusted to capital stock premium in the capital reserve. If the balance of capital stock premium is insufficient, any excess is adjusted to retained earnings.

For business combination that are not under common control: The cost of the combination is the fair value of assets paid, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control over the acquiree at the date of purchase. Goodwill is recognized by the difference between the cost of business combination over the fair value of net identifiable assets acquired. In case the cost of business combination is smaller than the fair value of net identifiable assets of the acquiree, the negative balance shall be counted into current profit and loss. For identifiable net assets, liabilities and contingent liabilities of the acquiree obtained from business combination that meet the recognition conditions shall be measured at fair value on the acquisition date.

The relevant direct costs of the combination shall be recorded into the current profit or loss when incurred. The transaction costs of the equity securities or debt securities issued for business combination shall be included in the initially confirmed amount of the equity securities or debt securities.

(6) Judgment criteria of control and methods of preparation of consolidated financial statements

1、 Judgment criteria of control

The scope of consolidation in the consolidated financial statements is determined on a control basis, including the Company and all subsidiaries. Control means that the company has the power over the invested entity, can obtain variable returns from its participation in relevant activities of the invested entity, and is capable of affecting the amount of returns by using the power over the invested entity.

2、 Consolidation procedure

The Company regards the entire enterprise group as an accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial status, operating results and cash flow. The impact of internal transactions between the Company and its subsidiaries as well between subsidiaries shall be offset. If the relevant assets are impaired in internal transaction, the loss shall be recognized in full. If the accounting policies and accounting periods adopted by the subsidiaries are different from those of the Company, some necessary adjustments shall be made by following the accounting policies and accounting periods of the Company when preparing the consolidated financial statements.

The owner's equity of the subsidiary, the share of the current net profit or loss and current comprehensive income attributable to the minority shareholder shall be separately presented under the owner's equity of the consolidated balance sheet, the net profit and the total comprehensive income of the consolidated income statement. If the current loss assumed by the minority shareholders of a subsidiary exceeds the share in the opening owner's equity of the subsidiary, the balance shall be offset against the minority shareholders' equity.

(1) Acquisition of subsidiaries or businesses

During the reporting period, if a subsidiary or businesses are acquired due to the business combination under the common control, the opening balance of the operating results and cash flow for the period of the combination shall be included in the consolidated financial statements. Additionally, the opening balance of the consolidated financial statements and the relative items in the comparative statements shall be adjusted, as if the reporting entity of the combination always exists since the ultimate controller begins the control.

For control over the invested entity under the common control due to additional investment or the like, the equity investment held prior to obtaining the control over the combined party, the profits or losses, other comprehensive income and other changes in the net assets recognized for the period from the acquisition date or the date when the combining party and the combined party are under the same control, whichever is later, to the combining date, shall be offset against the opening retained earnings or current profit or loss in the period of the comparative

statements respectively.

During the reporting period, if a subsidiary or businesses are acquired due to the business combinations not under common control, they shall be included in the consolidated financial statements on the basis of the fair value of all identifiable assets, liabilities and contingent liabilities determined from the acquisition date.

For control over the invested entity not under the common control due to additional investment or the like, the equity of the acquiree held before the acquisition date will be remeasured at the fair value on the acquisition date, and the difference between the fair value and its book value shall be included in the current investment income. Whereas, the equity of the acquiree held before the acquisition date involving other comprehensive income that can be reclassified into profit or loss afterwards, and other changes in owner's equity under the equity method shall be converted into the current investment income of the period including the acquisition date.

(2) Disposal of subsidiaries

① General approach

When lose the control over the invested party for the disposal of part of equity investments or other reasons, it shall remeasure the remaining equity at the fair value on the date that the control power is lost. The difference between the sum of the consideration derived from the equity disposal and the fair value of the remaining equity shares, and the sum of the net asset share entitled from the acquisition date or combining date continually calculated by the original shareholding ratio in subsidiaries and goodwill, shall be included in the investment income of the current period when the control power is lost. Other comprehensive income related to the original equity investment in the subsidiaries that can be reclassified into profit and loss afterwards, and other changes in owner's equity under the equity method shall be converted into the current investment income when lose the control.

② Disposal of subsidiaries by stages

For the disposal of equity investment in subsidiaries through multiple transactions until lose the power of control, the said transactions shall be accounted as a package deal if the terms, conditions and economic effects of all transactions for the disposal of equity investment in subsidiaries satisfy one or more of the following circumstances:

- i. These transactions are concluded at the same time or in consideration of mutual influence.;
- ii. Only these transactions as a whole can achieve a complete business result.
- iii. One transaction depends on at least one other transaction.
- iv. The single transaction is not economic, but it will be economic when considering it together with other transactions.

If each transaction is a package deal, it shall be treated as a transaction for disposal of subsidiaries and the control over the subsidiaries will be lost; however, before losing control power, the difference between each disposal price and the net asset share of the subsidiary entitled corresponding to the disposal investment shall be recognized as other comprehensive income in the consolidated financial statements, and then included in profits and losses of the period that the control power is lost.

If each transaction is not a package deal, it shall be treated as the partial disposal of equity investment in the subsidiary without loss of control before losing the power of control; however, it shall follow the general approach to the disposal of subsidiaries in case of loss of control.

(3) Acquisition of minority interests in subsidiaries

The difference between the long-term equity investment newly acquired due to the acquisition of minority interest and the share of net assets of the subsidiary entitled from the acquisition date or combining date continually calculated by the new shareholding ratio shall be offset against the share premium under capital reserve in the consolidated balance sheet. If the capital reserve is insufficient to offset the difference, any excess shall be adjusted against the retained earnings.

(4) Partial disposal of equity investments in subsidiaries without loss of control

The difference between the disposal price and the share of net assets entitled corresponding to the disposal of long-term equity investments continually calculated from the acquisition date or combining date shall be offset against the share premium under capital reserve in the consolidated balance sheet. If the capital reserve is insufficient to offset the difference, any excess shall be adjusted against the retained earnings.

(7) Classification of joint arrangement and accounting methods for joint operation

Joint arrangement includes joint operation and joint venture.

A joint venture party shares the related assets and liabilities, which means joint operation. The Company confirms that the following items are related to the share of interests in joint operation:

- (1) The assets held by the Company alone, and the jointly-held assets by the share of the Company.
- (2) The liabilities held by the Company alone, and the jointly-held liabilities by the share of the Company.
- (3) The revenue from the sales of shares of co-operation output.
- (4) The revenue from the sales according to ratio in co-operation output.
- (5) The expenditure arose alone and from co-operation according to the share of the Company.

(8) Recognition criteria for cash and cash equivalents

Cash indicates both cash on hand and the deposit held in bank which are available for payment at any time. Cash equivalents are referred as investment that held in a short term, highly liquid and were readily convertible to known amounts of cash and subject to insignificant risk of value change.

(9) Foreign currency transactions and translation of foreign exchange financial statements

1. Foreign currency transactions

Foreign currency transactions are translated into RMB using the spot exchange rates prevailing on the transaction date.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognized in profit or loss for the current period, except for those attributable to special foreign currency borrowings that have been taken out for the acquisition or construction of qualifying assets, which are capitalized according to the principle of borrowing costs.

2. Translation of foreign currency financial statements

The asset and liability items in the balance sheets are translated at the spot

exchange rates on the balance sheet date. Among the owners' equity items, the items other than "undistributed profits" are translated at the spot exchange rates on the transaction date. The income and expense items in the income statements are translated at the spot exchange rates of the transaction date.

When disposing of foreign operations, the difference arising from the translation of financial statements for the foreign operations shall be transferred from the owner's equity to profit or loss.

(10) Financial instruments

When the Company becomes a party in the financial instrument contract, a financial asset, financial liability or equity instruments will be recognized.

1. Classification of the financial instruments

Based on the business model under which the Company manages assets and the characteristics of contractual cash flows of financial assets, the financial assets are divided into financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

The Company classifies a financial asset that meets any of the following conditions, as well is not designated to be financial assets at fair value through profit or loss as assets at amortized cost:

- The business model is in order to collect contractual cash flows.
- Contract cash flow is only the payment of principal and interest on the principal amount outstanding.

The Company classifies a financial asset that meets any of the following conditions, as well is not designated to be measured at fair value through profit and loss as financial assets at fair value through other comprehensive income (debt instruments):

- The business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.
- Contract cash flow is only the payment of principal and interest on the principal amount outstanding.

The Company can irrevocably designate equity instruments not held for trading as financial assets at fair value through other comprehensive income (equity instruments) at initial recognition. The designation is made on the basis of

individual investment, and the relevant investment conforms to the definition of equity instrument from the perspective of the issuer.

Financial assets other than the above financial assets at amortized cost and financial assets at fair value through other comprehensive income, the Company classifies all other financial assets as financial assets at fair value through profit and loss. If the accounting mismatch can be eliminated or significantly reduced, at initial recognition, the Company can irrevocably designate the financial assets that should be classified as measured at amortized cost or at fair value through other comprehensive income as financial assets measured at fair value through profit and loss.

Financial liabilities are divided into financial liabilities at fair value through profit and loss, and financial liabilities at amortized cost at initial recognition.

Financial liabilities that meet any of the following conditions can be designated to financial liabilities at fair value through profit and loss:

- 1) The designation can eliminate or significantly reduce the accounting mismatches.
- 2) Manage and take performance evaluation of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities on a fair value basis in accordance with the risk management or investment strategy of the enterprise as set out in formal written documentation, and report to the key managers on this basis within the company.
- 3) The financial liability contains embedded derivatives that are subject to a separate spin-off.

2. Recognition basis and measure method of financial instruments

(1) Financial assets at amortized cost

Financial assets at amortized cost include notes receivables and accounts receivables, other receivables, long-term receivables, and debt investments, etc., which are initially measured at fair value, and the relevant transaction expenses are included in the initially recognized amount; however, accounts receivable without major financing components and accounts receivable with financing component

less than one year left out by the Company are initially measured at the contract transaction price.

The interest calculated by the effective interest rate method is included in profit or loss during the holding period.

The difference between the acquisition price and the carrying value of the financial asset is included in profit or loss upon recovery or disposal.

(2) Financial assets at fair value through other comprehensive income (debt instruments)

Financial assets at fair value through other comprehensive income (debt instruments) include receivables financing, other debt investment, etc., which are initially measured at fair value, and the relevant transaction expenses are included in the initially recognized amount. The financial asset is subsequently measured at fair value. Except for the interest calculated by the effective interest rate method, impairment losses or gains and exchange gains or losses, changes in fair value are included in other comprehensive income.

Upon derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to profit or loss.

(3) Financial assets at fair value through other comprehensive income (equity instruments)

Financial assets at fair value through other comprehensive income (equity instruments) include equity instrument investments ,etc, which are initially measured at fair value, and the relevant transaction expenses are included in the initially recognized amount. Such financial assets subsequently measured at fair value, and the changes in fair value are included in other comprehensive income. As well the dividends obtained are included in current profits and losses.

Upon derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to retained earnings.

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

Financial assets at fair value through profit or loss include trading financial

assets, derivative financial assets and other non-current financial assets, which are initially measured at fair value, and the relevant transaction expenses are included in profit or loss. The financial asset is subsequently measured at fair value, where the changes in fair value are included in profit or loss.

(5) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include trading financial liabilities, and derivative financial liabilities, etc., which are initially measured at fair value, and the relevant transaction expenses are included in profit or loss. The financial liability is subsequently measured at fair value, where the changes in fair value are included in profit or loss.

Upon derecognition, the difference between its book value and the paid consideration is included in profit or loss.

(6) Financial liabilities at amortized cost

Financial liabilities at amortized cost include short-term loans, notes payable, accounts payable, other payable, long-term loans, bonds payable, and long-term accounts payable, which are initially measured at fair value, and the relevant transaction expenses are included in the initially recognized amount.

The interest calculated by the effective interest method is included in profit or loss during the holding period.

Upon derecognition, the difference between the paid consideration and the book value of the financial liability is included in profit or loss.

3、 Derecognition and transfer of financial assets

The Company derecognizes financial assets if any of the following conditions is met:

- the right to receive cash flows from the financial asset expires,
- the financial asset has been transferred and almost all risks and rewards relating to the financial asset have been transferred to the transferee,
- the financial asset has been transferred to the transferee, and the Company has not transferred or retained substantially all risks and rewards relating to the financial asset, nor does it maintain the control over the financial asset.

If the Company and the counterparty modify or renegotiate the contract and it constitutes a substantial amendment, the original financial asset shall be terminated and a new financial asset shall be recognized in accordance with the amended terms.

When a financial asset is transferred, if almost all risks and rewards relating to the financial asset are retained, the recognition of the financial asset will not be terminated.

When judging whether the transfer of financial assets meets the above conditions for derecognition of financial assets, the company adopts the principle of substance over form.

The Company divides the transfer of financial assets into overall transfer and partial transfer. In case the overall transfer of the financial asset meets the criteria for derecognition, the difference between the following two items will be included in profit or loss:

(1) The book value of transferred financial assets.

(2) the sum of the consideration received as a result of the transfer and the accumulated changes in fair value which were previously directly included in owner's equity (the financial asset involved in transfer is the financial asset at fair value through other comprehensive income(debt instruments)).

In case where the transfer of only part of the financial asset meets the criteria for derecognition, the carrying amount of financial asset being transferred is allocated between the portions to be derecognized and the portion that continued to be recognized according to their relative fair value. The difference between the following two items will be included in profit or loss:

(1) The book value of the derecognized part financial assets;

(2) The sum of the consideration of the derecognized part and the amount corresponding to the derecognized part of the accumulated changes in fair value which were previously included in owner's equity (the financial asset involved in transfer is the financial asset at fair value through other comprehensive income(debt instruments)).

If the transfer of a financial asset does not meet the conditions for

derecognition, the financial asset shall continue to be recognized, and its consideration shall be recognized as a financial liability.

4、 Derecognition of financial liabilities

A financial liability or a part of financial liability is derecognized when the obligation specified in the contract is discharged or cancelled in whole or in part. An agreement between the Group and a lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

As for substantive changes made to all or part of the contract terms of the existing financial liabilities, the existing financial liabilities or part of them will be derecognized. And financial liabilities after term revision will be recognized as a new financial liability.

When financial liabilities are derecognized in whole or in part, the difference between the carrying amount of the financial liability derecognized and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) is recognized in profit or loss for the period.

If the Company repurchases partial financial liabilities, the overall book value of the financial liabilities shall be distributed according to the relative fair value of the continuously recognized part and the derecognized part on the repurchase date. The difference between the book value allocated to the derecognized part and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) shall be included in profit or loss for the period.

5、 Method for determination of fair values of financial assets and financial liabilities

For financial instruments with an active market, their fair value shall be determined by the quotation in the active market. In case there is no active market, the fair value shall be calculated by valuation technology. During the valuation, the Company adopts the valuation technology which is the most appropriate at that time and with sufficient available data and other information, selects the input value consistent with the characteristics of asset or liability considered by market participants in the relevant transaction, and gives priority to the use of relevant

observable input values. Unobservable input values are used only when the relevant observable input values cannot be obtained or it is impractical to obtain them.

6、 Test method and accounting method for impairment of financial assets

The Company estimates expected credit loss for financial assets at amortized cost, financial assets measured at fair value through other comprehensive income (debt instruments), and financial guarantee contract, etc. individually or in combination.

The Company considers reasonable and reliable information about past events, current situation and forecast of future economic situation, taking the weight risk of default, calculating the probability weighted amount of the present value of the difference between the cash flow receivable from the contract and the cash flow expected to be received and recognizing the expected credit loss.

For the receivables and contract assets arising from transactions regulated by the *Accounting Standards for Business Enterprises No. 14—Revenue*(2017), whether or not they contain significant financing components, their loss allowance is always measured at the amount of the expected credit losses for the lifetime.

For lease receivables arising from transactions regulated by the *Accounting Standard for Business Enterprises No. 21 - Leases*, the Company chooses to always measure their loss allowance at the amount of the expected credit losses for the lifetime.

For other financial instruments, the Company assesses the change in the credit risk of the relevant financial instrument since initial recognition at each balance sheet date.

The Company compares the risk of default of a financial instrument on the balance sheet date with the risk on the initial recognition date to determine the relative change of default risk during the expected duration of the financial instrument, so as to evaluate whether the credit risk of the financial instrument has increased significantly since the initial recognition. Generally, when it is overdue for more than 30 days, the Company considers that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence to prove

the credit risk has not increased significantly since initial recognition.

If the credit risk of a financial instrument is low on the balance sheet date, the Company considers that the credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument has increased significantly since its initial recognition, the Company shall measure the provision for loss based on the expected credit loss of the instrument over the entire duration. If the credit risk of financial instruments has not increased significantly since the initial recognition, the Company shall measure the provision for loss based on the expected credit loss in the next 12 months. The increase or reversal amount of the provision for loss arising therefrom shall be included in the current profits and losses as impairment losses or gains. For financial assets measured at fair value through other comprehensive income (debt instruments), a provision for impairment is recognized in other comprehensive income, and the impairment loss or gain is recognized in the current profit or loss, without reducing the carrying amount of the financial asset as stated in the balance sheet.

If there is objective evidence indicating that a financial asset has been impaired, the company shall make provision for impairment of the financial asset individually.

Except for the above-mentioned receivables that are individually provided for bad debts, the Company divides the remaining financial instruments into several portfolios based on credit risk characteristics, and determines the expected credit loss on the basis of the portfolio. The Company's combination categories and determination basis for the provision of expected credit losses on accounts receivable and other receivables are as follows:

Item	Combination Categories	Determination basis
Accounts receivable, Other receivables	Expected Credit Loss Portfolio	Based on past historical experience, the Company makes an optimal estimate of the provision ratio for receivables and classifies credit risks into a combination based on the age of receivables or customer credit ratings.

If the Company no longer reasonably expects that the contractual cash flow of financial assets can be recovered in whole or in part, the book balance of the financial assets shall be written down.

(11) Inventories

1. Classification and cost of inventories

The inventories include raw materials, finished goods, and work in progress, etc.

Inventories are initially measured at cost, which includes the cost of purchase, processing costs and other expenses incurred in bringing the inventories to their present location and condition.

2. Valuation method of inventory delivered

When inventories are delivered, the actual cost is determined using the weighted-average method.

3. Inventory system

The Company adapts a perpetual inventory system.

4. Amortization method of low-value consumables and packaging materials

(1) Low-value consumables are amortized using the one-time reversal method;

(2) Packaging materials are amortized using the one-time reversal method.

5. Recognition standards and accrual methods for inventory decline provisions

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. When its net realizable value is lower than its cost, a provision for decline in value of inventories shall be made. Net realizable value refers to the amount of estimated price deducting estimated completion cost, sale expenses and related sales taxes in daily activities.

In the normal production and operation process, the net realizable value of

finished goods, work in process and materials for sale, is determined by estimated price deducting estimated selling costs and related taxes. For the inventory of materials that need to be processed, its net realizable value is determined by estimated price deducting estimated completion cost, sale expenses and related sales taxes. For inventories held for the execution of sales contracts or labor contracts, the net realizable value is calculated based on the contract price. If the quantity of inventories held is more than the quantity ordered in the sales contract, the net realizable value of excess inventories is calculated based on the general sales price.

After the provision for inventory value decline is made, if the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its carrying value, the provision for inventory value decline is reversed within the amount originally provided for, and the reversed amount is recognized in profit or loss for the current period.

(12) Contract asset

1. Methods and criteria for recognition of contract assets

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligation of the Company and the payment by the customer. The right to receive consideration for goods transferred or services provided by the Company to the customer (and where that right is dependent on factors other than the passage of time) is shown as a contract asset. Contract assets and contract liabilities under the same contract are presented on a net basis. The Company's unconditional (depending only on the passage of time) rights to receive consideration from customers are shown separately as receivables.

2. Method of expected credit loss of contract assets and accounting treatment

The method of determining expected credit losses on contract assets and the accounting treatment are detailed in note "(III) 10. Test method and accounting method for impairment of financial assets" in this note.

(13) Held for sale and termination of operations

The carrying amount of a non-current asset or disposal group is classified as held for sale if it is recovered principally through sale (including exchange of non-monetary assets with commercial substance) rather than through continuing use.

The Company classifies non-current assets or disposal groups as held for sale when both of the following conditions are met:

- (1) The sale is immediate in its present condition, based on the practice of selling such assets or disposal groups in similar transactions;
- (2) It is highly probable that the sale will occur, i.e. the Company has resolved on a plan of sale and obtained firm purchase commitments, and the sale is expected to be completed within one year. Where the relevant regulations require the approval of the relevant authority or regulatory authority of the Company before a sale can take place, and such approval has been obtained.

Non-current assets classified as held for sale (excluding financial assets, deferred income tax assets, assets arising from employee benefits) or disposal groups, the book value of which is higher than the net amount of the fair value less sales expenses is written down to such net amount recognized as impairment loss of assets, and included in profit or loss, while impairment of assets held for sale is also provided.

(14) Long-term equity investments

1. Judgement criteria for common control that have significant influence

Joint control refers to the common control over an arrangement according to relevant agreements, whose relevant activities can only be decided after the unanimous consent of the participants sharing control. Where the Company and other joint venture parties jointly control the invested entity and have rights to the net assets of it, the invested entity is its joint venture of the company.

Significant influence means that the enterprise has the power to participate in the financial and operational decisions of the invested entity, but cannot control or jointly control the formulation of these policies with other parties. The invested entity is an associated enterprise of the Company, where it can influence the invested entity significantly.

2. Determination of initial investment cost

- (1) Long-term equity investments acquired through business combinations

For long-term equity investments obtained through business combination

under common control, proportion of carrying value of net assets obtained on the date of combination in the consolidated financial statements of the ultimate controller shall be accounted as the initial investment cost of the long-term investment.

The difference between the initial investment cost of a long-term equity investment and the carrying value of the consideration paid is adjusted against the equity premium in capital reserve; if the equity premium in capital reserve is not sufficient for elimination, retained earnings are adjusted. If additional investments exercise control over an investee under the common control, the difference between the initial investment cost of the long-term equity investment recognized in accordance with the above principles and the sum of the carrying amount of the long-term equity investment before it reaches consolidation plus the carrying amount of the consideration paid for the further acquisition of shares at the date of consolidation is adjusted against equity premium, and if the equity premium is not sufficient for elimination, it is reduced against retained earnings.

For long-term equity investment acquired through business combination not under common control, cost of combination on the purchase date will be treated as the initial investment cost. If the investee not under common control can be controlled due to additional investment and other reasons, the sum of the book value of the originally held equity investment plus the new investment cost shall be regarded as the initial investment cost.

(2) Long-term equity investments acquired by other means

For long-term equity investments acquired by cash payment, the initial cost of investment is the actual amount of cash paid for the purchase.

For long-term equity investments acquired by issuing equity securities, the initial cost of investment is the fair value of the equity securities issued.

3. Subsequent measurement and recognition method of profit or loss

(1) Long-term equity investments accounted for under the cost method

The company's long-term equity investments in subsidiaries are accounted for using the cost method, unless the investment meets the conditions of holding for sale. In addition to the cash dividends or profits declared but not yet distributed included in the price actually paid or consideration when obtaining the investment, the company recognizes cash dividends or profits declared by the investee as

investment income for the period in accordance with the amount to which they are attributable.

(2) Long-term equity investments accounted for under the equity method

Long-term equity investments in associates and joint ventures are accounted for under the equity method. If the initial investment cost of a long-term equity investment is higher than the share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment is not adjusted. If the initial investment cost is less than the share of the fair value of the identifiable net assets of the investee at the time of investment, the difference is recognized in profit or loss for the current period and the cost of the long-term equity investment is adjusted.

The investment income and other comprehensive income are recognized in accordance with the investee's share of net profit or loss and other comprehensive income, respectively, and the carrying value of long-term equity investments is adjusted. The carrying value of long-term equity investments is reduced accordingly to the extent of the investee's share of profits or cash dividends declared by the investee. For changes in the ownership interest of the investee other than net profit or loss, other comprehensive income and profit distribution (hereinafter referred to as "other changes in owner's equity"), the carrying value of the long-term equity investment is adjusted and recognized as owner's equity.

The share of net profit or loss of the investee, other comprehensive income and other changes in owner's equity is recognized on the basis of the fair value of the investee's identifiable assets at the time of acquisition, in accordance with the Company's accounting policies and accounting periods, and after adjusting the net profit and other comprehensive income of the investee.

The portion of the unrealized gains or losses from internal transactions with associates and joint ventures that is attributable to the company in proportion to the shareholding shall be offset, and investment income is recognized on this basis, except where the assets invested or sold constitute a business. Unrealized internal transaction losses incurred with the investee are recognized in full if they belong to asset impairment losses.

In recognizing the share of net loss incurred by the associates or joint ventures, not only the company has the obligation to bear extra losses, but also the carrying value of long-term equity investments and other long-term interests that

substantially constitute a net investment in the associates or joint ventures are written down to zero. If the associates or joint ventures achieve net profit in subsequent periods, the company resumes recognition of revenue sharing after the revenue sharing amount makes up for the unrecognized loss sharing amount.

(3) Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the carrying value and the consideration actually received is recognized in profit or loss for the period.

For partial disposal of long-term equity investment accounted by equity method, if the remaining equity is still accounted by equity method, other comprehensive income recorded in previous equity method shall be transferred in proportion on the same basis as the investee's direct disposal of relevant assets or liabilities, and other changes in owner's equity shall be transferred into the loss or profit in proportion.

For loss of joint control or significant influence in the investee due to reasons such as disposal of part of the equity investment, other comprehensive income recognized in the original equity investment which is accounted for using equity method, upon it will no longer be accounted for under equity method, it shall be using the same accounting basis as the investee directly disposing related assets or liabilities. Other changes in owner's equity shall be transferred to the current profit and loss when the equity method is terminated.

For loss of control in the investee due to reasons such as disposal of part of the equity investment, if remaining shareholding can apply common control or impose significant influence to the investee, it shall be accounted for under equity method when preparing individual financial statements, as well as be treated as accounting for under equity method since the shareholding is obtained make adjustment. The other comprehensive income recognized before taking control of the investee shall be carried forward in portion on the same accounting basis as the investee directly disposing related assets or liabilities, and other changes in owner's equity under the equity method shall be carried forward to the current profit and loss in proportion. If the remaining equity cannot exercise joint control or exert significant influence on the investee, it shall be recognized as a financial asset, and the difference between its fair value and book value on the date of loss of control shall be included in the current profits and losses. Other comprehensive income

and other changes in owner's equity recognized before obtaining the control of the investee shall be carried forward in full.

If the transactions from the step-by-step disposal of equity to the loss of controlling equity fall under a series of transactions, each transaction is accounted for as a disposal of subsidiary with control lost. However, the difference between the consideration for each transaction before losing control and the carrying value of the long-term equity investments corresponding to the equity disposed of is recognized as other comprehensive income and transferred to profit or loss upon loss of control. If the transaction do not fall under a series of transactions, the Company shall separately carry out accounting treatment for each transaction.

(15) Investment properties

Investment properties are properties held to earn rentals or for capital appreciation, or both, which include the leased land use right, the land use right held and ready to be transferred after appreciation and buildings that have been leased out (including the buildings used for leasing after the completion of self-construction or development activities and the buildings used for leasing in the future in the process of construction or development).

Subsequent expenditures related to investment properties are included in the cost of investment properties if it is probable that the economic benefits associated with the asset will flow and the cost can be measured reliably. Otherwise, the expenditures are charged to the current profit or loss as incurred.

The Company uses the cost model to measure the existing investment properties. For "the investment properties- buildings for rent" on the cost model, the same depreciation policy as the fixed assets in the Company is adopted, and the land right for rent is implemented according to the same amortization policy as intangible assets.

(16) Fixed assets

1. Recognition and initial measurement of fixed assets

Fixed assets are tangible assets that held for production of goods or provision of services, leasing to others, or for administrative purposes, which have useful life over one accounting year. Fixed assets are recognized when the following conditions are met at the same time:

- (1) It is probable that the related economic benefits of fixed assets will flow

to the company;

(2) The costs of fixed assets can be reliably measured.

Fixed assets are initially measured at cost (taking into account the impact of expected disposal expenses).

Subsequent expenditures related to fixed assets are included in the cost of the fixed assets, if it is probable that the economic benefits associated with the fixed assets will flow and their cost can be measured reliably, and the carrying amount of the replaced part is derecognized. Subsequent expenditures other than these are charged to the current profit or loss as incurred.

2. Depreciation method

The Company made provision for the fixed assets by using straight-line method, and determined the depreciation ratio according to the category of fixed assets, the estimated useful life and estimated rate of salvage value. For fixed assets with provision for impairment, the depreciation amount shall be determined in the future according to the book value after deducting the provision for impairment and the remaining useful life. If the useful lives of the components of fixed assets are different or they provide economic benefits to the enterprise in different ways, the Company will choose different depreciation rates or depreciation methods for them and depreciate separately.

The depreciation method, useful life, residual value ratio and annual depreciation rate of fixed assets are as below:

Type	Depreciation method	Useful life (year)	Residual value ratio (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	20-40	5	2.38-4.75
Machinery and equipment	Straight-line method	6-15	5	6.33-15.83
Transportation equipment	Straight-line method	3-12	5	7.92-31.67
Office equipment and others	Straight-line method	2-10	5	9.50-47.50

3. Disposal of fixed assets

Fixed assets are derecognized when being disposed of, or expected no economic benefits will be generated through use or disposal of Proceeds from the

disposal of fixed assets on sale, transfer, retirement or destruction, net of their carrying amount and related taxes, are included in profit or loss for the current period.

(17) Construction in progress

The cost of construction in progress is determined on the basis of actual construction expenditures, including construction costs, installation costs, borrowing costs capitalized and other necessary expenses before the construction reaches its intended usable state.

Construction in progress is transferred to the fixed assets when it reaches the intended usable state, and the depreciation shall be accrued from the following month.

The standards and timing points for the company's construction in progress to be carried forward into fixed assets are as follows:

Type	The standards and time points at which it was converted into a fixed asset
Housing buildings	<p>(1) The main construction project and supporting works have been substantially completed;</p> <p>(2) The construction project meets the predetermined design requirements, and the acceptance is completed by the survey, design, construction, supervision and other units;</p> <p>(3) Accepted by external departments such as fire Bureau, land Bureau, and planning Bureau;</p> <p>(4) If the construction project reaches the predetermined usable state but has not yet completed the final accounts, it shall be transferred to fixed assets according to the estimated value according to the actual cost of the project from the date of reaching the predetermined usable state.</p>
Machines and equipment that need to be installed and commissioned	<p>(1) Relevant equipment and other supporting facilities have been installed;</p> <p>(2) The equipment can be debugged to maintain normal and stable operation for a period of time;</p> <p>(3) The production equipment can produce qualified products stably for a period of time;</p> <p>(4) The equipment has been accepted by asset management personnel and user personnel.</p>

(18) Borrowing costs

1. Principles for recognition of capitalized borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition or production of assets eligible for capitalization are capitalized and charged to the cost of the relevant assets; other borrowing costs are recognized as expenses when incurred and charged to current profit or loss in accordance with the amounts incurred.

Assets eligible for capitalization are assets such as fixed assets, investment properties and inventories that require a substantial time period for their acquisition or production activities to reach their intended use or saleable condition.

2. Period of capitalization of borrowing costs

The capitalization period is the period from the point at which capitalization of borrowing costs commences to the point at which capitalization ceases, excluding the period during which capitalization of borrowing costs is suspended.

Capitalization of borrowing costs commences when both of the following conditions are met:

- (1) Asset expenditures were incurred, which include expenditure from cash paid, non-cash assets transferred or interest-bearing debts assumed for the acquisition or production of an asset eligible for capitalization;
- (2) Borrowing costs were incurred;
- (3) Necessary acquisition or production activities were carried out to bring an asset to reach its intended use or saleable condition.

Borrowing costs cease to be capitalized when the acquisition or production of an asset eligible for capitalization reaches its intended use or saleable condition.

3. Suspension of capitalization of borrowing costs

Borrowing costs are suspended when there is an unusual interruption in the process of acquisition or production of an asset eligible for capitalization that lasts for more than three consecutive months; if the interruption is necessary to bring the asset eligible for capitalization to its intended usable or saleable condition, the borrowing costs continue to be capitalized. Borrowing costs incurred during the period of interruption are recognized in profit or loss, and the costs continue to be capitalized until construction of assets or production activities resumed.

4. Calculation of the capitalization rate and capitalized amount of borrowing costs

Where funds are borrowed under a specific-purpose borrowings for the acquisition or production of an asset eligible for capitalization, the capitalized amount of borrowing costs is the actual expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds.

Where funds are borrowed under general-purpose borrowings for the acquisition or production of an asset eligible for capitalization, the amount of borrowing costs to be capitalized for general borrowings is calculated by multiplying the weighted average amount of asset expenditure in excess of the portion of accumulated asset expenditure over special borrowings by the capitalization rate of the general borrowings taken up. The capitalization rate shall be calculated and determined according to the weighted average interest rate of the general borrowing.

Exchange differences on the principal and interest on special borrowings in foreign currencies during the period of capitalization are capitalized and included in the cost of the assets eligible for capitalization. Except the foreign currency special borrowings, the exchange differences arising on the principal of and interest on other foreign currency borrowings are included in profit or loss for the period.

(19) Intangible assets

1. Valuation method of intangible asset

(1) An intangible asset is initially measured at cost when it is acquired by the Company

The cost of an externally acquired intangible asset comprises the purchase price, related taxes and other expenditures directly attributable to bringing the asset to its intended use.

(2) Subsequent measurement

The useful life of an intangible asset is analyzed at the time of acquisition.

Tangible assets with finite useful lives are amortized over the period in which they will generate economic benefits for the enterprise. Intangible assets with

indefinite useful lives are not amortized if it is not foreseeable that they will provide economic benefits to the enterprise.

2. The estimation of intangible assets with finite useful lives

Item	Estimated useful life (years)	Amortization method	Residual value rate (%)	The basis for determining the expected service life
Land use rights	26.17-50	Straight-line Method	0	Land use right period
Patent	5-17	Straight-line Method	0	National laws and regulations or contractual agreements / Estimated benefit periods
Non-proprietary technology	5-20	Straight-line Method	0	Estimated benefit periods
Others	5-30	Straight-line Method	0	Estimated benefit periods

3. The judgment basis of intangible assets with indefinite useful lives and procedures for reviewing their useful lives

The Company identifies intangible assets with indefinite useful lives when it is not foreseeable that the asset will provide it economic benefits to the company, or when the useful life of the asset is uncertain.

Judgments on the basis of indefinite useful life: ①derived from contractual rights or other legal rights, but there is no clear useful life under the contract or the law; ②the period during which the intangible asset brings economic benefits to the Company still cannot be judged after taking into account the situation in same industries or relevant expert arguments, etc.

At the end of each year, a review of the useful lives of intangible assets with indefinite useful lives is conducted, mainly on a bottom-up basis, by the relevant departments using the intangible assets, to evaluate whether there are changes in the basis for determining indefinite useful lives, etc.

4. Scope of the pooling of research and development expenditures

The expenditures incurred by the Company in the process of research and development include related employee salaries, materials consumed, related depreciation and amortization expenses of personnel engaged in research and development activities, etc.

5. Specific criteria for classifying the research and development phases

Expenditure on research and development projects within the Company is divided into research phase expenditure and development phase expenditure.

Research phase: The stage of original and planned investigation and research activities to acquire and understand new scientific or technical knowledge, etc.

Development phase: The stage in which research results or other knowledge is applied to a plan or design to produce new or substantially improved materials, devices, products, etc., prior to commercial production or use.

6. Specific conditions for capitalization of development stage expenditure

Research stage expenditures are charged to current profit or loss as incurred. Expenditure in the development phase is recognized as an intangible asset if it meets both of the following conditions, otherwise it is charged to current profit or loss:

- (1) It is technically feasible to complete the intangible asset so that it can be used or sold;
- (2) There is an intention to complete the intangible asset and use or sell it;
- (3) The manner in which intangible assets generate economic benefits, including the ability to demonstrate the existence of a market for the product produced using the intangible asset or for the intangible asset itself and, where the intangible asset will be used internally, the ability to demonstrate its usefulness;
- (4) There is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;
- (5) The expenditure attributable to the development stage of the intangible asset can be measured reliably;

Where it is impossible to distinguish between research phase expenditure and development phase expenditure, all research and development expenditures incurred are charged to current profit or loss.

For medical device research and development projects, the Company takes the time of passing the test by the third-party testing agency and obtaining the *Test Report* or the time of approval by the Ethics Committee of the hospital and obtaining the ethical approvals as the time point for capitalization.

For drug research and development projects, if clinical trials are required, the company shall obtain the approval of confirmatory clinical trials or the filing approval of bioequivalence trials as the time point of capitalization; if clinical trials are not required, expenditures incurred during the development phase are recognized in current period's profit or loss.

(20) Impairment of long-term assets

Long-term equity investments, investment properties measured under the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, oil and gas assets and other long-term assets are tested for impairment if there is an indication of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment is made for the difference and an impairment loss is recorded. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. Provision for asset impairment is calculated and recognized on an individual asset basis or, if it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is the smallest combination of assets that can generate cash inflows independently.

Goodwill arising from business combinations, intangible assets with indefinite useful lives and intangible assets that have not yet reached a usable condition are tested for impairment at least at the end of each year, regardless of whether there is an indication of impairment.

The Company performs goodwill impairment testing and the carrying value of goodwill arising from a business combination is apportioned to the relevant group of assets from the date of purchase in accordance with a reasonable method; if it is difficult to apportion to the relevant group of assets, it is apportioned to the relevant group of asset combination. A relevant group of assets or a combination of groups of assets can benefit from the synergies of a business combination.

When testing for impairment of a relevant group of assets or a combination of groups of assets that includes goodwill, if there is an impairment, the group of assets or combination of groups of assets that does not include goodwill is first tested, the recoverable amount is calculated and compared with the relevant carrying amount, and a corresponding impairment loss is recognized. Impairment test is then carried out on the asset group or combination of asset groups containing goodwill and compared its book value with the recoverable amount. If the recoverable amount is lower than the book value, the amount of impairment loss shall first offset the book value of goodwill allocated to the asset group or combination of asset groups, and then offset the book value of other assets in proportion according to the proportion of the book value of other assets in the asset group or combination of asset groups except goodwill.

The above impairment losses on assets, once recognized, will not be reversed in subsequent accounting periods.

(21) Long-term amortized expenses

Long-term amortized expenses are expenses that have been incurred but should be borne by the current and future periods and are apportioned over a period of more than one year.

1. Amortization method

Long-term amortized expenses are amortized evenly over the benefit period of the expense item.

2. Amortization period

The amortization period is determined based on the period of earnings and if a long-term amortization item does not benefit subsequent accounting periods, the amortized value of the unamortized item is transferred to current profit or loss in full.

(22) Contract liability

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligation of it and the payment by the customer. The Company's obligations to transfer goods or provide services to customers for consideration received or receivable from customers are shown as contractual liabilities. The contract assets and contract liabilities are presented under the same contract on a net basis.

(23) Employee benefits

1. Accounting treatment of short-term employee benefits

During the accounting period when employees provide services, the Company shall recognize the short-term employee compensation actually incurred as liability and record it in the current profits and losses or relevant asset costs.

Employee benefits of the Company include social insurance charges, housing provident funds, labor union expenditures and the personnel education funds. The Company shall determine the welfare benefits in accordance with the prescribed allocation base and ratio required by corresponding regulations during the accounting period when the employees provide services.

The employee welfare expenses incurred by the Company shall be recorded in the current profits and losses or relevant asset costs according to the actual amount; where the employee welfare is non-monetary, it shall be measured at the fair value.

2. Accounting treatment for post-employee benefits

(1) Defined contribution plan

According to relevant regulations of the local government, the Company shall pay the basic endowment insurance and unemployment insurance for the employees. During the accounting period when the employees provide services, the payable amount shall be calculated according to the payment base and proportion required by the local regulations. The payable amounts are recognized as liabilities and included in the current profits and losses or relevant asset costs. In addition, the Company also participates in the enterprise annuity plan / supplementary pension fund approved by the relevant national departments. The Company shall pay to the annuity plan / local social insurance institution in accordance with the prescribed percentage of the total wages, and the corresponding expenditure shall be included in the current profits and losses or related asset costs.

(2) Defined benefit plan

The Company shall determine the welfare obligations generated by the defined benefit plan to vest in the period that the employees render services according to the projected accumulated benefit unit method and include them in the current profits and losses or relevant asset cost.

The deficit or surplus generated from the present value of defined benefit

plan obligation less the fair value of the defined benefit asset is recognized as a net defined benefit liability or net defined benefit asset. When the Company has a surplus in the defined benefit plan, it shall measure the net defined benefit asset at the lower level of the surplus in the defined benefit plan and the asset ceiling.

All defined benefit plan obligations, including those expected to be paid within twelve months after the end of the annual reporting period for which the employee provides services, are discounted by the market yield of treasury bonds or quality corporate bonds in the active market of the same term and currency on the balance sheet date and under the terms of the defined benefit plan.

Service costs arising from the defined benefit plan and the net interests of net defined benefit liability or net defined benefit asset are included in the current profits or losses or relevant asset costs; changes in the remeasurement of the net defined benefit liability or net defined benefit asset are included in other comprehensive income and are not transferred to profits and losses during the subsequent accounting period, and all the parts originally included in other comprehensive income are transferred to undistributed profits within equity at the termination of the original defined benefit plan.

At the timing of settlement of the defined benefit plan, the gain or loss on a settlement is the difference between the present value of the defined benefit plan obligation being settled and the settlement price determined on the settlement date.

3. Accounting treatment of termination benefits

The Company shall recognize a liability and expense for termination benefits in profit or loss at the earlier of the following dates: when the Company can no longer withdraw the offer of those benefits for its unilaterally termination of labor relationship plan or layoff; and when the Company recognizes costs for a restructuring and involves the payment of termination benefits.

(24) Estimated liabilities

Any obligations related to contingent matters meet the following conditions, a provision shall be recognized:

- (1) The Company has a present obligation as a result of a past event;
- (2) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

(3) A reliable estimate can be made of the amount of the obligation.

The provisions are initially measured at the best estimate of the expenditures required to settle the relevant present obligations.

When determining the best estimate, consider factors such as contingent risks, uncertainties and time value of money related to contingencies. Where the effect of the time value of money is material, the amount of a provision shall be determined after discounting the relevant future cash flows.

Where there is a continuous range of possible outcomes, and each point in that range is as likely as any other, the mid-point of the range is used; in other cases, the best estimate is treated separately :

- If the contingent events involve a single project, it shall be determined according to the most likely amount.
- If they involve multiple items, it shall be determined according to various possible results and relevant probabilities.

If all or part of the expenses required to settle the provisions are compensated by a third party, the compensation amount shall be recognized separately as an asset when it is expected to be received, and the recognized compensation amount shall not exceed the book value of the provisions.

The Company reviews the book value of the provisions on each balance sheet date, and if there is conclusive evidence that the book value does not reflect the current best estimate, the book value shall be adjusted to reflect the current optimal estimate.

(25) Share-based payment

The share payment of the Company is a transaction that grants equity instruments or assumes equity-based liabilities to obtain services provided by employees or other parties. The Company's share-based payments are divided into equity-settled share-based payments and cash-settled share-based payments.

1. Share payment and equity instruments settled by equity

Where the share payment of equity settlement is exchanged for the service provided by the employee, it shall be measured at the fair value of the equity instrument granted to the employee. For the share payment transaction with the

viable right immediately after the grant, the Company shall recognize relevant costs or expenditures according to the fair value of the equity instrument on the grant date, with a corresponding increase in equity. For the service within the vesting period after the service or share options conditioned upon the achievement of the specified performance conditions, on each balance sheet date of the vesting period, the Company, according to the best estimate of the number of equity instruments, shall account for the current services in the relevant costs or expenditures according to the fair value, with a corresponding increase in equity.

If the terms of the share payment settled by equity are modified, the services obtained are confirmed at least in accordance with the unmodified terms. In addition, any increase in the fair value of the granted equity instrument or any change that is favorable to the employee on the date of modification is confirmed.

During the vesting period, if the granted equity instrument is cancelled, the Company shall account for the cancellation as an acceleration of vesting, and shall therefore recognize immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period into the current profits and losses, with a corresponding increase in equity. However, if a new equity instrument is granted, and on the grant date, the new equity instrument granted is used to replace the cancelled equity instrument, the alternative equity instrument granted is processed in the same way as the terms and conditions of the original equity instrument.

(26) Convertible bonds

The Company issues convertible bonds to determine whether they contain both liabilities and interests. Where the convertible bonds issued contain both liabilities and equity components, the liabilities and equity components shall be split off and processed separately upon initial recognition. In the process of splitting, the fair value of the liability component is first determined and taken as the initial recognized amount, and then the initial recognized amount of the equity component is determined according to the amount of the issuing price of the whole convertible bond after deducting the initial recognized amount of the liability component. Transaction costs are apportioned between the liabilities and equity components according to their respective relative fair value. The components of liabilities are listed as liabilities and subsequently measured at amortized cost until withdrawn, converted or redeemed. Equity components are listed as equity, and

no subsequent measurement will be made.

(27) Revenue

1. Accounting policy adopted in revenue recognition and measurement

Revenue is recognized when the Company performs its performance obligations in the contract, namely, when the customer obtains control of the relevant goods or services. To gain control of the relevant goods or services means to dominate the use of the goods or services and obtain almost all the economic benefits from it.

If two or more performance obligations are included in the Contract, the Company shall, on the commencement date of the contract, allocate the transaction price to each performance obligation in proportion to the standard-alone selling prices of the distinct goods or service. The Company measures revenue at the transaction price apportioned to each performance obligation.

The transaction price is the amount of consideration that the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding payments collected on behalf of a third party and amounts expected to be returned to the customer. The Company determines the transaction price according to the terms of the contract and in combination with its previous customary practices, and considers the influence of variable consideration, significant financing components existing in the contract, non-cash consideration, consideration payable to a customer and other factors when determining the transaction price. The Company shall include in the transaction price some or all of an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. If there is a significant financing component in the contract, the Company shall determine the transaction price that reflect the price a customer would have paid for the promised goods or services if the customer had paid cash for those goods or service when or as they transfer to the customer, and amortize the difference between the transaction price and the contract consideration by the effective interest rate method during the contract period.

If one of the following conditions is met, it shall be the performance obligations within a certain period, otherwise, at a certain point:

- The customer shall obtain and consume the economic benefits brought by the Company during the performance of the Company.
- The customer can control the goods under construction during the performance process.
- The commodities produced by the Company during the performance of the contract have irreplaceable purposes, and the Company has the right to collect money for the accumulated part of the contract that has been completed throughout the whole contract period.

For the performance obligations performed within a certain period of time, the Company shall recognize the income according to the performance progress within that period, except if the performance progress cannot be reasonably determined. Considering the nature of the goods or services, the Company adopts the output method or the input method to determine the performance progress. If the performance progress cannot be reasonably determined, and the cost incurred is expected to be compensated, the Company shall recognize the income according to the cost amount incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point in time, the Company recognizes revenue at the point when the customer obtains control of the relevant goods or services. In determining whether the Customer has acquired control of the goods or services, the Company shall consider the following indications:

- The Company has the present right to payment collection for the goods or services, that is, the customer has a present payment obligation for the goods or services.
- The Company has transferred legal title to the merchandise to the customer, meaning that the customer already has legal title to the merchandise.
- The Company has transferred the commodity to the customer, namely the customer has physical possession of the commodity.
- The Company has transferred the main risks and reward in the ownership of the commodity to the customer, who has acquired the main risks and reward in the ownership of the commodity.
- The customer has accepted the goods or services, etc.

The Company determines whether its status is the primary responsible party or an agent when engaging in a transaction based on whether or not it has control over the goods or services prior to transferring them to the customer.

If the Company is able to control the goods or services prior to the transfer of such goods or services to the customer, the Company shall be the primary responsible party and recognizes the revenue on the basis of the total consideration received or receivable, otherwise, the Company shall act as an agent and recognizes the revenue in the amount of the commission or fees to which it expects to be entitled.

2. Disclosure of specific revenue recognition and measurement methods by type of business

The Company's revenue recognition method is as follows:

(1) Contracts for the sale of goods

Contracts for the sale of goods between the Company and its customers contain performance obligations for the transfer of goods, which are performance obligations to be fulfilled at a certain point in time.

①For the goods sold by distribution, the sales income shall be recognized after confirming that the other party has obtained the goods and signed on the logistics documents. The Company shall provide the buyer with the medical equipment distributed by the Company and relevant materials according to the requirements of the contract or agreement, and the sales income is recognized after the acceptance of the buyer;

②The Company shall recognize revenue from selling goods directly to the hospital after the hospital confirms that the goods are used and the invoice is received;

③The Company sells the goods to the agents on a commission basis, and the sales revenue shall be recognized based on the actual usage confirmed by the hospital with the agents on monthly basis or based on the list issued by the agents according to the contract;

④For medical equipment sold by means of installment settlement, the amount of commodity sales revenue shall be determined according to the fair value of the receivable contract or agreed price after completing the installation and debugging of the medical equipment and passing the inspection;

(2) Contracts for the provision of services

The performance obligation under a contract for the provision of services between the Company and a customer is the fulfillment of a performance obligation at a point in time. The Company recognizes revenue when it reconciles with the customer for services rendered.

(28) Contract cost

Contract cost includes contract performance cost and contract acquisition cost.

If the costs incurred by the Company to achieve the performance of the Contract do not fall within the scope of inventory, fixed assets or intangible assets, it shall be recognized as an asset when the following conditions are met:

- This cost is directly related to a current or expected contract.
- This cost increases the resources of the Company to be used to fulfill its future performance obligations.
- The cost is expected to be recovered.

If the Company is expected to recover the incremental cost incurred in obtaining the contract, it shall be included in the contract acquisition cost that is recognized as an asset.

The assets related to the contract cost shall be amortized on the same basis as the income recognition of goods or services related to the assets; however, if the amortization period of the contract acquisition cost does not exceed one year, the Company shall include them in the current profits and losses upon occurrence.

If the book value of the assets related to the contract cost is higher than the difference between the following items, the Company shall make provision for impairment of the excess part and confirm it as an asset impairment loss:

1. Residual consideration expected to be obtained from the transfer of goods or services related to the asset;
2. Estimated costs arising from the transfer of the related goods or services.

If the impairment factors in the previous period change later so that the aforementioned difference is higher than the book value of the asset, the Company shall reverse the previously recognized impairment provision and account into the current profits and losses, but the book value of the asset cannot reverse to higher than where it would have been absent an impairment.

(29) Government subsidy

1. Type

Government subsidy consist of monetary or non-monetary assets obtained from the government, which is divided into asset-related government subsidies and revenue-related government subsidies.

Asset-related government subsidies refer to the government subsidies obtained by the Company and used for the acquisition or construction of long-term assets or obtainment of such assets by other forms. Revenue-related government subsidies refer to those other than asset-related government subsidies.

Government subsidies related to assets are used for the purchase and construction of fixed assets, intangible assets and other long-term assets;

Government subsidies related to revenue are those other than asset-related government subsidies.

2. Confirmation point

Government subsidies shall be recognized when the Company can meet the related conditions stipulated in the financial supporting policies, and it is expected to obtain the financial supporting assets

(1) The Company can meet the conditions attached to the government subsidies;

(2) The Company can receive government subsidies.

3. Accounting treatment

Asset-related government subsidies shall offset the book value of the relevant assets or be recognized as deferred income. If recognized as deferred income, the current profits and losses during the service life of relevant assets in a reasonable and systematic method (those related to the daily activities of the Company shall be included in other earnings; if unrelated to the daily activities of the Company, it shall be included in non-operating income);

Revenue-related government subsidies used to compensate the Company for related costs or losses of the future period shall be recognized as deferred income, and shall be included in the current profit and loss (those related to the daily activities of the Company shall be included in other earnings; if unrelated to the daily activities of the Company, it shall be included in non-operating income) or offset relevant costs or losses during the period when they are recognized; those

used to compensate the Company for related costs or losses already incurred shall be included in the current profit and loss (those related to the daily activities of the Company shall be included in other earnings; if unrelated to the daily activities of the Company, it shall be included in non-operating income) or offset relevant costs or losses.

The policy preferential loans obtained by the Company are divided into the following two situations and should be treated separately:

(1) If the government allocates the discount interest funds to the lending bank, and the lending bank provides loans to the Company at the policy preferential interest rate, the Company shall take the actual loan amount received as the entry value of the loan, and calculate the relevant loan expenses according to the loan principal and the policy preferential interest rate.

(2) If the government directly allocates the discount interest funds to the Company, the Company will deduct the relevant loan expenses with the corresponding discount interest.

(30) Deferred income tax assets and deferred income tax liabilities

Income tax includes the current income tax and the deferred income tax. Except for the income tax arising from the business merger and the transactions or matters directly included in the owner's equity (including other comprehensive income), the Company includes the current income tax and deferred income tax into the current profits and losses.

Deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the difference (temporary difference) between the tax basis of the assets and liabilities and their book value.

The deferred income tax assets shall be recognized for the deductible temporary difference to the extent that the future taxable income is likely to be obtained for deducting deductible temporary difference. For the deductible losses and tax credits that can be carried forward to subsequent years, the corresponding deferred income tax assets shall be recognized to the extent that the future taxable income is likely to be used to offset the deductible losses and tax credits.

For the taxable temporary differences, the deferred income tax liabilities are recognized, except in special circumstances.

No recognition of deferred income tax assets or deferred income tax liabilities may include:

- Initial recognition of the goodwill;
- It is not a business merger, occurrence and does not affect the accounting profits and taxable income (or deductible losses) transactions or matters.

Deferred income tax liabilities are recognized for taxable temporary differences related to investments of subsidiaries, affiliates and joint ventures, unless the Company can control the timing of the temporary difference and the temporary difference will likely not to be reversed in the foreseeable future. Deferred income tax assets are recognized for the deductible temporary differences related to the investment of subsidiaries, affiliates and joint ventures, when the temporary difference is likely to turn back in the foreseeable future and the taxable income used to deduct the deductible temporary difference is likely to be obtained in the future.

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

On the balance sheet date, the Company reviews the book value of the deferred income tax assets. If it is likely that sufficient taxable income is not obtained to offset the deferred income tax assets, the book value of the deferred income tax assets is written down. If there are sufficient taxable income, the written down value is reversed.

When it has the legal right to net settle and intends to net settle or acquire assets and pay off liabilities simultaneously, the current income tax assets and the current income tax liabilities are reported as the net offset.

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities are offset in the net amount when:

- The tax payer has the legal right to net settle the current income tax assets and the current income tax liabilities;
- Deferred income tax assets and deferred income tax liabilities are with the same tax collection and administration department of the same tax subject income tax related or related to different tax subject, but in the future period of every important deferred income tax assets and liabilities, involving the tax subject intention to netting current income tax assets and liabilities or assets, liabilities at the same time.

(31) Lease

Lease refers to a contract in which the lessor gives the use right of the assets to the lessee for consideration within a certain period of time. On the commencement date of the contract, the Company evaluates whether the contract is a lease or includes a lease. If a party to a contract transfers the right to control the use of one or more identified assets for a certain period in exchange for consideration, the contract is a lease or contains a lease. If the contract also contains a number of separate leases, the Company shall split the contract and treat each lease separately. Where the contract contains both the leased and non-leased parts, the lessee and the lessor shall split the leased and non-leased parts.

1. The Company as the lessee

(1) Right-of-use assets

At the commencement date, the Company recognizes the right-of-use assets for leasing other than short-term leasing and low-value assets. The right-of-use assets are initially measured at costs. The cost of the right-of-use asset shall comprise:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received(if any);
- Any initial direct costs incurred by the Company;
- Any estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Company shall subsequently adopt the straight-line method to depreciate the right-of-use assets. For the ownership of the leased assets at the expiration of the lease term, the Company shall draw depreciation within the remaining useful life of the leased assets; otherwise, the Company shall depreciate the leased assets from the earlier of the lease term or the remaining useful life of such leased assets.

The Company shall determine whether the impairment of the right-of-use assets has occurred in accordance with the principle of note "III. (20) Impairment of long-term asset", and account for the recognized impairment loss.

(2) Lease liabilities

At the commencement date, the Company recognizes the lease liabilities for

leasing other than short-term leasing and low-value assets. The lease liabilities are initially measured at the present value of the outstanding lease payments. The lease payment includes:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable (if any);
- Variable lease payments that depend on an index or a rate;
- Amounts expected to be payable by the under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Company adopts the interest rate implicit in the lease as the discount rate, but if the interest rate implicit in the lease cannot be reasonably determined, its incremental borrowing interest rate will be used as the discount rate.

The Company calculates the interest expense of the lease liabilities during each period of the lease term at a fixed periodic interest rate, and includes them in the current profits and losses or relevant asset costs.

Variable lease payments not included in the measurement of lease liabilities are included into current gains and losses or relevant asset costs upon actual occurrence.

After the commencement date, if the following circumstances occur, the Company shall remeasure the lease liabilities and adjust the corresponding right-of-use assets. If the book value of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the difference shall be included in the current profit and loss:

When the appraisal result of the purchase option, renewal option or termination option changes, or the actual exercise of the foregoing option is inconsistent with the original appraisal result, the Company remeasures the lease liabilities at the present value calculated by the changed lease payment and the revised discount rate;

In the event of changes in the substantial fixed payment, the expected amount payable of the guarantee allowance, or the index or ratio used to determine the amount of lease payment, the Company shall remeasure the lease liabilities according to the present value of the changed lease payment and the original

discount rate. However, if the change in the lease payment comes from the change in the floating rate, the present value is calculated using the revised discount rate.

(3) Short-term lease and low-value asset leasing

The Company chooses not to recognize the right-of-use assets and lease liabilities for the short-term lease and low-value asset lease, and includes the relevant lease payment into the current profits and losses or the relevant asset cost in the straight-line method during each period of the lease term. Short-term lease refers to a lease at the commencement of lease, not exceeding 12 months and without the purchase option. Low-value asset lease refers to the lease with low value when a single leased asset is a new asset. If the Company sublets or expects to sublet the leased assets, the original lease is not a low-value asset lease.

(4) Lease modifications

If a lease is changed and the following conditions are met, the Company will account for the lease change as a separate lease.

- The lease modification expands the scope of the lease by adding the right to use one or more leased assets;
- The increased consideration is equivalent to the separate price of the expanded portion of the lease scope adjusted for the circumstances of that contract.

If a lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the Company reapportioned the consideration of the modified contract, redetermined the lease term, and remeasured the lease liability based on the present value of the modified lease payments and the revised discount rate.

If a lease change results in a reduction in the scope of the lease or a shortening of the lease term, the Company reduces the carrying value of the right-of-use asset accordingly and recognizes the gain or loss related to the partial termination or complete termination of the lease in the profit or loss for the current period. If other lease changes result in the remeasurement of the lease liability, the Company adjusts the carrying value of the right-of-use asset accordingly.

2. The Company as the lessor

At the commencement date, the Company divides the lease into finance lease

and operating lease. Finance lease refers to a lease that essentially transfers almost all the risks and rewards of the ownership of the leased assets, regardless of whether the ownership is ultimately transferred or not. Operating lease refers to a lease other than a finance lease. When the Company is the sublease lessor, the transfer lease is classified based on the right-of-use assets generated by the original lease.

(1) Accounting treatment of operating leasing

The lease collection amount of the operating lease is recognized as rental income according to the straight-line method during each period of the lease term. The Company will capitalize the initial direct expenses related to the operating lease and apportion them into the current profits and losses during the lease term on the same basis as the rental income recognition. Variable lease payments not included in lease are recorded in the current profits and losses upon actual occurrence. In case of any change in the operating lease, the Company shall treat it as a new lease from the effective date of the change, and the amount received in advance or lease receivable related to the lease before the change shall be regarded as the amount of the new lease.

(2) Accounting treatment of finance leasing

At the commencement date, the Company recognizes the finance lease receivable and stop the recognition of the finance lease assets. When the Company initially measures the financial lease receivable, the net lease investment is the entry value of the financial lease receivable. The net lease investment is the sum of the present value (discounted based on the interest rate implicit in the lease) of the non-guaranteed residual value and the lease amount that is not received at the commencement of the lease.

The Company calculates and recognizes interest income for each period of the lease term at fixed periodic interest rates. The termination of recognition and impairment of finance lease receivables shall be treated in accordance with note "III. (10) Financial Instruments".

Variable lease payments not included in the net lease investment are recorded into the current profits and losses upon actual occurrence.

If the finance lease is changed and meets the following conditions, the Company shall treat the change as a separate lease:

- This change expands the lease scope by increasing the right to use one or more leased assets;
- The added consideration is equal to the separate price of the extended part of the lease adjusted for the circumstances of the contract.

If the change of finance lease is not treated as a separate lease, the Company shall handle the changed lease under the following circumstances:

- If the change takes effect on the beginning date of the lease and the lease will be classified as operating lease, the Company shall account it as a new lease from the effective date of the lease change, and take the net lease investment before the effective date of the lease change as the book value of the lease assets;
- If the change takes effect on the start date of the lease and the lease will be classified as a finance lease, the Company shall account it in accordance with the policy of this note "III. (10) Financial Instruments" on the modification or re-agreement of the contract.

3. Sales and leaseback transaction

The Company evaluates and determines whether the asset transfer in the sale-lease-back transaction is sales according to the principle described in note "III. (27) Revenue".

(1) As the lessee

If the asset transfer in the sale-lease-back transaction is for sale, the Company as the lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Accordingly, the seller-lessee shall recognize only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the asset transfer in the sale-lease-back transaction is not for sale, the Company shall continue to recognize the transferred asset and shall recognize a financial liability equal to the transfer proceeds. For accounting treatment of financial liabilities, see this note "III. (10) Financial Instruments".

(2) As the lessor

If the asset transfer in the sales and leaseback transaction is the sale, the

Company as the lessor shall account for the purchase of the asset and for the lease applying the "2. The Company acts as the lessor" policy; If the asset transfer in the sale-lease-back transaction is not for sale, the Company as the lessor shall not recognise the transferred asset and shall recognise a financial asset equal to the transfer proceeds. For accounting treatment of financial assets, please refer to note "III. (10) Financial Instruments".

(32) Methods for determining the criteria for materiality and the basis for selection

Item	Materiality criteria
Significant individually bad debt provisioned notes receivable	The Company recognizes notes receivable with an amount greater than 0.5% of total assets as material
Significant individually bad debt provisioned accounts receivable	The Company recognizes accounts receivable with an amount greater than 0.5% of total assets as material
Significant write-offs of accounts receivable during the period	The Company recognizes accounts receivable with an amount greater than 0.5% of total assets as material
Significant advance payment aged over 1 year	The Company recognizes advance payment with an amount greater than 0.5% of total assets as material
Significant individually bad debt provisioned other receivables	The Company recognizes other receivables with an amount greater than 0.5% of total assets as material
Significant construction in progress	The Company recognizes construction in progress with an amount greater than 10% of total assets as material
Significant accounts payable more than 1 year or overdue	The Company recognizes accounts payable with an amount greater than 0.5% of total assets as material
Significant contractual liabilities aged over one year	The Company recognizes contractual liabilities with an amount greater than 0.5% of total assets as material

Item	Materiality criteria
Significant other payables more than 1 year or overdue	The Company recognizes other payables with an amount greater than 0.5% of total assets as material
Significant cash flows from investing activities	The Company recognizes cash flows with an amount greater than 5% of total assets as material
Significant capitalized research and development projects	The Company recognizes research and development projects with an amount greater than 0.5% of total assets as material
Significant outsourced research and development projects	The Company recognizes outsourced research and development projects with an amount greater than 0.5% of total assets as material
Significant commitments item	The Company recognizes restructures, mergers and acquisitions as important
Significant contingencies item	The Company recognizes as material those matters that are highly probable to give rise to a contingent obligation
Events subsequent to balance date	The Company recognizes the appropriation of profits after the balance sheet date to be significant

(33) Significant accounting judgement and estimates

1. Change in important accounting policies

(1) Implement Accounting Standards for Business Enterprises Interpretation No.17

The Ministry of Finance issued the Interpretation No.17 of Enterprise Accounting Standards (Caihui [2023] No.21, hereinafter referred to as "Interpretation No.17") on 25 October 2023.

① Classification of current liabilities and non-current liabilities

Explanation No.17 makes it clear that:

- If an enterprise does not defer the settlement of liabilities to more than one year after the balance sheet date, the liabilities shall be classified as current liabilities.

- For liabilities arising from corporate loan arrangements, the company's right to defer debt repayment until more than one year after the balance sheet date may depend on whether the company has adhered to the conditions stipulated in the loan agreement (hereinafter referred to as contractual terms). When assessing whether it has substantive rights to defer debt repayment, the company should only consider the contractual terms that should be followed on or before the balance sheet date, not those that should be followed after the balance sheet date.
- When dividing the liquidity of liabilities, debt settlement refers to the process where a company discharges its debt to the counterparty by transferring cash, other economic resources (such as goods or services), or the company's own equity instruments. If the terms of the liability require the company to settle through the delivery of its own equity instruments based on the choice of the counterparty, and if the company classifies this option as an equity instrument according to the provisions of Accounting Standard for Business Enterprises No.37 —— Presentation of Financial Instruments and recognizes it as part of the equity component of a composite financial instrument, then this clause does not affect the liquidity classification of the liability.

The interpretation was effective from 1 January 2024. When the enterprise first implemented the provisions of the interpretation, it shall adjust the comparable period information in accordance with the provisions of the interpretation. The implementation of the provisions shall not have a significant impact on the financial position and operating results of the company.

② Disclosure of supplier financing arrangements

Explain that the requirements of No.17 require companies to aggregate and disclose information related to supplier financing arrangements when making notes disclosures, to help users of the financial statements assess the impact of these arrangements on the company's liabilities, cash flows, and liquidity risk exposure. When identifying and disclosing liquidity risk information, the impact of supplier financing arrangements should also be considered. This disclosure requirement applies only to supplier financing arrangements. Supplier financing arrangements refer to transactions with the following characteristics: one or more financing

providers provide funds to pay the company's obligations to suppliers, and it is agreed that the company will repay the financing providers on the day or after the supplier receives payment, according to the terms and conditions of the arrangement. Compared to the original payment due date, supplier financing arrangements extend the company's payment period or advance the collection period for the company's suppliers.

The interpretation was effective from 1 January 2024. When the enterprise first implements the interpretation, it is not required to disclose relevant information of the comparable period and some information at the beginning of the period. The implementation of the interpretation has no significant impact on the financial position and operating results of the Company.

③ Accounting treatment of sale and leaseback transactions

The provision No.17 stipulates that when a lessee measures the lease liability arising from sale and leaseback, the method used to determine the lease payments or modified lease payments must not result in recognizing gains or losses related to the right to use obtained through the sale and leaseback. When an enterprise first implements this provision, it should make retrospective adjustments for sale and leaseback transactions conducted after the first implementation date of Accounting Standard for Business Enterprises No.21 —— Leases.

The interpretation was effective from 1 January 2024, allows companies to implement it in advance of the interpretation released. The implementation of the regulation has not had a significant impact on the company's financial position and operating results.

(2) Implement the Interim Provisions on Accounting Treatment of Enterprise Data Resources

The Ministry of Finance issued the "Provisional Regulations on Accounting Treatment for Enterprise Data Resources" (Caihui [2023] No.11) on 1 August 2023. This regulation applies to data resources that meet the criteria for recognition as intangible assets or inventory under enterprise accounting standards, as well as data resources that are legally owned or controlled by an enterprise and are expected to bring economic benefits but do not meet the conditions for asset

recognition and thus have not been recognized. The regulations also specify requirements for the disclosure of data resources.

The regulation was effective from 1 January 2024. Enterprises shall adopt the prospective application. The data resource-related expenditures that have been expensed into profit and loss before the implementation of the regulation will not be adjusted. The implementation of the regulation will not have a significant impact on the financial position and operating results of the Company.

(3) Implement the provisions of Accounting Interpretation No.18 on Enterprise Accounting Standards "on accounting treatment of warranty quality assurance that does not belong to a single performance obligation"

The Ministry of Finance issued the Interpretation No.18 of the Accounting Standards for Enterprises (Caihui [2024] No.24, hereinafter referred to as "Interpretation No.18") on 6 December 2024. The interpretation shall take effect from the date of issuance and allow enterprises to implement it in advance from the year of release.

According to Regulation No.18, when accounting for estimated liabilities arising from warranty-type quality assurance that does not fall under a single performance obligation, the provisions of Accounting Standard for Business Enterprises No.13 — Contingencies should be followed. The determined amount of the estimated liability should be debited to accounts such as "Cost of Main Business" and "Cost of Other Business," and credited to the "Estimated Liabilities" account. This should also be reflected in the income statement under "Cost of Operations" and in the balance sheet under items such as "Other Current Liabilities," "Non-current Liabilities Due Within One Year," and "Estimated Liabilities." When the enterprise first implements the content of this interpretation, if the original provision for guarantee quality assurance is included in "selling expenses" etc., it shall be adjusted retrospectively in accordance with the change of accounting policies. The implementation of the regulation will not have a significant impact on the financial position and operating results of the Group.

2. Material change in accounting estimates

None.

IV. Tax

1) Main taxes and rates

Type	Tax basis	Tax rate
VAT	The VAT payable is the difference between output tax (calculated based on sales of goods and taxable service income under the tax laws) and the deductible input tax of the period	1%、3%、5%、6%、9%、13%
Urban maintenance and construction tax	Based on value-added tax paid	5%、7%
Enterprise income tax	Based on taxable profits	15%、25%

Companies subject to different enterprise income tax rates are disclosed as follows:

Name of tax payer	Tax rate
Lepu Medical Technology (Beijing) Co., Ltd	15%
Lepu Medical Equipment(Beijing) Co., Ltd	15%
Lepu Medical Electronics Technology Co., Ltd	15%
Jiangsu Brightness Medical Device Co., Ltd	15%
Jiangsu Shangzhi Medical Instrument Co., Ltd.	15%
Beijing Tiandi Hexie Technology Co., Ltd	15%
Beijing Lepu Diagnostic Technology Co., Ltd	15%
Lepu(Beijing) Diagnostics Co., Ltd	15%
Beijing Lepu Intelligent Medical Technology Co., Ltd	15%
Yantai Addcare Bio-Tech Limited Company	15%
Shenzhen Lepu Intelligent Medical Equipment Co., Ltd	15%
Lepu Pharmaceutical Co., Ltd	15%
Lepu Pharmaceutical Technology Co., Ltd	15%
Lepu Pharmaceutical (Beijing) Co., Ltd	15%
Lepu Hengjiuyuan Pharmaceutical Co., Ltd	15%
Zhejiang Lepu Pharmaceutical Co., Ltd	15%
Lepu Zhiyao Technology Co., Ltd	15%
Beijing Aipuyi Medical Testing Center Co. Ltd	15%
Beijing JWJ Science & Technology Development Co., Ltd	15%
Shanghai Lepu Cloudmed Co., Ltd	15%
Shenzhen Creative Industry Co., Ltd	15%

Name of tax payer	Tax rate
Shenzhen Carewell Electronics Co., Ltd	15%
Shenzhen Viatom Technology Co., Ltd	15%
Shanxi Tiansheng Pharmaceutical Co., Ltd.	15%
Sichuan Xingtai Pule Medical Technology Co., Ltd	15%
Jingmu Biotechnology (Shanghai) Co., Ltd	15%
Suzhou Bosmi Medical Technology Co., Ltd.	15%
Shanghai Shape Memory Alloy Material Co., Ltd.	15%
Lepu Xintai (Beijing) Medical Technology Co., Ltd	15%
Shenyang Shenda Endoscopy Co., Ltd	15%
Beijing Lepu Zhiying Technology Co., Ltd.	15%
Shanghai Gurong Biotechnology Co., Ltd.	15%
Shanghai Minwei Biotechnology Co., Ltd	15%
Shenzhen Ruihan Medical Technology Co., Ltd	15%
Shenzhen Puhui Medical Technology Co., Ltd	15%
Tianjin new optical Technology Co., Ltd	15%
Changxing Gourong Biotechnology Co., Ltd	15%

2) Tax incentives

1. Enterprise income tax incentives

(1) The Company was approved as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau and Beijing Taxation Bureau of Taxation in December 2023. The approval certificate of high-tech enterprise is "GS202311000168".and the certificate is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(2) Lepu Medical Equipment (Beijing) Co., Ltd. was approved as a high-tech enterprise by Beijing Municipal Science and Technology Commission, Beijing Municipal Bureau of Finance. Beijing Municipal Taxation Bureau, State Administration of Taxation in December 2023. The approval certificate of high-tech enterprise is "GR202311008826", and the validity period is three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(3) Lepu Medical Electronics Technology Co., Ltd. was approved as a high-tech enterprise by Shaanxi Provincial Department of Science and Technology, Shaanxi Provincial Finance Department and Shaanxi Provincial Taxation Bureau of the State

Administration of Taxation in December 2024. The certificate number is "GR202461002906" and valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(4) Jiangsu Brightness Medical Device Co., Ltd. was approved as a high-tech enterprise by the Department of Science and Technology of Jiangsu Province, Department of Finance of Jiangsu Province, Jiangsu State Taxation Bureau and Jiangsu Provincial Local Taxation Bureau in November 2024. The approval certificate of high-tech enterprise is "GR202432002151" and is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(5) Jiangsu Shangzhi Medical Devices Co., Ltd. was approved as a high-tech enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, Jiangsu Provincial State Taxation Bureau, Jiangsu Provincial Local Taxation Bureau in December 2022. The approval certificate of high-tech enterprise is "GR202232017056" and is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(6) Beijing Tiandi Hexie Technology Co., Ltd. was approved as high-tech enterprises by Beijing Science and Technology Commission, Beijing Municipal Bureau of Finance, Beijing Municipal Taxation Bureau, State Administration of Taxation in December 2022. The approval certificate of high-tech enterprises is "GR202211003069" and is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(7) Beijing Lepu Diagnostics Technology Co., Ltd. was jointly recognized as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau and Beijing Municipal Tax Service, State Taxation Administration in December 2024. The approval certificate of high-tech enterprise is "GS202411000125" and the period is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(8) Lepu(Beijing) Diagnostics Co., Ltd. was jointly recognized as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau and Beijing Municipal Tax Service, State Taxation Administration in December 2023. The approval certificate of high-tech enterprise is "GS202311000167" and the period is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(9) Beijing Lepu Smart Medical Technology Co., Ltd. was approved as a high-tech enterprise in Beijing Science and Technology Commission, Beijing Finance Bureau and Beijing Taxation Bureau of Taxation in December 2023. The approval certificate of

high-tech enterprise is "GR202311007931", and the validity period is three years. It enjoyed the preferential tax rate of high-tech enterprises of 15% in 2024.

(10) Yantai Addcare Bio-Tech Limited Company was approved as a high-tech enterprise by Shandong Provincial Department of Science and Technology, Department of Finance of Shandong Province, Shandong Provincial Taxation Bureau, State Administration of Taxation in November 2023. The approval certificate of high-tech enterprise is "GR202337000237", valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(11) Shenzhen Lepu Intelligent Medical Equipment Co., Ltd. was approved as a high-tech enterprise by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Commission and Shenzhen Tax Service, State Taxation Administration in December 2022. The certificate number is "GR202244200821" and valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(12) Lepu Pharmaceutical Co., Ltd. was approved as a high-tech enterprise by the Department of Science and Technology of Henan Province, The Department of Finance of Henan Province, The Provincial Taxation Bureau of Henan Province, and the Local Taxation Bureau of Henan Province in October 2024. The approval certificate of the high-tech enterprise is "GR202441000473", valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(13) Lepu Pharmaceutical Technology Co., Ltd. was approved as a high-tech enterprise by the Department of Science and Technology of Henan Province, The Department of Finance of Henan Province, The Provincial Taxation Bureau of Henan Province, and the Local Taxation Bureau of Henan Province in November 2023. The approval certificate of the high-tech enterprise is "GR202341000210", valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(14) Lepu Pharmaceuticals (Beijing) Co., Ltd. was approved as a high-tech enterprise by the Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, Beijing Municipal Bureau of Taxation and the State Administration of Taxation in December 2024. The certificate number is "GR202411004794", valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(15) Lepu Hengjiuyuan Pharmaceutical Co., Ltd. was approved as a high-tech enterprise by the Henan Provincial Department of Technology, Henan Provincial Finance Department, Henan Provincial State Taxation Bureau and Henan Provincial Local Taxation Bureau in November 2023. The certificate number is "GR202341001028", valid

for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(16) Zhejiang lepu Pharmaceutical Co., Ltd. was approved as a high-tech enterprise by the Department of Science and Technology of Zhejiang Province, The Department of Finance of Zhejiang Province, The Provincial Taxation Bureau of Zhejiang Province, and the Local Taxation Bureau of Zhejiang Province in December 2023. The approval certificate of the high-tech enterprise is "GR202333001179", valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(17) Lepu Pharmaceutical Technology Co., Ltd. was approved as a high-tech enterprise by the Department of Science and Technology of Zhejiang Province, The Department of Finance of Zhejiang Province, Zhejiang Provincial Taxation Bureau of the State Administration of Taxation in December 2024. The approval certificate of the high-tech enterprise is "GR202433011140". With a validity period of three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(18) IPE Biotechnology Co., Ltd was approved as a high-tech enterprise by Beijing Municipal Science and Technology Commission, Beijing Municipal Bureau of Finance, and Beijing Municipal Taxation Bureau of the State Taxation Bureau in December 2024. The approval certificate of high-tech enterprise is "GR202411007378" and valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(19) Beijing JWJ Science & Technology Development Co., Ltd. was approved as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau and Beijing State Taxation Bureau in October 2024. The approval certificate number of high-tech enterprise is "GR202411002657", which is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(20) Shanghai Lepu Cloudmed Co., Ltd was approved to be recognized as a high-tech enterprise in December 2022 by the Shanghai Science and Technology Commission through the review of Shanghai Science and Technology Commission, Shanghai Municipal Bureau of Finance and Shanghai Municipal Tax Bureau. The approval certificate number of high-tech enterprise is "GR202231002246". The validity period is three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(21) Shenzhen Creative Industry Co., Ltd. was approved as a high-tech enterprise by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Commission and Shenzhen Taxation Bureau of the State Administration of Taxation in December 2024. The certificate number is "GR202444201463" and is valid for three

years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(22) Shenzhen Carewell Electronics Co., Ltd. was approved as a high-tech enterprise by Shenzhen Science and Technology Innovation Commission, Shenzhen Municipal Bureau of Finance and Shenzhen Municipal Bureau of Taxation of the State Administration of Taxation in October 2023. The certificate number is "GR202344201038" and is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(23) Shenzhen YuanDong Innovation Technology Co., Ltd. was approved as a high-tech enterprise by Shenzhen Science and Technology Innovation Commission, Shenzhen Municipal Bureau of Finance and Shenzhen Municipal Bureau of Taxation of the State Administration of Taxation in December 2022. The certificate number is "GR202244201183" and is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(24) Shanxi Tiansheng Pharmaceutical Co., Ltd. was approved as a high-tech enterprise by the Department of Science and Technology of Shanxi Province, the Department of Finance of Shanxi Province and the Tax Bureau of the State Administration of Taxation of Shanxi Province in November 2024. The certificate number is "GR202414000511" and is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(25) Sichuan Xingtai Puluo Medical Technology Co., Ltd. was approved as a high-tech enterprise by Sichuan Science and Technology Department, Sichuan Finance Department and Sichuan Taxation Bureau of the State Administration of Taxation in November 2024. The certificate number is "GR202451000693" and is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(26) Jingmu Biotechnology (Shanghai) Co., Ltd was approved to be recognized as a high-tech enterprise in December 2023 by the Shanghai Science and Technology Commission through the review of Shanghai Science and Technology Commission, Shanghai Municipal Bureau of Finance and Shanghai Municipal Tax Bureau. The approval certificate number of high-tech enterprise is "GR202331007400". The validity period is three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(27) Suzhou Bosmi Medical Technology Co., Ltd. was approved as a high-tech enterprise by The Department of Science and Technology of Jiangsu Province, Jiangsu Provincial Department of Finance and Jiangsu Provincial Taxation Bureau of the State Administration of Taxation in December 2023. The certificate number is

"GR202332019252" and the validity period is three years. It enjoyed the preferential tax rate of high-tech enterprises of 15% in 2024.

(28) Shanghai Shape Memory Alloy Material Co., Ltd was approved to be recognized as a high-tech enterprise in December 2023 by the Shanghai Science and Technology Commission through the review of Shanghai Science and Technology Commission, Shanghai Municipal Bureau of Finance and Shanghai Municipal Tax Bureau. The approval certificate number of high-tech enterprise is "GR202331006835". The validity period is three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(29) Lepu Xintai (Beijing) Medical Technology Co., Ltd was approved as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau and Beijing State Taxation Bureau in October 2024. The approval certificate number of high-tech enterprise is "GS202411000650", which is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(30) Shenyang Shenda Endoscopy Co., Ltd was approved as a high-tech enterprise by Shenyang Science and Technology Commission, Shenyang Finance Bureau and Shenyang State Taxation Bureau in November 2024. The approval certificate number of high-tech enterprise is "GR202421001031", which is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(31) Beijing Lepu Zhiying Technology Co., Ltd. was approved as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau and Beijing State Taxation Bureau in December 2024. The approval certificate number of high-tech enterprise is "GR202411005212", which is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(32) Shanghai Gurong Biotechnology Co., Ltd. was approved to be recognized as a high-tech enterprise in December 2022 by the Shanghai Science and Technology Commission through the review of Shanghai Science and Technology Commission, Shanghai Municipal Bureau of Finance and Shanghai Municipal Tax Bureau. The approval certificate number of high-tech enterprise is "GR202231006314". The validity period is three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(33) Shanghai Minwei Biotechnology Co., Ltd was approved to be recognized as a high-tech enterprise in December 2024 by the Shanghai Science and Technology Commission through the review of Shanghai Science and Technology Commission,

Shanghai Municipal Bureau of Finance and Shanghai Municipal Tax Bureau. The approval certificate number of high-tech enterprise is "GR202431000353". The validity period is three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(34) Shenzhen Ruihan Medical Technology Co., Ltd was approved as a high-tech enterprise by Shenzhen Science and Technology Innovation Commission, Shenzhen Municipal Bureau of Finance and Shenzhen Municipal Bureau of Taxation of the State Administration of Taxation in December 2022. The certificate number is "GR202244205094" and is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(35) Shenzhen Puhui Medical Technology Co., Ltd was approved as a high-tech enterprise by Shenzhen Science and Technology Innovation Commission, Shenzhen Municipal Bureau of Finance and Shenzhen Municipal Bureau of Taxation of the State Administration of Taxation in November 2023. The certificate number is "GR202344204804" and is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(36) Tianjin new optical Technology Co., Ltd was approved as a high-tech enterprise by Tianjin Science and Technology Innovation Commission, Tianjin Municipal Bureau of Finance and Tianjin Municipal Bureau of Taxation of the State Administration of Taxation in November 2023. The certificate number is "GR202312002800" and is valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

(37) Changxing Gourong Biotechnology Co., Ltd was approved as a high-tech enterprise by the Department of Science and Technology of Zhejiang Province, The Department of Finance of Zhejiang Province, The Provincial Taxation Bureau of Zhejiang Province, and the Local Taxation Bureau of Zhejiang Province in December 2024. The approval certificate of the high-tech enterprise is "GR202433002682", valid for three years. It enjoyed the preferential tax rate of 15% for high-tech enterprises in 2024.

2. Other tax incentives

(1) According to the relevant requirements of the Provisions on Transitional Policies for

the Pilot Program of the Collection of Value-Added Tax in Lieu of Business Tax (Cai Shui [2016] No. 36), the Circular on Clarifying the Exemption of Elderly Care Agencies from Value-added Tax and Other Policies (Cai Shui [2019] No. 20) and the Announcement of the Ministry of Finance and the State Taxation Administration on Extending the Implementation Period of Certain Preferential Tax Policies (Cai Shui [2021] No.6), medical services rendered by a medical institution are exempt from value-added tax. Therefore, Beijing IPE Medical Testing Center Co., Ltd. and IPE (Suzhou) Medical Laboratory Co., Ltd. is exempt from value-added tax, urban construction tax and education surcharge.

(2) According to the Circular of the State Administration of Taxation of the Ministry of Finance on Issues Relating to the Administration of Tax-Exempt Qualification Certification for Non-Profit Organizations (Cai Shui [2018] No. 13), medical service income obtained by a non-profit medical institution at prices stipulated by the State is exempt from various taxes. The real estate, land, vehicles and vessels used by a non-profit medical institution are exempt from property tax, urban land use tax and vehicle and vessel use tax. The portion of non-medical service income that is directly used to improve the conditions of medical and health services can be deducted from its taxable income upon review and approval by the tax authorities, and the balance is subject to corporate income tax. According to the Circular of the Department of Finance of Anhui Province and Anhui Provincial Tax Service, State Taxation Administration on Announcement of the 2020 Provincial-level Non-profit Organization Tax-Exemption Qualification List (Wan Cai Shui Fa [2020] No. 1280), Hefei High-tech Cardiovascular Hospital is a non-profit organization qualified for tax exemption and enjoys preferential tax policies for non-profit organizations within five years from the year of recognition.

(3) According to the Circular of the State Administration of Taxation on the Policy of Value-added Tax Credits and Deductions for Advanced Manufacturing Enterprises (Cai Shui [2023] No. 43), from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises will be allowed to offset the VAT payable by adding 5% to the current period's deductible input tax.

V. Notes to the Consolidated Financial Statements

(1) Cash at bank and on hand

Item	2024.12.31	2023.12.31
Cash on hand	684,399.93	789,669.47
Bank deposits	3,631,783,778.17	3,944,150,653.14
Other monetary funds	85,548,733.03	275,814,484.17
Total	3,718,016,911.13	4,220,754,806.78
Including: cash at bank and on hand deposited overseas	162,809,171.43	191,566,804.75
Amounts deposited abroad with restrictions on repatriation of funds	2,409,866.40	342,056.46

(2) Financial assets held-for-trading

Item	2024.12.31	2023.12.31
Financial assets at fair value through profit or loss	274,862,862.96	275,203,779.61
Including: Equity instrument investment	274,862,862.96	275,203,779.61
Wealth management products	274,862,862.96	275,203,779.61
Total		

(3) Notes receivable

1. Notes receivable by category

Item	2024.12.31	2023.12.31
Bank acceptance notes	115,905,403.42	60,631,562.69
Trade acceptance notes	842,416.66	23,878,411.26
Total	116,747,820.08	84,509,973.95

2. Notes receivable pledged at the end of the year

Item	Amount pledged
Bank acceptance notes	6,841,861.56
Total	6,841,861.56

3. Outstanding endorsed or discounted notes unmatured at the end of the year

Item	Amount derecognised at the end of the period	Amount not derecognised at end of period
Bank acceptance notes		26,182,119.91
Total		26,182,119.91

(4) Accounts receivable

1) Ageing analysis of accounts receivable

Ageing	2024.12.31	2023.12.31
Within 1 year	1,148,461,716.82	1,431,004,347.00
1-2 years	275,301,222.87	219,213,688.98
2-3 years	112,682,264.88	87,804,691.10
3-4 years	58,645,194.62	59,012,168.56
4-5 years	39,857,785.36	40,939,968.12
Over 5 years	81,884,916.68	70,715,580.78
Sub-total	1,716,833,101.23	1,908,690,444.54
Less: Provision for bad debts	186,175,869.75	155,529,736.19
Total	1,530,657,231.48	1,753,160,708.35

2) Accounts receivable by method of bad debt provision

Type	2024.12.31					2023.12.31				
	Book balance		Provision for bad debts		Carrying Value	Book balance		Provision for bad debts		Carrying Value
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision for bad debts made on an individual basis	2,027,715.40	0.12	2,027,715.40	100.00		2,027,715.40	0.11	2,027,715.40	100.00	
Provision for bad debts made on a grouping basis	1,714,805,385.83	99.88	184,148,154.35	10.74	1,530,657,231.48	1,906,662,729.14	99.89	153,502,020.79	8.05	1,753,160,708.35
Including:										
Expected credit loss of grouping basis 1	1,633,439,149.84	95.14	169,207,636.71	10.36	1,464,231,513.13	1,906,662,729.14	99.89	153,502,020.79	8.05	1,753,160,708.35
Expected credit loss of grouping basis 2	81,366,235.99	4.74	14,940,517.64	18.36	66,425,718.35					

Type	2024.12.31					2023.12.31				
	Book balance		Provision for bad debts		Carrying Value	Book balance		Provision for bad debts		Carrying Value
	Amount	Percentage	Amount	Percentage		Amount	Percentage	Amount	Percentage	
		(%)		(%)			(%)		(%)	
Total	1,716,833,101.23	100.00	186,175,869.75		1,530,657,231.48	1,908,690,444.54	100.00	155,529,736.19		1,753,160,708.35

Accounts receivable with provision for bad debts on a grouping basis:

Items of bad debt provided on grouping basis 1:

Name	2024.12.31		
	Accounts receivable	Provision for bad debts	Percentage(%)
Within 1 year	1,071,812,710.75	5,341,797.40	0.50
1-2 years	274,673,719.25	27,467,371.95	10.00
2-3 years	112,155,611.95	22,431,122.44	20.00
3-4 years	58,438,121.75	17,531,436.48	30.00
4-5 years	39,846,155.36	19,923,077.66	50.00
Over 5 years	76,512,830.78	76,512,830.78	100.00
Total	1,633,439,149.84	169,207,636.71	

Items of bad debt provided on grouping basis 2:

Name	2024.12.31		
	Book balance	Provision for bad debts	Percentage(%)
Expected credit loss of grouping basis 2	81,366,235.99	14,940,517.64	18.36
Total	81,366,235.99	14,940,517.64	

3) Provision, reversal or recovery, and offset or written-off of bad debts during the reporting periods

Type	2023.12.31	Change in the year				2024.12.31
		Provision accrued and reversed	Increase in business combinations	Offset or written off	Other Movements	
Expected credit loss of grouping basis	153,502,020.79	50,356,354.55	-13,031,932.28	7,078,288.71	400,000.00	184,148,154.35
Provision for bad	2,027,715.40					2,027,715.40

Type	2023.12.31	Change in the year				2024.12.31
		Provision accrued and reversed	Increase in business combinations	Offset or written off	Other Movements	
debts						
Total	155,529,736.19	50,356,354.55	-13,031,932.28	7,078,288.71	400,000.00	186,175,869.75

4) Accounts receivable written off during the reporting periods

Item	Amount
Written-off	7,078,288.71

5) Top Five Accounts Receivable and Contract Assets Balances Grouped by Counterparties as of Period-End

The total amount of the top five accounts receivable and contract assets with ending balance aggregated by party in arrears was RMB212,090,291.08 , representing 12.35%, of the total ending balance of accounts receivable, and the corresponding provision for bad debts with ending balance aggregated to RMB3,981,380.39.

(5) Receivable financing

1. Presentation of receivables financing classification

Item	2024.12.31	2023.12.31
Notes receivable	159,509,608.70	83,407,668.79
Total	159,509,608.70	83,407,668.79

2. Receivable financing pledged by the Company at the end of the period

Item	Amount pledged at the end of the period
Notes receivable	32,907,393.79
Total	32,907,393.79

3. Receivable financing at the end of the period that has been endorsed or

discounted by the Company and is not yet due at the balance sheet date

Item	Amounts derecognized at the end of the period	Amounts not derecognized at the end of the period
Notes receivable	23,442,111.06	
Total	23,442,111.06	

(6) Prepayments

1) Ageing of prepayments

Ageing	2024.12.31		2023.12.31	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	125,065,214.24	55.16	183,340,259.10	57.21
1-2 years	26,471,222.36	11.67	94,433,213.00	29.47
2-3years	45,163,946.89	19.92	28,753,426.19	8.97
Over 3 years	30,037,310.99	13.25	13,944,339.98	4.35
Total	226,737,694.48	100.00	320,471,238.27	100.00

2) Top five prepayments by supplier based on ending balance

The total amount of the top five prepayments of the ending balance, classified by concentration of prepaid objects, aggregated to RMB38,054,153.79, representing 16.78% of the total closing balance of prepayments.

(7) Other receivables

Item	2024.12.31	2023.12.31
Interest receivable		
Dividends receivable		
Other receivables	114,401,883.63	110,449,885.41
Total	114,401,883.63	110,449,885.41

1、 Other receivables

(1) Ageing analysis:

Ageing	2024.12.31	2023.12.31
Within 1 year	75,624,723.61	53,846,939.08
1-2 years	9,370,427.77	7,534,326.06
2-3years	7,257,339.15	11,671,969.96
3-4years	10,098,997.46	56,980,783.19
4-5years	34,296,233.73	53,104,308.05
Over 5 years	157,138,278.36	107,238,119.08
Sub-total	293,786,000.08	290,376,445.42
Less: Provision for bad debts	179,384,116.45	179,926,560.01
Total	114,401,883.63	110,449,885.41

(2) Other receivables by method of bad debt provision

Type	2024.12.31					2023.12.31				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision for bad debts made on an individual basis	129,805,890.71	44.18	129,805,890.71	100.00		129,805,890.71	44.70	129,805,890.71	100.00	
Provision for bad debts made on a grouping basis	163,980,109.37	55.82	49,578,225.74	30.23	114,401,883.63	160,570,554.71	55.30	50,120,669.30	31.21	110,449,885.41
Including:										
Expected credit loss of grouping basis	162,060,165.42	55.16	49,566,234.39	30.59	112,493,931.03	160,570,554.71	55.30	50,120,669.30	31.21	110,449,885.41
Expected credit	1,919,943.95	0.66	11,991.35	0.62	1,907,952.60					

Type	2024.12.31					2023.12.31				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Percentage	Amount	Percentage		Amount	Percentage	Amount	Percentage	
		(%)		(%)			(%)		(%)	
loss of grouping basis 2										
Total	293,786,000.08	100.00	179,384,116.45		114,401,883.63	290,376,445.42	100.00	179,926,560.01		110,449,885.41

Other receivables assessed individually for provision for bad debts at the end of the year:

Name	2024.12.31				2023.12.31	
	Book balance	Provision for bad debts	Percentage(%)	Reasons for Provision	Book balance	Provision for bad debts
Beijing Bound-Assegai Technical and Trade Co., Ltd.	127,799,293.21	127,799,293.21	100.00	Expected irrecoverable	127,799,293.21	127,799,293.21
Total	127,799,293.21	127,799,293.21			127,799,293.21	127,799,293.21

receivables with provision for bad debts on a grouping basis:

The project 1 of collective assessment:

Name	2024.12.31		
	Other receivables	Provision for bad debts	Percentage(%)
Within 1 year	75,463,782.82	377,318.91	0.50
1-2 years	8,779,972.86	877,997.29	10.00
2-3 years	7,203,143.82	1,440,628.78	20.00
3-4 years	9,459,438.24	2,837,831.49	30.00

Name	2024.12.31		
	Other receivables	Provision for bad debts	Percentage(%)
4-5 years	34,245,576.59	17,124,206.83	50.00
Over 5 years	26,908,251.09	26,908,251.09	100.00
Total	162,060,165.42	49,566,234.39	

The project 2 of collective assessment:

Name	2024.12.31		
	Book balance	Provision for bad debts	Percentage(%)
The project 2 of collective assessment	1,919,943.95	11,991.35	0.62
Total	1,919,943.95	11,991.35	

(3) Provision for bad debt

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for next 12 months	Expected credit losses during the whole life span (not credit impaired)	Expected credit losses during the whole life span (credit impaired)	

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for next 12 months	Expected credit losses during the whole life span (not credit impaired)	Expected credit losses during the whole life span (credit impaired)	
Beginning Balance (1/1/2023)	50,120,669.30		129,805,890.71	179,926,560.01
Beginning balance for the current year (1/1/2023)				
--Transfer to stage 2				
--Transfer to stage 3				
--Transfer back stage 2				
--Transfer back stage1				
Provision made during the year	3,084,948.07			3,084,948.07
Reverse during the year				
Offset during the year				
Written off during off the year	2,435,102.46			2,435,102.46
Other changes	-1,192,289.17			-1,192,289.17
Closing Balance	49,578,225.74		129,805,890.71	179,384,116.45

(4) Provision for bad debts made, reversed or recovered during the reporting period

Type	2023.12.31	Change in the year			2024.12.31
		Accrued	Increased form consolidation	Offset or written off	
Expected credit loss of grouping basis	50,120,669.30	3,084,948.07	-1,192,289.17	2,435,102.46	49,578,225.74
Provision for bad debts made on an individual basis	129,805,890.71				129,805,890.71
Total	179,926,560.01	3,084,948.07	-1,192,289.17	2,435,102.46	179,384,116.45

(5) Other receivables actually written off during the reporting period

Item	Amount
Written-off	2,435,102.46

(6) Others categorized by nature

Nature of other receivables	2024.12.31	2023.12.31
Current settlement	258,146,611.83	255,741,834.43
Reserve	15,542,895.09	20,160,622.24
Others	20,096,493.16	14,473,988.75
Total	293,786,000.08	290,376,445.42

(7) Top five other receivables by ending balance of debtors

The aggregate amount of the top five other receivables at the end of the period, grouped by party in default, was RMB200,317,118.04, representing 68.18%, of the total ending balance of other receivables, and the corresponding aggregate closing balance of the provision for bad debts was RMB150,739,369.11.

(8)Inventories

1. Breakdown of inventories

Type	2024.12.31			2023.12.31		
	Book balance	Provision for impairment of inventories/ provision for impairment of contract performance cost	Carrying value	Book balance	Provision for impairment of inventories/ provision for impairment of contract performance cost	Carrying value
Raw materials	753,507,540.96	5,394,156.40	748,113,384.56	1,068,849,063.75	1,879,484.39	1,066,969,579.36
Work in progress	323,212,426.52		323,212,426.52	279,115,210.29		279,115,210.29

Type	2024.12.31			2023.12.31		
	Book balance	Provision for impairment of inventories/ provision for impairment of contract performance cost	Carrying value	Book balance	Provision for impairment of inventories/ provision for impairment of contract performance cost	Carrying value
Finished goods	1,008,457,865.42	49,547,734.32	958,910,131.10	1,076,348,447.98	132,959,651.25	943,388,796.73
Total	2,085,177,832.90	54,941,890.72	2,030,235,942.18	2,424,312,722.02	134,839,135.64	2,289,473,586.38

2. Provision for impairment of inventories and provision for impairment of contract performance cost

Typr	2023.12.31	Increase for the year		Decrease for the year		2024.12.31
		Provision made	Others	Reversal or writing-off	Others	
Raw materials	1,879,484.39	102,034,343.34		98,519,671.33		5,394,156.40
Finished goods	132,959,651.25	66,126,467.98		149,538,384.91		49,547,734.32
Total	134,839,135.64	168,160,811.32		248,058,056.24		54,941,890.72

(9) Non-current assets due within one year

Item	2024.12.31	2023.12.31
Long-term receivables due within one year	2,286,758.62	3,302,070.61
Other Non-current Assets Due within One Year.	30,723,386.47	
Total	33,010,145.09	3,302,070.61

(10) Other current assets

Item	2024.12.31	2023.12.31
Insurance	844,260.00	1,030,684.05
Advance Payment of Income Tax	228,143,607.67	178,950,744.58
Others	3,113,736.22	4,722,468.26
Total	232,101,603.89	184,703,896.89

(11) Long-term receivables

1. Information on long-term receivables

Item	2024.12.31			2023.12.31			Range of discount rate
	Book balance	Provision for bad debts	Carrying Value	Book balance	Provision for bad debts	Carrying Value	
Receipt in installments for sale of goods	189,453.63		189,453.63	2,968,556.17		2,968,556.17	4.75%-4.90%
Total	189,453.63		189,453.63	2,968,556.17		2,968,556.17	

(12)Long-term equity investments

1. Information on long-term equity investments

Investee	2023.12.31	Impairment provision 2023.12.31	Change for the year								2024.12.31	Impairment provision 2024.12.31
			Increase in investment	Decrease in investment	Investment gain or loss recognized using equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration and payment of cash dividend or profit	Provision of impairment	Others		
1.Associates												
Beijing Bound-Asse gai Technical and Trade Co., Ltd.	138,024,410.41	138,024,410.41									138,024,410.41	138,024,410.41
Beijing QS Medical Technology Co., Ltd.	49,069,276.14				-4,797,670.27		5,891,283.14				50,162,889.01	
Sichuan Rekind Medtec Inc.	145,319,708.98				22,253,584.06		3,182,485.11				170,755,778.15	
Lepu Biopharma	121,799,278.89				-54,968,781.20	128,494.42	25,602,969.38				92,561,961.49	

Investee	2023.12.31	Impairment provision 2023.12.31	Change for the year								2024.12.31	Impairment provision 2024.12.31
			Increase in investment	Decrease in investment	Investment gain or loss recognized using equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration and payment of cash dividend or profit	Provision of impairment	Others		
Co., Ltd.												
Beijing Yuding Additive Manufacturi ng Research Institute Co., Ltd.	77,281,218.05		12,000,000.00		-157,203.42		4,861,869.16				93,985,883.79	
Xi'an Chaoqian Intelligent Technology Co., Ltd.	38,411,693.47				-4,131,598.60						34,280,094.87	
Beijing Haijinge Medicine Technology	126,551,900.99				10,767,055.95		369,953.49				137,688,910.43	

Investee	2023.12.31	Impairment provision 2023.12.31	Change for the year								2024.12.31	Impairment provision 2024.12.31
			Increase in investment	Decrease in investment	Investment gain or loss recognized using equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration and payment of cash dividend or profit	Provision of impairment	Others		
Co., Ltd.												
Tianjin Walkman Biomaterial Co., Ltd.	257,824,666.30				-7,366,948.35						250,457,717.95	
Shenzhen Bone Medical Devices Co., Ltd.	37,387,493.95				-2,418,849.79						34,968,644.16	
Xinyu Baiaotongda Biotechnolo gy Co., Ltd.	49,993,421.95				-2,159.05						49,991,262.90	
Hunan Pinxin Bioengineeri	81,708,797.04				-2,245,693.70						79,463,103.34	

Investee	2023.12.31	Impairment provision 2023.12.31	Change for the year								2024.12.31	Impairment provision 2024.12.31
			Increase in investment	Decrease in investment	Investment gain or loss recognized using equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration and payment of cash dividend or profit	Provision of impairment	Others		
ng Co., Ltd.												
Shenzhen Ruihan Medical Technology Co., Ltd.	52,872,646.30				-8,463,645.38					-44,409,000 .92		
Beijing Yuewei Medical Technology Co., Ltd.	9,015,056.84		3,000,000.00		-3,104,021.84		580,367.65				9,491,402.65	
Shanghai Minwei Biotechnolo gy Co., Ltd.	108,456,748.61				-3,152,014.48					-105,304,73 4.13		
Zhongji Emergency	20,000,000.00										20,000,000.00	

Investee	2023.12.31	Impairment provision 2023.12.31	Change for the year								2024.12.31	Impairment provision 2024.12.31
			Increase in investment	Decrease in investment	Investment gain or loss recognized using equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration and payment of cash dividend or profit	Provision of impairment	Others		
Industry Co., Ltd.												
Beijing Zhong'an Yisheng Medical Technology Co., Ltd.	17,732,774.48				-903,737.93						16,829,036.55	
Beijing Yuhengjia Technology Co., Ltd.	49,323,532.33				-1,710,261.63						47,613,270.70	
Sino-US Huashitong Biomedical Technology (Wuhan)	87,032,766.91				-5,640,388.05		304,488.87				81,696,867.73	

Investee	2023.12.31	Impairment provision 2023.12.31	Change for the year								2024.12.31	Impairment provision 2024.12.31
			Increase in investment	Decrease in investment	Investment gain or loss recognized using equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration and payment of cash dividend or profit	Provision of impairment	Others		
Co., Ltd.												
Star Combo Pharma Limited	20,231,699.23				94,966.12			180,388.92		-1,366,962. 69	18,779,313.74	
Beijing Anpuer Technology Co., Ltd.	452,909.61				-2,754.92						450,154.69	
Ningbo Kaisheng Investment Managemen t Center (Limited Partnership)	260,300.79				-72.68						260,228.11	
Ningbo Hengsheng	186,082.46				-55.82						186,026.64	

Investee	2023.12.31	Impairment provision 2023.12.31	Change for the year								2024.12.31	Impairment provision 2024.12.31
			Increase in investment	Decrease in investment	Investment gain or loss recognized using equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration and payment of cash dividend or profit	Provision of impairment	Others		
Hengrui Investment Management Center (Limited Partnership)												
Ningbo Jinyi Investment Management Center (Limited Partnership)	99,392.68				-62.01						99,330.67	
Ningbo Meiunicom Investment Management Center	49,371.79				-59.93						49,311.86	

Investee	2023.12.31	Impairment provision 2023.12.31	Change for the year								2024.12.31	Impairment provision 2024.12.31
			Increase in investment	Decrease in investment	Investment gain or loss recognized using equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration and payment of cash dividend or profit	Provision of impairment	Others		
(Limited Partnership)												
Beijing Anyousheng shi Clinic Co., Ltd.	1,500,000.00									-1,500,000. 00		
Anyou Ophthalmol ogy Clinic (Fuzhou) Co., Ltd.	1,200,000.00									-1,200,000. 00		
Sub-total	1,491,785,148. 20	138,024,410.41	15,000,000.00		-65,950,372.92	128,494.42	40,793,416.80	180,388.92		-153,780,69 7.74	1,327,795,599.8 4	138,024,410.41
Total	1,491,785,148. 20	138,024,410.41	15,000,000.00		-65,950,372.92	128,494.42	40,793,416.80	180,388.92		-153,780,69 7.74	1,327,795,599.8 4	138,024,410.41

Notes:

1) During the reporting period, the Company held a 9.7659% equity interest of Beijing Yiliankang Technology Co., Ltd. with a ending balance of RMB 0 due

to an excessive loss incurred.

2) The changes in Shanghai Minwei and Shenzhen Ruihan involve the company acquiring their equity increased to 55.00% and 71.27%, respectively, making them as majority owned subsidiaries. Details are provided in "Note VII. Changes in the Scope of Consolidation"

(13) Investments in other equity instruments

1) Information on investments in other equity instruments

Item	2024.12.31	2023.12.31	Profit recognized in other comprehensive income during the period	Loss recognized in other comprehensive income during the period	Profit accumulated in other comprehensive income at the end of the period	Loss accumulated in other comprehensive income at the end of the period	Dividend income recognized during the period	Reasons for designation as at fair value through other comprehensive income
Changzhou Shanlan Medical Investment Partnership (Limited Partnership)	29,910,079.03	32,958,797.12					113,351.70	Based on management's judgment
Beijing Chongde Yingsheng Venture Capital Co., Ltd.	10,000,000.00	10,000,000.00						Based on management's judgment
Shanghai Xingze Xinghe Venture Capital Center (Limited Partnership)	43,071,780.16	47,177,815.19						Based on management's judgment

Item	2024.12.31	2023.12.31	Profit recognized in other comprehensive income during the period	Loss recognized in other comprehensive income during the period	Profit accumulated in other comprehensive income at the end of the period	Loss accumulated in other comprehensive income at the end of the period	Dividend income recognized during the period	Reasons for designation as at fair value through other comprehensive income
Shenzhen Hechuang Intelligent & Health Venture Capital Investment Fund (Limited Partnership)	38,080,417.76	41,371,647.08					156,541.28	Based on management's judgment
Beijing Life Insurance Co., Ltd.	300,000,000.00	300,000,000.00						Based on management's judgment
Beijing Collaborative Yixin Investment Partnership (Limited Partnership)	50,000,000.00	50,000,000.00						Based on management's judgment
Suzhou Sinova Pharmaceutical Technology Co., Ltd.	45,000,000.00	45,000,000.00						Based on management's judgment

Item	2024.12.31	2023.12.31	Profit recognized in other comprehensive income during the period	Loss recognized in other comprehensive income during the period	Profit accumulated in other comprehensive income at the end of the period	Loss accumulated in other comprehensive income at the end of the period	Dividend income recognized during the period	Reasons for designation as at fair value through other comprehensive income
Suzhou Danqing Phase II Innovative Pharmaceutical Industry Investment Partnership (Limited Partnership)	29,993,642.64	62,659,965.62						Based on management's judgment
Shanghai Motang Medical Technology Co., Ltd.	200,000.00	200,000.00						Based on management's judgment
Chengdu Shengnuo Biotech Co., Ltd.	135,332,240.00	173,752,749.00		9,345,010.42	49,034,620.95		1,232,289.00	Based on management's judgment
Gritstone Oncology, Inc.		27,611,284.97		27,611,284.97				Based on management's judgment

Item	2024.12.31	2023.12.31	Profit recognized in other comprehensive income during the period	Loss recognized in other comprehensive income during the period	Profit accumulated in other comprehensive income at the end of the period	Loss accumulated in other comprehensive income at the end of the period	Dividend income recognized during the period	Reasons for designation as at fair value through other comprehensive income
ORIC Pharmaceuticals, Inc.	20,423,485.26	29,354,440.75	865,753.49			7,174,515.84		Based on management's judgment
Beam Therapeutics Inc.	19,877,363.68	21,586,342.00		1,708,978.32	8,297,592.08			Based on management's judgment
Ikena Oncology, Inc.	1,542,363.52	1,851,739.12		309,375.60		5,171,605.27		Based on management's judgment
Inspirna, Inc.	43,503,132.92	43,043,181.44	459,951.48			49,922,791.41		Based on management's judgment
MeiraGTx Holdings PLC	12,153,688.67	14,738,953.41		2,477,591.91		6,736,661.59		Based on management's

Item	2024.12.31	2023.12.31	Profit recognized in other comprehensive income during the period	Loss recognized in other comprehensive income during the period	Profit accumulated in other comprehensive income at the end of the period	Loss accumulated in other comprehensive income at the end of the period	Dividend income recognized during the period	Reasons for designation as at fair value through other comprehensive income judgment
CG Oncology, Inc.	109,348,595.72	27,738,350.94	39,386,268.09		1,422,103.48			Based on management's judgment
Beijing Jingfeng Pharmaceutical (Shandong) Co., Ltd.	39,000,000.00	39,000,000.00						Based on management's judgment
Shanghai Shujia Medical Management Co., Ltd.	10,000,000.00	10,000,000.00						Based on management's judgment
Hong Kong Profit Capital Holdings Limited	109,982,520.00	107,302,905.00	2,679,615.00		2,329,020.00			Based on management's judgment
BioLineRx Ltd.	10,382,655.25	75,938,903.95		65,556,248.70		94,321,637.63		Based on

Item	2024.12.31	2023.12.31	Profit recognized in other comprehensive income during the period	Loss recognized in other comprehensive income during the period	Profit accumulated in other comprehensive income at the end of the period	Loss accumulated in other comprehensive income at the end of the period	Dividend income recognized during the period	Reasons for designation as at fair value through other comprehensive income
								management's judgment
Celero Systems, Inc.	7,188,400.00	7,082,700.00	105,700.00		8,600.00			Based on management's judgment
Archimedes Vascular, Inc.	1,797,100.00	1,770,675.00	26,425.00		2,625.00			Based on management's judgment
Ranzhang Innovation Space (Beijing) Digital Industry Technology Co., Ltd.	100,000.00	100,000.00						Based on management's judgment
Beijing Ruiying Medical Technology Co., Ltd.	20,000,000.00	20,000,000.00						Based on management's

Item	2024.12.31	2023.12.31	Profit recognized in other comprehensive income during the period	Loss recognized in other comprehensive income during the period	Profit accumulated in other comprehensive income at the end of the period	Loss accumulated in other comprehensive income at the end of the period	Dividend income recognized during the period	Reasons for designation as at fair value through other comprehensive income judgment
Total	1,086,887,464.61	1,190,240,450.59	43,523,713.06		61,094,561.51	163,327,211.74	1,502,181.98	

2) Explanation of the existence of derecognition during the period

Item name	Accumulated gains transferred to retained earnings	Accumulated losses transferred to retained earnings	Reasons for derecognition
Chengdu Shengnuo Biotechnology Co., Ltd.	11,555,526.67		Disposal
Gritstone Oncology, Inc ("Gritstone")		135,214,029.45	Disposal
Oric Pharmaceuticals, Inc ("Oric")	2,228,670.55		Disposal
MeiraGTx, LLC ("MeiraGTx")		77,263.60	Disposal
CG Oncology, Inc. ("CG")	34,418,480.49		Disposal
Changzhou Shanlan Medical Investment Partnership (Limited Partnership)	6,705,181.11		Disposal
Shanghai Xingze Xinghe Venture Capital Center (Limited Partnership)	1,924,236.00		Disposal

(14) Other non-current financial assets

Item	2024.12.31	2023.12.31
Guizhou Yizhiying Technology Co., Ltd.	16,500,000.00	16,500,000.00
Suzhou Prius Gene Technology Co., Ltd.	10,000,000.00	10,000,000.00
Total	26,500,000.00	26,500,000.00

(15) Investment properties

1. Investment properties at cost method

Item	Buildings	Land use rights	Total
1.Original carrying amount			
(1) 2023.12.31	385,498,506.17	2,929,797.60	388,428,303.77
(2) Increase during the year	215,004,014.34		215,004,014.34
—Purchase			
—Transfers from inventories/fixed assets/construction in progress	215,004,014.34		215,004,014.34
—Increase from business consolidations			
(3) Decrease during the year	18,433,100.88		18,433,100.88
—Disposals			
—Transfer to fixed assets	18,433,100.88		18,433,100.88
(4) 2024.12.31	582,069,419.63	2,929,797.60	584,999,217.23
2.Accumulated depreciation or amortization			
(1) 2023.12.31	90,992,678.93	661,485.90	91,654,164.83
(2) Increase during the year	29,905,947.71	78,278.97	29,984,226.68
—Provision made or amortization	11,186,881.94	78,278.97	11,265,160.91
—Transfers from inventories/fixed assets/construction in progress	18,719,065.77		18,719,065.77
—Increase from business consolidations			
(3) Decrease during the year	592,213.05		592,213.05
—Disposals			
—Transfer to fixed assets	592,213.05		592,213.05
(4) 2024.12.31	120,306,413.59	739,764.87	121,046,178.46
3.Provision for impairment			
(1) 2023.12.31			
(2) Increase during the year			
—Provision made			
(3) Decrease during the year			
—Disposals			
(4) 2024.12.31			
4.Carrying value			

Item	Buildings	Land use rights	Total
(1) Closing carrying value	461,763,006.04	2,190,032.73	463,953,038.77
(2) Opening carrying value	294,505,827.24	2,268,311.70	296,774,138.94

Notes:

1) In August 2024, the Company and its subsidiary Lepu (Shenzhen) International Development Center Co., Ltd. signed a mortgage loan contract with the domestic syndicate led by Industrial and Commercial Bank of China Co., Ltd. Beijing Changping Branch. The mortgage period is from August 2024 to December 2030, and the mortgaged property is the real estate owned by Lepu (Shenzhen) International Development Center Co., Ltd. As of 31 December 2024, the investment real estate with a net value of RMB 188,318,116.15, the fixed assets of RMB 1,247,053,775.44 and the intangible assets of RMB 565,698,224.67 are still in mortgage status.

(16) Fixed assets

1) Fixed assets and disposal of fixed assets

Item	2024.12.31	2023.12.31
Fixed assets	3,991,276,420.92	2,812,962,375.74
Fixed assets liquidation		
Total	3,991,276,420.92	2,812,962,375.74

2) Breakdown of fixed assets

Item	Buildings	Machinery and equipment	Transportation equipment	Office & other equipment	Total
1. Original carrying amount					
(1) 2023.12.31	2,020,924,087.95	2,145,906,158.33	49,419,963.49	576,221,668.32	4,792,471,878.09
(2) Increase during the year	1,551,593,658.53	162,569,423.72	4,384,754.57	42,172,997.56	1,760,720,834.38
—Purchases	62,594,332.72	88,712,682.51	4,095,627.82	31,523,017.14	186,925,660.19
—Transfers from construction in progress	1,470,566,224.93	35,576,092.29		1,132,788.56	1,507,275,105.78
—Additions due to business combinations involving entities not under common control		8,914,593.65	289,126.75	8,113,113.03	17,316,833.43
—Transfers from investment properties	18,433,100.88				18,433,100.88
—Transfers from inventory		29,366,055.27		1,404,078.83	30,770,134.10
(3) Decrease during the year	225,076,990.97	64,323,819.09	5,196,234.67	31,160,606.99	325,757,651.72
—Disposal or retirement	10,072,976.63	64,323,819.09	5,196,234.67	31,160,606.99	110,753,637.38
—Transfers to investment properties	215,004,014.34				215,004,014.34
(4) 2024.12.31	3,347,440,755.51	2,244,151,762.96	48,608,483.39	587,234,058.89	6,227,435,060.75
2. Accumulated depreciation					
(1) 2023.12.31	516,624,517.35	974,893,526.34	39,571,584.55	435,056,483.89	1,966,146,112.13

Item	Buildings	Machinery and equipment	Transportation equipment	Office & other equipment	Total
(2) Increase during the year	87,748,438.58	211,240,312.06	4,324,153.52	56,442,225.03	359,755,129.19
—Provision made	87,156,225.53	209,146,832.55	4,301,262.67	52,498,610.55	353,102,931.30
—Additions due to business combinations involving entities not under common control					
—Transfers from investment properties		2,093,479.51	22,890.85	3,943,614.48	6,059,984.84
(3) Decrease during the year	592,213.05				592,213.05
—Disposal or retirement					
—Transfers to investment properties	24,708,626.35	47,759,138.48	4,717,791.41	25,920,435.47	103,105,991.71
(4) 2024.12.31	5,989,560.58	47,759,138.48	4,717,791.41	25,920,435.47	84,386,925.94
3.Provision for impairment	18,719,065.77				18,719,065.77
(1) 2023.12.31	579,664,329.58	1,138,374,699.92	39,177,946.66	465,578,273.45	2,222,795,249.61
(2) Increase during the year					
—Provision made	13,275,844.55	56,592.37		30,953.30	13,363,390.22
(3) Decrease during the year					
—Disposal or retirement					
(4) 2024.12.31					
4.Carrying value					

Item	Buildings	Machinery and equipment	Transportation equipment	Office & other equipment	Total
(1) Closing carrying value	13,275,844.55	56,592.37		30,953.30	13,363,390.22
(2) Opening carrying value					
Item	2,754,500,581.38	1,105,720,470.67	9,430,536.73	121,624,832.14	3,991,276,420.92
1.Original carrying amount	1,491,023,726.05	1,170,956,039.62	9,848,378.94	141,134,231.13	2,812,962,375.74

Notes:

1) On 21 June 2018, the Company entered into an RMB fund mortgage contract with the Beijing Changping Branch of Industrial and Commercial Bank of China Co., Ltd. For details, refer to "Note V. (35) Long-term Borrowings" in this Note. The mortgaged assets were buildings. As of 31 December 2024, the net value of the buildings used as collateral was RMB 52,250,807.21, and these assets remained in a mortgaged status.

2) In August 2024, the Company signed a mortgage loan contract with Lepu (Shenzhen) International Development Center Co., Ltd. and a domestic syndicate led by Industrial and Commercial Bank of China Co., Ltd. Beijing Changping Branch. The mortgage situation is detailed in Note "V. (15) Investment Estate"..

(17) Construction in progress**1) Construction in progress and construction materials**

Item	2024.12.31			2023.12.31		
	Book balance	provision for impairment	Carrying Value	Book balance	provision for impairment	Carrying Value
Construction in progress	533,097,328.96		533,097,328.96	1,797,311,334.29	25,669.57	1,797,285,664.72
Total						
Item	533,097,328.96		533,097,328.96	1,797,311,334.29	25,669.57	1,797,285,664.72

2) Breakdown of construction in progress

Item	2024.12.31			2023.12.31		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Lepu International Center Project				1,422,989,947.42		1,422,989,947.42
Other engineering projects of Zhejiang Lepu Pharmaceutical Industry	166,717,392.91		166,717,392.91	170,089,464.63		170,089,464.63
Synthesis workshop	195,588,714.39		195,588,714.39	132,750,928.61		132,750,928.61
Lepu Pharmaceutical 20 billion tablets of solid	170,791,221.66		170,791,221.66	71,480,993.63	25,669.57	71,455,324.06

Item	2024.12.31			2023.12.31		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
pharmaceutical preparation workshop						
Other	533,097,328.96		533,097,328.96	1,797,311,334.29	25,669.57	1,797,285,664.72

3) Changes in significant construction in progress

Name of project	Budget	2023.12.31	Increase in the period	Amount transfer to fixed assets in the period	Other decreased amount in the period	2024.12.31	Ratio of accumulated contribution to the construction to budget (%)	Progress of construction	Accumulated amount of capitalized interest	Including:capitalized amount of interest in the period	Rate of capitalization of interest in the period (%)	Source of funding
Lepu International Project	1,460,000,000.00	1,422,989,947.42	29,631,827.77	1,452,621,775.19			99.49	Substantively Completed	74,713,327.70			others
Total		1,422,989,947.42	29,631,827.77	1,452,621,775.19					74,713,327.70			

(18) Right-of-use assets**1. Breakdown of Right-of-use assets**

Item	Buildings and structures	Total
1.Original carrying amount		
(1) 2023.12.31	438,641,082.87	438,641,082.87
(2) Increase for the year	116,038,252.35	116,038,252.35
—Increase in leases	100,037,547.51	100,037,547.51
—Additions due to business combinations involving entities not under common control	16,000,704.84	16,000,704.84
(3) Decrease for the year	103,930,266.35	103,930,266.35
—Transfers to fixed assets		
—Termination	103,930,266.35	103,930,266.35
(4) 2024.12.31	450,749,068.87	450,749,068.87
2.Accumulated depreciation		
(1) 2023.12.31	112,210,849.67	112,210,849.67
(2) Increase for the year	71,848,536.47	71,848,536.47
—Provision made	70,617,673.27	70,617,673.27
—Additions due to business combinations involving entities not under common control	1,230,863.20	1,230,863.20
(3) Decrease for the year	71,782,665.73	71,782,665.73
—Transfers to fixed assets		
—Disposal	71,782,665.73	71,782,665.73
(4) 2024.12.31	112,276,720.41	112,276,720.41
3.Provision for impairment		
(1) 2023.12.31		
(2) Increase for the year		
—Provision made		
(3) Decrease for the year		
—Transfers to fixed assets		
—Termination		
(4) 2024.12.31		

Item	Buildings and structures	Total
4.Carrying value		
(1) Closing carrying value		
(2) Opening carrying value	338,472,348.46	338,472,348.46
Item	326,430,233.20	326,430,233.20

(19) Intangible assets**1. Breakdown of intangible assets**

Item	Land use rights	Patent rights	Non-patent rights	Others	Total
1.Original carrying amount					
(1) 2023.12.31	1,234,926,410.95	616,802,527.06	914,844,352.78	146,149,787.65	2,912,723,078.44
(2) Increase for the year	4,716,493.60	283,363,187.03	60,542,012.24	115,169,082.79	463,790,775.66
—Purchase	4,716,493.60	36,980,611.32	12,949,466.55	5,956,924.10	60,603,495.57
—Internal research & development		225,077,675.71	47,592,545.69	109,128,605.62	381,798,827.02
—Additions due to business combinations involving entities not under common control		21,304,900.00		83,553.07	21,388,453.07
(3) Decrease for the year	61,381,938.80			2,835,198.20	64,217,137.00
—Disposal	61,381,938.80			2,835,198.20	64,217,137.00
—Lapsed and derecognised parts					
(4) 2024.12.31	1,178,260,965.75	900,165,714.09	975,386,365.02	258,483,672.24	3,312,296,717.10
2.Accumulated amortization					
(1) 2023.12.31	291,336,450.47	470,194,544.93	215,434,362.51	117,560,705.64	1,094,526,063.55
(2) Increase for the year	39,045,841.69	57,722,254.60	77,543,468.70	16,675,780.34	190,987,345.33

Item	Land use rights	Patent rights	Non-patent rights	Others	Total
—Provision made	39,045,841.69	57,722,254.60	77,543,468.70	16,660,367.27	190,971,932.26
—Additions due to business combinations involving entities not under common control				15,413.07	15,413.07
(3) Decrease for the year	6,818,262.74			1,455,790.91	8,274,053.65
—Disposal	6,818,262.74			1,455,790.91	8,274,053.65
—Lapsed and derecognised parts					
(4) 2024.12.31	323,564,029.42	527,916,799.53	292,977,831.21	132,780,695.07	1,277,239,355.23
3.Provision for impairment					
(1) 2023.12.31		650,811.61			650,811.61
(2) Increase for the year			15,789,656.35		15,789,656.35
—Provision made			15,789,656.35		15,789,656.35
(3) Decrease for the year					
—Disposal					
—Lapsed and derecognised part					
(4) 2024.12.31					
4.Carrying value		650,811.61	15,789,656.35		16,440,467.96

Item	Land use rights	Patent rights	Non-patent rights	Others	Total
(1) Closing carrying value					
(2) Opening carrying value	854,696,936.33	371,598,102.95	666,618,877.46	125,702,977.17	2,018,616,893.91
Item	943,589,960.48	145,957,170.52	699,409,990.27	28,589,082.01	1,817,546,203.28

Notes:

- 1) As of the end of the period, the proportion of intangible assets formed through internal research and development within the company to the balance of intangible assets was 45.53%.
- 2) In February 2023, the company's subsidiary, Lepu Pharmaceutical Co., Ltd., entered into a maximum mortgage contract with the Taizhou Jiaojing Branch of China Construction Bank Co., Ltd. For details, please refer to "Note V. (35) Long-term Borrowings" in this Note. The mortgaged assets involved land use rights and the buildings thereon. As of 31 December 2024, the net value of the land use rights used as collateral was RMB 32,552,630.33, and these assets remained in mortgaged status.
- 3) In August 2024, the Company signed a mortgage loan contract with Lepu (Shenzhen) International Development Center Co., Ltd. and a domestic syndicate led by Industrial and Commercial Bank of China Co., Ltd. Beijing Changping Branch. The mortgage situation is detailed in Note "V. (15) Investment Estate".

(20) Goodwill

1. Changes in goodwill

Investee Companies or matters forming goodwill	2023.12.31	Increase during the year		Decrease during the year		2024.12.31
		Business combinations	Other increase	Disposal	Other decrease	
Book value						
Shanghai Shape Memory Alloy Material Co., Ltd.	48,281,830.04					48,281,830.04
Lepu Medical Equipment(Beijing) Co., Ltd.	9,342,820.07					9,342,820.07
Beijing Star GK Medical Device Co., Ltd.	121,871,085.31					121,871,085.31
ComedB.V.	18,585,245.77					18,585,245.77
Lepu Medical Electronics Technology Co., Ltd.	47,855,359.94					47,855,359.94
Lepu Pharmaceutical Co., Ltd.	310,645,774.09					310,645,774.09
Beijing Haihetian Technology Development Co., Ltd.	84,686,478.35					84,686,478.35
Beijing Jinweijie Technology Development Co., Ltd	20,119,884.31					20,119,884.31
Beijing Lejian Medical Investment Co., Ltd	58,498,557.73			16,551,670.26		41,946,887.47
Zhejiang LEPU Pharmaceutical Co., Ltd	374,821,392.22					374,821,392.22
Yantai Addcare Bio-Tech Limited Company	161,437,254.14					161,437,254.14
Changzhou Bingkun Medical Technology Co., Ltd.(used name: Ningbo Bingkun Medical Technology Co., Ltd.)	532,643,436.89					532,643,436.89

Investee Companies or matters forming goodwill	2023.12.31	Increase during the year		Decrease during the year		2024.12.31
		Business combinations	Other increase	Disposal	Other decrease	
Lepu Pharmaceutical (Beijing) Co., Ltd	102,648,567.78					102,648,567.78
Lepu Hengjiuyuan Pharmaceutical Co.,Ltd	81,138,405.26					81,138,405.26
Lepu Pharmaceutical Technology Co., Ltd	39,517,205.84					39,517,205.84
Anhui High-Tech Cardiovascular Hospital Management Co., Ltd	46,445,203.02					46,445,203.02
Beijing Lepu Diagnostic Technology Co., Ltd	63,095,761.52					63,095,761.52
Beijing Weikangtongda Medical Technology Co., Ltd	6,222,591.99					6,222,591.99
Shenzhen Puhui Medical Technology Co., Ltd	5,630,100.00					5,630,100.00
Shenzhen Carewell Electronics Co., Ltd	38,074,178.51					38,074,178.51
Shenzhen Kerikang Industrial Co., Ltd	44,440,139.86					44,440,139.86
Shanghai Lepu Yunzhi Technology Co., Ltd	339,697,339.55					339,697,339.55
Shenzhen Yuandong Innovation Technology Co., Ltd	66,708,602.76					66,708,602.76
Liaoning Bo'ao Bio-pharmaceutical Co., Ltd.	258,946,517.73					258,946,517.73
Shaanxi Xingtai Biotechnology Co., Ltd. Asset Groups	43,619,177.73					43,619,177.73
IPE Biotechnology Co., Ltd	2,778,719.69					2,778,719.69
Lepu Youkang (Hainan) Health Industry Co., Ltd	6,372,201.50					6,372,201.50
Aonuo (Qingdao) Pharmaceutical Co., Ltd.	85,693,914.06					85,693,914.06
Suzhou Bonsmile Medical Technology Co., Ltd.	122,553,625.20					122,553,625.20

Investee Companies or matters	2023.12.31	Increase during the year		Decrease during the year		2024.12.31
		Business combinations	Other increase	Disposal	Other decrease	
forming goodwill						
Tianjin Jiumijiu Optometry Technology Co., Ltd.	153,974,707.22					153,974,707.22
Beijing Lepu Zhiying Technology Co., Ltd.(used name: Beijing Huaco Healthcare Technologies Co., Ltd.)	139,648,752.70					139,648,752.70
Qingdao Lishan Eye Nursing Product Co.,Ltd.	35,214,700.12					35,214,700.12
Shanxi Tiansheng Pharmaceutical Co., Ltd.	16,708,313.46					16,708,313.46
Wenzhou Jingyuan Biotechnology Co., Ltd.	5,575,458.64					5,575,458.64
Beijing Purun Medical Equipment Co., Ltd	21,427,384.16					21,427,384.16
Shenyang Shenda Endoscopy Co., Ltd	185,378,375.62					185,378,375.62
Shanghai Minwei Biotechnology Co., Ltd		160,651,212.79				160,651,212.79
Shenzhen Ruihan Medical Technology Co., Ltd		34,366,388.86				34,366,388.86
Sub-total	3,700,299,062.78	195,017,601.65		16,551,670.26		3,878,764,994.17
Provision for impairment						
Beijing Sida Medical Equipment Co., Ltd	60,186,381.16					60,186,381.16
ComedB.V.	18,585,245.77					18,585,245.77
Lepu Medical Electronic Instrument Co., Ltd	47,855,359.94					47,855,359.94
Lepu Pharmaceutical (Beijing) Liability Company	35,889,505.24					35,889,505.24
Suzhou Bosme Medical Technology Co., Ltd	33,451,942.59		59,282,177.10			92,734,119.69

Investee Companies or matters forming goodwill	2023.12.31	Increase during the year		Decrease during the year		2024.12.31
		Business combinations	Other increase	Disposal	Other decrease	
Lepu (Beijing) Medical Equipment Co., Ltd			3,665,580.05			3,665,580.05
Sub-total	195,968,434.70		62,947,757.15			258,916,191.85
Book value	3,504,330,628.08	195,017,601.65	-62,947,757.15	16,551,670.26		3,619,848,802.32

2. Information about the composition of the asset group or asset group combination to which the goodwill belongs, and the business segment to which it belongs

Item	Composition and basis of the asset group or combination of asset groups to which it belongs	Affiliated business segments and basis	Whether it is consistent with previous years
Shanghai Shape Memory Alloy Material Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	Yes
Lepu Medical Equipment (Beijing) Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	Yes
Beijing Star GK Medical Device Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets,	Medical device segment	Yes

Item	Composition and basis of the asset group or combination of asset groups to which it belongs	Affiliated business segments and basis	Whether it is consistent with previous years
	intangible assets and other long-term assets		
Lepu Medical Electronics Technology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	Yes
Beijing Haihetian Technology Development Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Pharmaceutical segment	Yes
Beijing Jinweijie Technology Development Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical services & health management segment	Yes
Beijing Lejian Medical Investment Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical services & health management segment	Yes
Lepu Pharmaceutical Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Pharmaceutical segment	Yes
Yantai Addcare Bio-Tech Limited Company	Asset groups formed by operating assets of the	Medical device segment	Yes

Item	Composition and basis of the asset group or combination of asset groups to which it belongs	Affiliated business segments and basis	Whether it is consistent with previous years
	main business, including fixed assets, intangible assets and other long-term assets		
Changzhou Bingkun Medical Technology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	Yes
Lepu Pharmaceutical (Beijing) Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Pharmaceutical segment	Yes
Lepu Hengjiuyuan Pharmaceutical Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Pharmaceutical segment	Yes
Lepu Pharmaceutical Technology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Pharmaceutical segment	Yes
Anhui High-Tech Cardiovascular Hospital Management Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical services & health management segment	Yes

Item	Composition and basis of the asset group or combination of asset groups to which it belongs	Affiliated business segments and basis	Whether it is consistent with previous years
Beijing Lepu Diagnostic Technology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	Yes
Beijing Weikangtongda Medical Technology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	Yes
Shenzhen Puhui Medical Technology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	Yes
Lepu CloudMed Technology Asset Group	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical services & health management segment	Yes
Liaoning Bo'ao Bio-pharmaceutical Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Pharmaceutical segment	Yes
Shaanxi Xingtai Biotechnology Co., Ltd. Asset Groups	Asset groups formed by operating assets of the main business, including fixed assets,	Medical device segment	Yes

Item	Composition and basis of the asset group or combination of asset groups to which it belongs	Affiliated business segments and basis	Whether it is consistent with previous years
	intangible assets and other long-term assets		
IPE Biotechnology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	Yes
LePu Youkang (Hainan) Health Industry Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Pharmaceutical segment	Yes
Aonuo (Qingdao) Pharmaceutical Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Pharmaceutical segment	Yes
Suzhou Bonsmile Medical Technology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical services & health management segment	Yes
Tianjin Jiumijiu Optometry Technology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical services & health management segment	Yes
Beijing Lepu Zhiying Technology Co., Ltd.	Asset groups formed by operating assets of the	Medical device segment	Yes

Item	Composition and basis of the asset group or combination of asset groups to which it belongs	Affiliated business segments and basis	Whether it is consistent with previous years
	main business, including fixed assets, intangible assets and other long-term assets		
Qingdao Lishan Eye Nursing Product Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical services & health management segment	Yes
Shanxi Tiansheng Pharmaceutical Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Pharmaceutical segment	Yes
Wenzhou Jingyuan Biotechnology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical services & health management segment	Yes
Beijing Purun Medical Devices Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	Yes
Shenyang Shenda Endoscope Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	Yes

Item	Composition and basis of the asset group or combination of asset groups to which it belongs	Affiliated business segments and basis	Whether it is consistent with previous years
Shanghai Minwei Biotechnology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Pharmaceutical segment	
Shenzhen Ruihan Medical Technology Co., Ltd.	Asset groups formed by operating assets of the main business, including fixed assets, intangible assets and other long-term assets	Medical device segment	

Notes: The Lepu CloudMed Technology Asset Group includes Shanghai Lepu CloudMed Technology Co., Ltd., Shenzhen Korui Kang Industry Co., Ltd., Shenzhen Kaiwoer Electronic Co., Ltd., and Shenzhen Yuandong Innovation Technology Co., Ltd., similarly hereinafter.

3. Specific methods for determining the recoverable amount.

The recoverable amount is determined as the present value of the expected future cash flows:

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
Shanghai Shape Memory Alloy Material Co., Ltd.	398,114,331.36	1,132,300,000.00		5	Revenue growth rate: 0.99%; Profit margin: 45.64%; Discount rate: 15.74%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 30.52%; Discount rate: 15.74%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Lepu Medical Equipment (Beijing) Co., Ltd.	135,595,075.89	131,929,495.84	3,665,580.05	5	Revenue growth rate: 10%; Profit margin:- 3.54%; Discount rate: 11.76%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in	Revenue growth rate: 0%; Profit margin: 25.37%; Discount rate: 11.76%	Stabilization period revenue growth rate of 0%

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
						the current market and the specific risks associated with the relevant asset group		Profit margins, discount rates consistent with the last year of the forecast period
Beijing Star Medical Devices Co., Ltd.	106,676,830.26	116,361,468.36		5	Revenue growth rate: 13.73%; Profit margin: 34.26%; Discount rate: 13.08%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 35.42%; Discount rate: 13.08%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Lepu Pharmaceutical Co., Ltd.	1,385,792,294.16	1,705,122,680.75		5	Revenue growth rate: 8.00%; Profit margin: 29.97%; Discount rate: 11.08%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset	Revenue growth rate: 0%; Profit margin: 32.28%; Discount rate: 11.08%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
						group		the last year of the forecast period
Beijing Haihetian Technology Development Co., Ltd.	213,137,118.49	240,752,222.55		5	Revenue growth rate: 53.06%; Profit margin: 31.43%; Discount rate: 12.40%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 32.74%; Discount rate: 12.40%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Beijing Jinweijie Technology Development Co., Ltd.	43,264,795.12	46,638,351.80		5	Revenue growth rate: 3.00%; Profit margin: 24.94%; Discount rate: 11.96%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 24.94%; Discount rate: 11.96%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
Beijing Lejian Medical Investment Co., Ltd.	113,991,307.56	122,779,755.18		5	Revenue growth rate: 7.01%; Profit margin: 5.31%; Discount rate: 12.24%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 9.26%; Discount rate: 12.24%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Zhejiang Lepu Pharmaceutical Co., Ltd.	2,485,533,017.41	2,731,405,252.88		5	Revenue growth rate: 3.00%; Profit margin: 29.68%; Discount rate: 11.08%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 30.25%; Discount rate: 11.08%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Yantai Addcare Bio-Tech Co., Ltd.	324,329,284.25	400,288,558.25		5	Revenue growth rate: 2.00%;	① Revenue growth rate and profit margin: based on the Company's	Revenue growth rate: 0%;	Stabilization

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
					Profit margin: 19.69%; Discount rate: 11.76%	results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Profit margin: 19.69%; Discount rate: 11.76%	period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Changzhou Bingkun Medical Technology Co., Ltd.	1,107,143,638.59	1,168,411,534.45		5	Revenue growth rate: 8.73%; Profit margin: 31.69%; Discount rate: 13.08%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin of 34.83%; Discount rate: 13.08%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Lepu Pharmaceutical (Beijing) Co., Ltd.	122,890,975.40	160,447,851.51		5	Revenue growth rate: 8.82%; Profit margin: 34.65%; Discount rate: 11.51%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D	Revenue growth rate: 0%; Profit margin: 36.55%; Discount rate:	Stabilization period revenue

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
						product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	11.51%	growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Lepu Hengjiuyuan Pharmaceutical Co., Ltd.	271,969,133.12	319,845,211.02		5	Revenue growth rate: 2.00%; Profit margin: 11.73%; Discount rate: 11.08%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 11.73%; Discount rate: 11.08%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Lepu Pharmaceutical Technology Co., Ltd.	187,142,62.27	193,438,289.38		5	Revenue growth rate: 19.88%; Profit margin: 24.87%; Discount rate: 12.56%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax	Revenue growth rate: 0%; Profit margin: 27.09%; Discount rate: 12.56%	Stabilization period revenue growth rate of

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
						weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group		0% Profit margins, discount rates consistent with the last year of the forecast period
Anhui High-Tech Cardiovascular Hospital Management Co., Ltd.	89,991,205.00	104,541,093.72		5	Revenue growth rate: 8.00%; Profit margin: 2.97%; Discount rate: 12.24%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 3.14%; Discount rate: 12.24%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Lepu Diagnostic Technology (Beijing) Co., Ltd.	128,805,247.13	146,012,139.74		5	Income growth rate: 14.95%; Profit margin: 17.05%; Discount rate: 11.76%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in	Revenue growth rate: 0%; Profit margin: 23.56%; Discount rate: 11.76%	Stabilization period revenue growth rate of 0% Profit margins,

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
						the current market and the specific risks associated with the relevant asset group		discount rates consistent with the last year of the forecast period
Beijing Weikangtongda Medical Technology Co., Ltd.	3,795,760.24	28,133,263.05		5	Revenue growth rate: 3.00%; Profit margin: 19.87%; Discount rate: 13.08%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 19.87%; Discount rate: 13.08%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Shenzhen Puhui Medical Technology Co., Ltd.	28,189,479.05	33,707,799.73		5	Revenue growth rate: 7.74%; Profit margin: 11.01%; Discount rate: 11.76%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 13.94%; Discount rate: 11.76%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
								the forecast period
LePu CloudMed Technology Asset Group	1,125,084,126.02	1,135,885,300.00		5	Revenue growth rate: 22.81%; Profit margin: 10.31%; Discount rate: 12.24%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 14.28%; Discount rate: 12.24%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Liaoning Bo'ao Bio-pharmaceutical Co., Ltd.	985,421,179.98	1,252,660,000.00		5	Revenue growth rate: 78.68%; Profit margin: 42.53%; Discount rate: 11.84%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 47.09%; Discount rate: 11.84%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
Shaanxi Xingtai Biotechnology Co., Ltd. Asset Groups	261,846,565.08	730,799,554.03		5	Revenue growth rate: 1.00%; Profit margin: 1.10%; Discount rate: 13.08%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 1.10%; Discount rate: 13.08%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
IPE Biotechnology Co., Ltd.	294,476,986.00	379,962,745.06		5	Revenue growth rate: 27.05%; Profit margin: 48.23%; Discount rate: 11.76%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 54.08%; Discount rate: 11.76%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
LePu Youkang (Hainan) Health	-3,396,772.04	2,605,309.96		5	Revenue growth rate: 5.00%; Profit margin:- 4.18% ;	① Revenue growth rate and profit margin: based on the Company's results in previous years,	Revenue growth rate: 0%; Profit margin:	Stabilization

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
Industry Co., Ltd.					Discount rate: 12.40%	management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	1.49%; Discount rate: 12.40%	period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Aonuo (Qingdao) Pharmaceutical Co., Ltd.	94,567,295.76	104,264,670.29		5	Revenue growth rate: 54.60%; Profit margin: 49.07%; Discount rate: 12.40%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 50.23%; Discount rate: 12.40%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Suzhou Bonsmile Medical Technology Co., Ltd.	142,506,133.02	61,775,200.24	80,730,932.78	5	Revenue growth rate: 34.70%; Profit margin: 13.91%; Discount rate: 13.22%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D	Revenue growth rate: 0%; Profit margin: 24.77%; Discount rate:	Stabilization period revenue

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
						product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	13.22%	growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Tianjin Jiumijiu Optometry Technology Co., Ltd.	237,459,273.05	314,335,950.45		5	Revenue growth rate: 40.72%; Profit margin: 35.42%; Discount rate: 11.96%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 36.91%; Discount rate: 11.96%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Beijing Lepu Zhiying Technology Co., Ltd.	245,871,945.57	277,061,236.48		8	Revenue growth rate: 28.14%; Profit margin: 19.10%; Discount rate: 11.76%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax	Revenue growth rate: 0%; Profit margin: 30.16%; Discount rate: 11.76%	Stabilization period revenue growth rate of

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
						weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group		0% Profit margins, discount rates consistent with the last year of the forecast period
Qingdao Lishan Eye Nursing Product Co., Ltd.	51,995,075.17	65,422,920.28		5	Revenue growth rate: 20.27%; Profit margin: 19.90%; Discount rate: 12.77%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 23.31%; Discount rate: 12.77%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Shanxi Tiansheng Pharmaceutical Co., Ltd.	211,595,013.04	265,767,507.53		5	Revenue growth rate: 15.00%; Profit margin: 13.45%; Discount rate: 11.08%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in	Revenue growth rate: 0%; Profit margin: 20.78%; Discount rate: 11.08%	Stabilization period revenue growth rate of 0% Profit margins,

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
						the current market and the specific risks associated with the relevant asset group		discount rates consistent with the last year of the forecast period
Wenzhou Jingyuan Biotechnology Co., Ltd.	36,156,198.93	49,503,362.44		5	Revenue growth rate: 5.00%; Profit margin: 10.58%; Discount rate: 12.24%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 12.39%; Discount rate: 12.24%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Beijing Purun Medical Devices Co., Ltd.	32,326,744.03	42,262,444.74		5	Revenue growth rate: 3.00%; Profit margin: 14.27%; Discount rate: 13.08%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin of 14.27%; Discount rate: 13.08%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
								the forecast period
Shenyang Shenda Endoscope Co., Ltd.	527,286,643.48	553,500,000.00		5	Revenue growth rate: 16.33%; Profit margin: 22.32%; Discount rate: 10.54%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 27.95%; Discount rate: 10.54%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Shanghai Minwei Biotechnology Co., Ltd.	542,036,457.12	686,880,897.91		9	Revenue growth rate: 1948.59%; Profit margin:- 14.32%; Discount rate: 11.76%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 20.64%; Discount rate: 11.76%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with

Item	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining key parameters for the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
								the last year of the forecast period
Shenzhen Ruihan Medical Technology Co., Ltd.	84,056,110.33	93,784,158.93		5	Revenue growth rate: 37.43%; Profit margin: 6.47%; Discount rate: 11.76%	① Revenue growth rate and profit margin: based on the Company's results in previous years, management's forecasts of future operations, expectations of R&D product launches, and industry averages ②Discount rate: the pre-tax weighted-average cost of capital reflecting the time value of money in the current market and the specific risks associated with the relevant asset group	Revenue growth rate: 0%; Profit margin: 41.49%; Discount rate: 11.76%	Stabilization period revenue growth rate of 0% Profit margins, discount rates consistent with the last year of the forecast period
Total	12,015,650,629.84	14,798,586,226.55	84,396,512.83					

Note: The recoverable amount of the asset group where the goodwill of Suzhou Bosimei Technology Co., Ltd. is located is lower than the book value

of 80.7309 million yuan. The impairment amount of goodwill recognized based on the company's shareholding ratio is 59.2822 million yuan.

(21) Long-term deferred expenses

Item	2023.12.31	Additions during the period	Amortization for the period	Other decreases	2024.12.31
Renovation costs	181,003,197.03	75,615,387.36	51,140,134.89	1,654,524.90	203,823,924.60
Financing consulting fee	5,199,288.94	13,603,773.58	4,291,996.02		14,511,066.50
Mould	22,022,595.54	13,740,407.77	12,050,315.61		23,712,687.70
Others	48,546,793.35	29,082,738.54	28,942,291.58		48,687,240.31
Total	256,771,874.86	132,042,307.25	96,424,738.10	1,654,524.90	290,734,919.11

(22) Deferred income tax assets and deferred income tax liabilities**1) Deferred income tax assets not offset**

Item	2024.12.31		2023.12.31	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	607,731,313.75	98,040,316.54	605,901,628.53	97,024,302.80
Unrealized financing income	90,447.02	13,567.05	320,500.91	48,075.14
Unrealized Internal Income	216,512,665.82	39,616,280.47	265,887,475.28	50,937,243.74
Deductible tax loss	1,262,266,757.76	198,187,561.45	216,592,476.19	36,895,138.26
Deferred income	76,391,453.04	11,458,717.96	89,400,634.04	13,410,095.11
Lease liabilities	334,569,925.20	69,619,107.79	167,055,847.32	27,813,239.49
Gains or losses arising from the equity held prior to the purchase date are re-measured at fair value	64,641,905.93	9,696,285.89	17,741,733.33	2,661,260.00
Others	70,091,717.09	9,786,150.57	84,877,251.68	13,339,334.64
Total	2,632,296,185.61	436,417,987.72	1,447,777,547.28	242,128,689.18

2) Deferred income tax liabilities not offset

Item	2024.12.31		2023.12.31	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Appraisal and value appreciation of consolidated assets of enterprises not under common control	966,940,020.07	172,954,064.48	829,130,386.92	152,894,123.19
Changes in the fair value of financial assets	53,117,638.07	7,999,993.51	77,562,743.70	11,695,778.27

Item	2024.12.31		2023.12.31	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Gains or losses arising from the equity held prior to the purchase date re-measured at fair value	213,728,382.80	32,059,257.42	213,728,382.80	32,059,257.42
Right-of-use assets	332,028,124.39	69,486,031.23	166,121,363.51	27,752,990.83
Others	297,683,497.04	44,844,893.77	314,386,169.73	48,337,268.13
Total	1,863,497,662.37	327,344,240.41	1,600,929,046.66	272,739,417.84

3) Deferred income tax assets or liabilities presented as net of offsetting

Item	2024.12.31		2023.12.31	
	Reciprocal amount	Balance after offsetting	Reciprocal amount	Balance after offsetting
Deferred Tax Asset	121,551,227.41	314,866,760.31	74,804,498.52	167,324,190.66
Deferred Tax Liability	121,551,227.41	205,793,013.00	74,804,498.52	197,934,919.32

(23) Other non-current assets

Item	2024.12.31			2023.12.31		
	Book balance	Provision of impairment	Carrying value	Book balance	Provision of impairment	Carrying value
Prepaid project payment and equipment payment	235,922,032.34		235,922,032.34	315,177,738.34		315,177,738.34
Equity investment preparation funds	18,442,281.00		18,442,281.00	81,927,660.06		81,927,660.06
Large certificate of deposit	651,391,235.09		651,391,235.09	460,566,072.50		460,566,072.50
Other licensing and authorization	121,326,406.01		121,326,406.01	109,354,947.55		109,354,947.55

Item	2024.12.31			2023.12.31		
	Book balance	Provision of impairment	Carrying value	Book balance	Provision of impairment	Carrying value
of cooperation						
Project loan	206,231,617.53	6,309,793.28	199,921,824.25	56,879,644.76		56,879,644.76
Others	14,714,593.78		14,714,593.78	258,347,058.03		258,347,058.03
Total	1,248,028,165.75	6,309,793.28	1,241,718,372.47	1,282,253,121.24		1,282,253,121.24

Note: In August 2023, the subsidiary of the Company, Hongsen Technology, obtained the license of BL-8040 products under BioLine, and the company exclusively granted the project investment funds to Yuheng Biotech for the implementation of specific licensing.

(24) Assets subject to restrictions in ownership or use right

Item	2024.12.31			2023.12.31		
	Book balance	Carrying value	Type of restriction	Book balance	Carrying value	Type of restriction
Cash at bank and on hand	56,179,929.70	56,179,929.70	Type of restriction	89,121,409.05	89,121,409.05	Acceptance deposit ,fixed deposit and frozen funds
Receivable financing	32,907,393.79	32,907,393.79	Acceptance deposit ,fixed deposit and frozen funds	37,560,249.83	37,560,249.83	Pledge billing
Fixed assets	1,350,123,616.38	1,299,304,582.65	Pledge billing	88,083,110.00	55,065,316.13	Mortgage, financing
Intangible assets	804,465,610.93	598,250,855.00	Mortgage, financing	35,001,099.60	33,252,652.37	Long-term loan collateral for
Long-term equity investments	1,153,363,085.26	1,153,363,085.26	Long-term loan collateral for	1,153,363,085.26	1,153,363,085.26	M&A loan corresponding to the pledge of the target company's equity
Notes receivable	6,841,861.56	6,841,861.56	M&A loan corresponding to the pledge of the target company's equity	1,727,104.88	1,727,104.88	Pledge billing
Total	190,581,268.81	188,318,116.15	Pledge notes			
Item	3,594,462,766.43	3,335,165,824.11		1,404,856,058.62	1,370,089,817.52	

Note: The long-term equity investment which is restricted is mainly 45% equity of Lepu Pharmaceutical and 60% equity interest in Shenyang Shenda

Endoscopy held by the Company.

(25) Short-term borrowings

Short-term borrowings by category		
Item	2024.12.31	2023.12.31
Pledge loans	301,656,435.95	1,039,743,103.15
Guaranteed borrowings	301,656,435.95	1,039,743,103.15

(26) Trading Financial Liabilities

Item	2024.12.31	2023.12.31
Trading Financial Liabilities	93,983.38	
Including: Others	93,983.38	
Total	93,983.38	

(27) Notes Payable

Item	2024.12.31	2023.12.31
Bank acceptance bills	87,698,748.88	167,917,721.65
Total	87,698,748.88	167,917,721.65

(28) Accounts payable**1. Breakdown of accounts payable**

Item	2024.12.31	2023.12.31
Within one year (inclusive)	517,204,160.03	695,005,179.15
1-2 years	127,067,037.12	66,632,863.12
2-3 years	43,870,740.45	82,202,725.02
Over 3 years	21,313,056.92	17,526,189.44
Total	709,454,994.52	861,366,956.73

(29) Contract liabilities**1. Breakdown of contract liabilities**

Item	2024.12.31	2023.12.31
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Item	2024.12.31	2023.12.31
Within one year (inclusive)	160,249,307.25	179,997,186.06
1-2 years	30,023,196.60	49,639,942.94
2-3 years	30,926,313.26	22,987,485.64
Over 3 years	20,844,641.16	16,894,904.83
Total	242,043,458.27	269,519,519.47

(30) Employee benefits payable

1. Breakdown of employee benefits payable

Item	2023.12.31	Increase during the period	Decrease during the period	2024.12.31
Short-term remuneration	103,177,470.64	1,601,115,232.66	1,620,541,598.82	83,751,104.48
Post-employment benefits – defined contribution plans	1,640,458.07	174,073,079.04	173,916,476.40	1,797,060.71
Termination benefits		102,835,454.63	102,835,454.63	
Other benefits due within one year				
Total	104,817,928.71	1,878,023,766.33	1,897,293,529.85	85,548,165.19

2. Breakdown of short-term employee benefits

Item	2023.12.31	Increase during the period	Decrease during the period	2024.12.31
(1) Salaries, bonuses, allowances and subsidies	97,237,260.76	1,366,086,271.44	1,385,170,489.30	78,153,042.90
(2) Employee benefits		51,949,744.49	51,949,744.49	
(3) Social insurance contribution	1,673,707.13	98,734,582.25	98,783,732.68	1,624,556.70
Including: Medical insurance contribution	1,581,481.29	92,186,587.49	92,236,890.45	1,531,178.33
Work-related injury insurance contribution	83,289.21	5,638,275.90	5,628,664.91	92,900.20
Maternity insurance contribution	8,936.63	909,718.86	918,177.32	478.17
(4) Housing Provident Fund	741,923.80	71,181,048.77	71,206,043.37	716,929.20
(5) Labour union & employee education funds	3,524,578.95	13,163,585.71	13,431,588.98	3,256,575.68
(6) Short-term paid absences				
(7) Short-term profit sharing schemes				
Total	103,177,470.64	1,601,115,232.66	1,620,541,598.82	83,751,104.48

3. Breakdown of defined contribution plans

Item	2023.12.31	Increase during the period	Decrease during the period	2024.12.31
Basic pension insurance	1,579,949.45	168,106,830.41	167,949,627.68	1,737,152.18
Unemployment insurance contribution	60,508.62	5,966,248.63	5,966,848.72	59,908.53
Contributions to enterprise pensions				
Total	1,640,458.07	174,073,079.04	173,916,476.40	1,797,060.71

(31) Taxes payable

Item	2024.12.31	2023.12.31
Value-added tax	42,665,935.53	66,217,035.95
Enterprise income tax	73,098,152.89	109,507,338.30
Individual income tax	5,015,233.54	4,055,005.54
City maintenance and construction tax	2,816,709.29	6,194,023.84
Educational surcharge	2,054,147.30	4,591,060.18
Others	10,005,119.10	8,541,362.85
Total	135,655,297.65	199,105,826.66

(32) Other payables

Item	2024.12.31	2023.12.31
Interest payable		
Dividends payable	3,071,231.31	3,353,503.56
Other payable	394,892,569.43	552,324,774.21
Total	397,963,800.74	555,678,277.77

1. Dividends payable

Item	2024.12.31	2023.12.31
Dividends for ordinary shares	1,626,800.00	1,626,800.00
Dividends payable by subsidiaries to minority shareholders	1,444,431.31	1,726,703.56
Total	3,071,231.31	3,353,503.56

2. Other payable

(1) Other payable by nature

Item	2024.12.31	2023.12.31
Guarantee deposit	74,447,869.05	83,106,264.38
Current payments	80,616,202.74	129,855,971.42
Equity payments	40,458,447.43	128,445,194.41
Land and project funds	173,361,109.19	195,426,387.62
Others	26,008,941.02	15,490,956.38
Total	394,892,569.43	552,324,774.21

(33) Non-current liabilities due within one year

Item	2024.12.31	2023.12.31
Long-term borrowings due within one year	1,539,800,000.00	447,000,000.00
Bonds payable due within one year	51,897,242.05	51,035,202.06
Lease liabilities due within one year	1,591,697,242.05	498,035,202.06

(34) Other current liabilities

Item	2024.12.31	2023.12.31
Output value-added tax payable	19,860,330.04	20,926,692.96
Endorsed outstanding notes	40,879,487.98	41,544,710.29
Total	60,739,818.02	62,471,403.25

(35) Long-term borrowings

Item	2024.12.31	2023.12.31
Pledge loans	197,183,455.54	382,375,940.27
Mortgage borrowings	1,015,639,981.32	67,882,312.51
Credit loans	802,759,735.46	1,091,932,502.06
Total	2,015,583,172.32	1,542,190,754.84

Notes:

- 1) On 21 June 2018, the company entered into a RMB 520 million loan agreement with the Beijing Changping Branch of Industrial and Commercial Bank of China Co., Ltd. The contract stipulated that the loan interest rate would be the benchmark rate, with the pledge period from 21 June 2018, to 31 December 2025. The pledged assets were the company's 45% equity in Zhejiang LePu Pharma. Additionally, one of the company's properties was mortgaged, with the mortgage period from 14 June 2018 to 31 December 2025. As of 31 December 2024, the loan balance was RMB 5 million, all of which would mature within one year and has been reclassified as non-current liabilities due within one year.
- 2) On 18 September 2023, the company entered into a RMB 237 million pledge loan agreement with the Beijing Changping Branch of Industrial and Commercial Bank of China Co., Ltd. The contract stipulated that the loan interest rate would be based on the LPR. The pledge period is from 18 September 2023 to 31 December 2030, and the pledged assets are the 60% equity in Shenyang Shendà Endoscopy Co., Ltd. held by the company's subsidiary, Lepu (Beijing) Medical Technology Co., Ltd. As of 31 December 2024, the loan balance was RMB 217 million, of which RMB 20 million would mature within one year and has been reclassified as non-current liabilities due within one year.
- 3) On 24 February 2023, Lepu Pharmaceutical Co., Ltd. entered into a RMB 250 million loan agreement with the Taizhou Jiaojing Branch of China Construction Bank Co., Ltd. The contract stipulated that the loan interest rate would be based on the LPR. The mortgage period is from 21 February 2023 to 31 March 2028, and the mortgaged assets are the land with the certificate No. Zhe (2022) Taizhou Real Estate Rights Certificate 0003021 and its buildings. As of 31 December 2024, the loan balance was RMB 115 million.
- 4) On 6 August 2024, the company and its subsidiary, Lepu (Shenzhen) International Development Center Co., Ltd., as joint borrowers, entered into a RMB 1 billion loan agreement with a domestic syndicate led by the Beijing Changping Branch of Industrial and Commercial Bank of China Co., Ltd. The contract stipulated that the loan interest rate would be based on the LPR. The mortgaged assets are the own bulidings of Lepu (Shenzhen) International Development Center Co., Ltd., with the mortgage period from 6 August 2024 to 31 December 2030. As of 31 December 2024, the loan balance was RMB 1 billion, of which RMB 100 million of long-term loans would mature within one year and has been reclassified as non-current liabilities due within one year.

(36) Bonds payable

1. Breakdown of bonds payable

Item	2024.12.31	2023.12.31
Convertible bonds	1,608,915,230.87	1,560,810,898.63
Total	1,608,915,230.87	1,560,810,898.63

2. Increase or decrease of bonds payable (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

Name of bond	Book value	Date of issuance	Bond term	Amount issued	2023.12.31	Issuance in current period	Interest accrued at par value	Amortization of premiums and discounts	Repayment in current period	Reclassified as non-current liabilities due within one year	Other decrease	2024.12.31	Whether or not in breach of contract	Name of bond
Convertible bonds	100.00	1.50%	2021/3/30	5 years	1,638,000,000.00	1,560,810,898.63		22,591,029.09	41,917,824.36	16,376,966.00	17,799.90	9,755.31	1,608,915,230.87	No
Total					1,638,000,000.00	1,560,810,898.63		22,591,029.09	41,917,824.36	16,376,966.00	17,799.90	9,755.31	1,608,915,230.87	

Notes:

With the approval of the China Securities Regulatory Commission (CSRC) under the permit [2021] No. 741, the company publicly issued 16.38 million convertible corporate bonds on 30 March, 2021, with a face value of RMB 100 per bond and a total issuance amount of RMB 1.638 billion. The coupon rates are as follows: 0.3% for the first year, 0.5% for the second year, 1.0% for the third year, 1.5% for the fourth year, and 1.8% for the fifth year. The term of the convertible bonds issued this time is 5 years from the date of issuance, that is, from 30 March 2021 to 29 March 2026. The conversion period starts from the first trading day after six months from the end of the issuance of the convertible bonds and ends on the maturity date of the convertible bonds, that is, from 8 October 2021 to 29 March 2026. The initial conversion price of the convertible bonds is RMB 29.73 per share. After this issuance, in the event of changes in the company's shares due to bonus shares, capital increase, new share issuance, rights issue, or cash dividends (excluding increases in share capital due to the conversion of these convertible bonds), the conversion price will be adjusted. In 2021, the

company implemented the 2020 annual profit distribution plan, and the conversion price of the convertible bonds was adjusted from RMB 29.73 per share to RMB 29.50 per share. In 2022, the company implemented the 2021 annual profit distribution plan, and the conversion price was adjusted from RMB 29.50 per share to RMB 29.23 per share; the successful issuance of Global Depositary Receipts led to an adjustment of the conversion price from RMB 29.23 per share to RMB 28.68 per share; the cancellation of some repurchased treasury shares led to an adjustment of the conversion price from RMB 28.68 per share to RMB 28.73 per share. In 2023, the company implemented the 2022 annual profit distribution plan, and the conversion price of the convertible bonds was adjusted from RMB 28.73 per share to RMB 28.39 per share. During the reporting period, the company implemented the 2023 annual profit distribution plan, and the conversion price was adjusted from RMB 28.39 per share to RMB 28.06 per share; the company implemented the 2024 interim profit distribution plan, and the conversion price was adjusted from RMB 28.06 per share to RMB 27.92 per share. The convertible bonds issued this time entered the conversion period on 8 October 2021. The number of shares converted in this period is 653, and the cumulative number of shares converted as of 31 December 2024 is 10,689. As the convertible bonds are in the last two interest calculation years, and the closing price of the company's stock was below 70% of the current conversion price of RMB 28.39 per share (i.e., RMB 19.87 per share) for 30 consecutive trading days from 30 March 2024 to 17 May 2024, in accordance with the provisions of the "Prospectus", the put-back clause of the convertible bonds came into effect. During the put-back period from 21 May 2024 to 27 May 2024, 112 convertible bonds were reduced due to put-back.

(37) Lease liabilities

Item	2024.12.31	2023.12.31
Lease payment amount	408,044,006.84	434,530,748.90
Less: Unrecognized financing cost	104,234,019.63	113,527,874.80
Less: Lease liabilities due within one year	51,897,242.05	51,035,202.06
Total	251,912,745.16	269,967,672.04

(38) Deferred income

Item	2023.12.31	Increase during the period	Decrease during the period	2024.12.31	Cause of formation
Government subsidy	191,505,572.18	2,027,250.00	58,777,483.73	134,755,338.45	
Others	3,710,609.63		558,169.81	3,152,439.82	
Total	195,216,181.81	2,027,250.00	59,335,653.54	137,907,778.27	

(39) Share capital

Item	2023.12.31	Increase (+) or decrease (-) during the period					2024.12.31
		Issuance of new shares	Bonus issuance	Conversion from reserve	Others	Sub-total	
Total number of shares	1,880,610,352.0				653.00	653.00	1,880,611,005.0
	0						0

Note: The changes are detailed in Note V. (36) Bonds Payable.

(40) Other equity instruments

1. The changes of outstanding financial instruments such as preferred shares and perpetual bonds at the end of the period

Financial instruments outstanding	2023.12.31		Increase during the period		Decrease during the period		2024.12.31	
	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value
Convertible corporate bonds	16,377,005.00	214,751,048.51			297.00	3,894.55	16,376,708.00	214,747,153.96
Total	16,377,005.00	214,751,048.51			297.00	3,894.55	16,376,708.00	214,747,153.96

Note: The changes are detailed in Note V. (36) Bonds Payable.

(41) Capital reserve

Item	2023.12.31	Increase during the period	Decrease during the period	2024.12.31
Capital premium (shares premium)	2,776,484,371.60	16,629,501.31	19,976,276.54	2,773,137,596.37
Other capital reserve	688,181,532.23	72,273,298.70		760,454,830.93
Total	3,464,665,903.83	88,902,800.01	19,976,276.54	3,533,592,427.30

(1) During the reporting period, the conversion of convertible corporate bonds in this period resulted in an increase of capital reserve by RMB 20,391.02.

(2) Other changes in share premium are detailed in "Note VIII. (2) Changes in the Shareholders' Equity Share in Subsidiaries While Still Controlling the Subsidiaries" in this Note.

(3) The company implemented equity incentive plans through its subsidiary Lepu Xintai Technology, using Ningbo Jiacheng Enterprise Management Partnership (Limited Partnership) and Ningbo Jiadu Enterprise Management Partnership (Limited Partnership) as employee shareholding platforms. Similarly, through its subsidiary Lepu Diagnostic Technology, the company used Ningbo Shanhai Enterprise Management Partnership (Limited Partnership) and Ningbo Xiran Enterprise Management Partnership (Limited Partnership) as employee shareholding platforms. Additionally, through its subsidiary Bingkun Medical, the company used Ningbo Longhui Enterprise Management Partnership (Limited Partnership) (hereinafter referred to as "Ningbo Longhui") and Ningbo Longxin Enterprise Management Partnership (Limited Partnership) (hereinafter referred to as "Ningbo Longxin") as employee shareholding platforms. These actions, along with other equity incentive plans implemented by the company, led to an increase in capital reserve by RMB 31,479,881.90.

(4) Other increases in other capital reserves mainly resulted from the dilution of equity in associate companies due to the introduction of other investors, leading to an increase in equity. For details, refer to "Note V. (12) Long-term Equity Investments" in this Note.

(42) Treasury shares

Item	2023.12.31	Increase during the period	Decrease during the period	2024.12.31
Treasury shares	431,064,877.67	177,427,414.65		608,492,292.32
Total	431,064,877.67	177,427,414.65		608,492,292.32

Notes:

On 25 October 2023, the company held its Fifth Meeting of the Sixth Board of Directors and the Fifth Meeting of the Sixth Supervisory Board, both of which approved the "Proposal on the Company's Share Repurchase Plan". The company was authorized to repurchase a portion of its shares using its own funds through centralized competitive trading for the purpose of implementing an equity incentive plan or an employee shareholding plan. The total amount of funds allocated for this repurchase was no less than RMB 250 million (inclusive) and no more than RMB 500 million (inclusive), with a repurchase price not exceeding RMB 25 per share (inclusive). The implementation period for this share repurchase plan was set to be no more than 12 months from the date of approval by the Board of Directors. In September 2024, following the implementation of the Company's 2024 Interim Profit Distribution Plan, the upper limit of the repurchase price was adjusted to no more than RMB 24.53 per share (inclusive). In 2024, the company had cumulatively repurchased 14,243,500 shares through its dedicated securities account for share repurchase via centralized competitive trading. This accounted for 0.76% of the company's total share capital, with the highest transaction price being RMB 15.80 per share and the lowest transaction price being RMB 9.45 per share.

(43) Other comprehensive income

Item	2023.12.31	Amount for the period						2024.12.31
		Amount before income tax for the year	Less: Net amounts previously included in other comprehensive income and transferred to profit or loss for the period	Less: Net amount previously included in other comprehensive income and transferred to retained earnings for the period	Less: Income tax expense	Amount attributable to the Company after tax	Amount attributable to minority interests after tax but to the Company after tax	
1. Other comprehensive income that may not be subsequently reclassified to profit or loss	-131,900,779.08	-61,828,590.39		-4,549,294.37	-40,814,759.47	-16,464,536.55	-80,442,601.50	-92,272,937.05
Including: remeasurement of changes in defined benefit plans								
Other comprehensive income not transferable to profit or loss under the equity method	503,001.06							503,001.06
Changes in fair value of investments in other equity instruments	-132,403,780.14	-61,828,590.39		-4,549,294.37	-40,814,759.47	-16,464,536.55	-80,442,601.50	-92,775,938.11
Changes in fair value of the								

Item	2023.12.31	Amount for the period						2024.12.31
		Amount before income tax for the year	Less: Net amounts previously included in other comprehensive income and transferred to profit or loss for the period	Less: Net amount previously included in other comprehensive income and transferred to retained earnings for the period	Less: Income tax expense	Amount attributable to the Company after tax	Amount attributable to minority interests after tax but to the Company after tax	
enterprise's own credit risk								
2.Other comprehensive income that will be subsequently reclassified to profit or loss	51,007,915.34	871,145.11			-82,772.91	953,918.02		50,925,142.43
Including: Other comprehensive income available for transfer to profit or loss under the equity method	-31,779.55	128,494.42			128,494.42			96,714.87
Changes in fair value of other debt investments								
Amounts reclassified from financial assets to other comprehensive income								
Provision for credit impairment of								

Item	2023.12.31	Amount for the period						2024.12.31
		Amount before income tax for the year	Less: Net amounts previously included in other comprehensive income and transferred to profit or loss for the period	Less: Net amount previously included in other comprehensive income and transferred to retained earnings for the period	Less: Income tax expense	Amount attributable to the Company after tax	Amount attributable to minority interests after taxbutable to the Company after tax	
other debt investments								
Cash flow hedge reserve								
Exchange differences arising from translation of foreign currency	51,039,694.89	742,650.69			-211,267.33	953,918.02		50,828,427.56
Total other comprehensive income								
Item	-80,892,863.74	-60,957,445.28		-4,549,294.37	-40,897,532.38	-15,510,618.53	-80,442,601.50	-41,347,794.62

(44) Surplus reserve

Item	2023.12.31	Increase during the period	Decrease during the period	2024.12.31
Statutory surplus reserve	732,541,206.45	55,368,110.26		787,909,316.71
Total	732,541,206.45	55,368,110.26		787,909,316.71

(45) Retained earnings

Item	2024.12.31	2023.12.31
Retained earnings as at the end of last year before adjustment	10,195,491,193.93	9,591,299,351.64
Beginning adjustment to undistributed profits ("+" for plus; "-" for less)		
Retained earnings as at the beginning of the year after adjustment	10,195,491,193.93	9,591,299,351.64
Add: Net profit attributable to shareholders of the Company for the year	246,937,715.50	1,258,200,337.67
Transfer from other comprehensive income to retained earnings	-78,204,938.51	76,764,750.34
Less: Statutory surplus reserve set aside	55,368,110.26	68,498,639.87
discretionary surplus reserve set aside		
General risk preparation reserve set aside		
Dividend payable on ordinary shares	874,454,297.87	635,056,751.11
Ordinary shares dividends converted to shares		
Others		27,217,854.74
Retained earnings as at the end of the year	9,434,401,562.79	10,195,491,193.93

(46) Operating revenue and operating cost**1. Breakdown of operating revenue and operating cost**

Item	2024		2023	
	Revenue	Cost	Revenue	Cost
Principal business	6,059,068,078.69	2,352,215,049.30	7,915,661,868.83	2,805,211,145.04
Other businesses	44,201,027.19	35,432,052.33	64,237,450.91	48,074,740.43
Total	6,103,269,105.88	2,387,647,101.63	7,979,899,319.74	2,853,285,885.47

2. Information on the breakdown of operating income and operating costs

The revenue generated from customer contracts in this period is as follows:

Item	2024		2023	
	Revenue	Cost	Revenue	Cost
By business type:				
Medical apparatus and instruments	3,326,491,257.02	1,011,376,771.63	3,674,284,127.78	1,224,074,043.84
Medicines	1,757,747,768.26	813,026,692.22	3,043,785,611.77	952,895,286.39
Medical services and health management	1,019,030,080.60	563,243,637.78	1,261,829,580.19	676,316,555.24
Total	6,103,269,105.88	2,387,647,101.63	7,979,899,319.74	2,853,285,885.47

(46) Taxes and surcharges

Item	2024	2023
City maintenance and construction tax	29,482,016.04	36,809,753.98
Educational surcharge	22,349,272.08	28,015,886.23
Property tax	19,528,939.05	18,541,263.96
Land use tax	8,454,391.64	5,237,700.72
Stamp duty	6,275,720.16	7,506,766.05
Others	301,940.50	703,111.17
Total	86,392,279.47	96,814,482.11

(47) Selling expense

Item	2024	2023
Employee benefit expense	636,985,247.99	689,806,841.82
Market fee	397,125,352.34	438,815,785.62
Traveling expense	106,907,471.33	117,044,036.46
Depreciation expense	79,708,951.20	75,835,427.34
Business entertainment expenses	66,731,430.56	59,096,149.98
Exhibition fee	53,614,005.02	62,804,282.61
Advertising publicity fee	28,494,668.26	84,229,678.78
Business fee	11,594,447.50	12,106,952.20

Item	2024	2023
Property rental fee	5,223,577.12	5,521,219.52
Others	50,555,549.05	79,353,371.46
Total	1,436,940,700.37	1,624,613,745.79

(48) Administrative expense

Item	2024	2023
Employee benefit expense	360,683,862.83	375,641,480.79
Depreciation expense	154,865,407.77	134,896,627.52
Consult service fee	68,770,576.38	40,877,059.93
Property rental fee	40,364,585.50	34,771,938.09
The amortization expense of Long term deferred expense	31,161,368.20	34,275,932.03
Business fee	25,273,001.63	28,453,062.74
Traveling expense	19,405,252.76	23,559,184.56
Water, electricity and steam	15,204,807.74	14,206,028.65
Business entertainment expense	10,499,863.99	11,970,699.84
Others	73,108,487.74	117,173,507.09
Total	799,337,214.54	815,825,521.24

(49) Research and development expense

Item	2024	2023
Employee benefit expense	289,314,606.42	391,328,920.18
Materials consumed, energy expense, and testing expense	219,567,312.18	264,678,634.18
Depreciation and amortization expense	88,548,217.00	78,674,110.30
Design and clinical trial fee	54,408,098.50	26,961,232.67
Commissioned external research and development expense	60,815,184.56	38,932,787.09
Others	56,903,816.61	78,842,742.46
Total	769,557,235.27	879,418,426.88

(51) Financial expenses

Item	2024	2023
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Item	2024	2023
Interest expenses	180,999,999.83	170,645,096.13
Including: Interest expenses for lease liabilities	7,285,839.98	6,041,264.85
Less: Interest income	115,513,065.30	115,343,171.74
Net exchange losses/gains	-26,914,721.06	25,378,052.14
Unrealized financing income	-230,053.89	-630,237.11
Service fee	3,901,751.85	4,879,207.70
Total	42,243,911.43	84,928,947.12

(52) Other income

Item	2024	2023
Government subsidies	77,426,794.83	120,299,494.10
Additional deductions for input VAT	14,491,973.68	12,687,728.81
Withholding individual income tax commission	1,626,409.50	1,629,796.17
Others	16,195.24	62,674.97
Total	93,561,373.25	134,679,694.05

(53) Investment income

Item	2024	2023
Gain on long-term equity investments accounted for using equity method	-65,950,372.92	-24,360,974.71
Investment income from disposal of long-term equity investments	-22,420,424.43	-3,828,866.78
Investment income from disposal of financial assets held-for-trading	8,782,558.96	8,326,628.96
Dividend income earned on investments in other equity instruments during the holding period	1,502,181.98	1,620,000.00
Investment income from other non-current financial assets during the holding period		1,100,000.00
Investment income earned on disposal of other non-current financial assets		10,779,309.41
Others	-11,626,993.65	-10,169,284.71

Item	2024	2023
Total	-89,713,050.06	-16,533,187.83

(54) Gain/loss on change in fair value

Source of gain on change in fair value	2024	2023
Financial assets held-for-trading	419,519.46	3,091,760.83
Other non-current financial assets	-30,041.75	
Total	389,477.71	3,091,760.83

(55) Loss on impairment of credit

Item	2024	2023
Loss on bad debts of accounts receivable	50,356,354.55	26,133,143.68
Loss on bad debts of other receivables	3,084,948.07	3,737,742.81
Loss on bad debts of other non-current assets	6,309,793.28	
Loss on bad debts of other non-current assets due within one year	-3,637,312.00	
Total	56,113,783.90	29,870,886.49

(56) Loss on impairment of assets

Item	2024	2023
Loss on impairment of inventories and contract performance cost	168,160,811.32	128,505,197.59
Loss on impairment of tangible assets	15,789,656.35	
Loss on impairment of goodwill	62,947,757.15	33,451,942.59
Loss on impairment of development expenditure	40,968,868.29	3,135,310.31
Total	287,867,093.11	165,092,450.49

(57) Gains on impairment of assets

Item	2024	2023	Amount included in non-recurring gains and losses for the year
Gain or loss from disposal of non-current assets	11,731,723.82	-4,072,105.04	11,731,723.82
Total	11,731,723.82	-4,072,105.04	11,731,723.82

(58) Non-operating income

Item	2024	2023	Amount included in non-recurring gains and losses for the year
Government subsidies	6,266,466.02	40,626,335.68	6,266,466.02
Others	6,958,867.90	3,762,351.08	6,958,867.90
Total	13,225,333.92	44,388,686.76	13,225,333.92

(59) Non-operating expenses

Item	2024	2023	Amount included in non-recurring gains and losses for the year
Donation	1,552,938.00	2,461,316.07	1,552,938.00
Loss on retirement of damaged non-current assets	8,943,487.31	3,794,107.82	8,943,487.31
Others	30,107,573.37	30,850,441.54	30,107,573.37
Total	40,603,998.68	37,105,865.43	40,603,998.68

(60) Income tax expense

1. Breakdown of income tax expense

Item	2024	2023
Current income tax expenses	196,971,401.88	325,040,441.85
Deferred tax expenses	-168,504,622.81	-62,893,434.74
Total	28,466,779.07	262,147,007.11

2. Accounting profit and income tax expense adjustment process

Item	2024
Total profit	225,760,646.12
Income tax expenses calculated at statutory/applicable tax rate	56,440,161.53
Impact of different tax rates for subsidiaries	-27,603,978.49
Impact of adjusting income tax for previous periods	
Impact of non-taxable income	
Impact of non-deductible costs, expenses and losses	55,156,983.92
Impact of utilisation of deductible loss for which no deferred tax assets were previously recognized	-51,399,638.46
Impact of deductible temporary differences for which no deferred tax assets are recognized for the year or deductible losses	109,145,408.70
Other additional deductible expense under the tax regulations	-113,272,158.13
Tax rate adjustment leads to changes in the balance of deferred income tax assets/liabilities at the beginning of the period	
Others	
Income tax expense	28,466,779.07

(61) Items of cash flow statements

1. Cash related to operating activities

(1) Cash received relating to other operating activities

Item	2024	2023
Interest income	65,933,298.21	93,870,574.85
Government subsidies received	65,287,910.46	136,513,869.76
Transactions received	45,548,422.85	49,850,398.19
Total	176,769,631.52	280,234,842.80

(2) Cash paid relating to other operating activities

Item	2024	2023
Payments of selling, administrative and research expenses	1,169,520,049.88	1,492,855,906.10
Transactions paid	65,252,314.46	53,489,338.95

Item	2024	2023
Total	1,234,772,364.34	1,546,345,245.05

2. Cash related to investing activities

(1) Cash received relating to other investing activities

Item	2024	2023
Cash received for acquisition of subsidiaries	256,558,857.65	5,172,896.66
Loans and interest recovered	9,190,500.93	6,003,533.52
Total	265,749,358.58	11,176,430.18

(2) Cash paid relating to other investing activities

Item	2024	2023
Lending funds	190,039,647.67	168,500,000.00
Disposal of reduced cash from subsidiaries	10,833,735.68	48,076,327.20
Large certificate of deposit		450,000,000.00
Others	6,396,996.71	151,513,835.18
Total	207,270,380.06	818,090,162.38

3. Cash related to financing activities

(1) Cash received relating to other financing activities

Item	2024	2023
Recovery of note deposits	42,487,465.09	12,525,322.89
Recovery of financing deposits		35,433,744.56
Others	1,000,000.00	4,000,000.00
Total	43,487,465.09	51,959,067.45

(2) Cash payment relating to other financing activities

Item	2024	2023
Stock repurchase	177,427,414.65	75,244,439.30
Payment for the acquisition of minority interests	111,173,627.02	121,793,958.19
Payment for rental fee	58,212,454.34	68,157,637.24

Item	2024	2023
Payment for notes deposit	8,532,950.92	18,340,353.98
Others	8,678,320.00	17,394,215.87
Total	364,024,766.93	300,930,604.58

(3) Changes in liabilities arising from financing activities

Item	2023.12.31	Increase for the period		Decrease for the period		2024.12.31
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Short-term loans	1,039,743,103.15	992,845,178.82	24,136,273.78	1,701,818,999.80	53,249,120.00	301,656,435.95
Long-term loans (including long-term loans due within one year)	1,989,190,754.84	2,174,759,585.50	83,096,933.10	691,664,101.12		3,555,383,172.32
Other payables (loans, other)	75,706,349.34	1,000,000.00	11,265,803.35	8,678,320.00	1,130,998.33	78,162,834.36
Other payables (amount for acquisition of minority interest)	67,648,638.24		43,524,988.78	111,173,627.02		
Other accounts payable (dividends payable)	3,353,503.56		929,394,291.70	929,676,563.95		3,071,231.31
Bonds payable (including bonds payable due within one year)	1,560,810,898.66		64,508,853.42	16,386,721.31	17,799.90	1,608,915,230.87
Lease liabilities (including those due within one year)	321,002,874.10		41,019,567.45	58,212,454.34		303,809,987.21

(62) Supplementary information on consolidated cash flow statement**1. Supplementary information on consolidated cash flow statement**

Supplementary information	2024	2023
1. Reconciliation of net profit and cash flows from operating activities:		
Net profit	197,293,867.05	1,292,350,950.38
Add: Loss on impairment of credit	56,113,783.90	29,870,886.49
Loss on impairment of assets	287,867,093.11	165,092,450.49
Depreciation of fixed assets	307,895,843.31	304,015,930.29
Depreciation of right-of-use assets	60,974,742.31	66,807,068.14
Amortization of intangible assets	191,168,048.42	142,736,582.93
Amortization of long-term deferred expenses	96,424,738.10	90,217,260.02
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain expressed with "-")	-11,731,723.82	4,072,105.04
Loss on retirement of fixed assets (gain expressed with "-")	8,745,130.10	3,794,107.82
Loss on changes in fair value (gain expressed with "-")	-389,477.71	-3,091,760.83
Financial expenses (gain expressed with "-")	166,626,666.50	170,645,096.13
Loss on investments (gain expressed with "-")	89,713,050.06	16,533,187.83
Decrease in deferred income tax assets (increase expressed with "-")	-192,102,256.76	-25,003,810.86
Increase in deferred income tax liabilities (decrease expressed with "-")	21,258,742.55	-37,889,623.88
Decrease in inventories (increase expressed with "-")	206,283,265.58	-251,012,362.29
Decrease in operating receivables (increase expressed with "-")	-62,843,516.65	3,223,149.42
Increase in operating payable (decrease expressed with "-")	-688,654,106.98	-982,001,402.81
Others		
Net cash flows from operating activities	734,643,889.07	990,359,814.31
2. Significant investing and financing activities not		

Supplementary information	2024	2023
involving cash receipts or payments:		
Conversion of debts into capital		
Convertible corporate bonds due within one year		
Acquisition of right-of-use assets by assuming lease liabilities		
3. Net changes in cash and cash equivalents		
Ending balance of cash	3,614,399,635.42	4,099,954,989.87
Less: Beginning balance of cash	4,099,954,989.87	5,309,297,789.78
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-485,555,354.45	-1,209,342,799.91

2. Net cash paid during the period for acquiring subsidiaries

	Amount
Cash or cash equivalents paid during the period for acquiring subsidiaries	10,879,748.00
Including: Shenzhen Ruihan Medical Technology Co., Ltd	10,879,748.00
Less: Cash and cash equivalents held by subsidiaries at the date of acquisition	215,570.00
Including: Shenzhen Ruihan Medical Technology Co., Ltd	215,570.00
Add: Cash or cash equivalents paid during the previous period for acquiring	20,344,849.89
Including: Tianjin Jiumijiu Vision Technology Co., Ltd	20,000,000.00
Qingdao Ledong Pukang Biotechnology Co., Ltd	344,849.89
Net cash paid during the period for acquiring subsidiaries	31,009,027.89

3. Net cash received from disposal of subsidiaries in this period

	Amount
Disposal of cash or cash equivalents received by subsidiaries in the current period	
Less: Cash and cash equivalents held by the company on the day of loss of control	
Less: Cash and cash equivalents held by the company on the day of loss of control	15,250,149.21
Including: Lepu Hengtong (Beijing) Medical Equipment Co., Ltd	15,250,149.21
Net cash received from disposal of subsidiaries	15,250,149.21

4. Cash and cash equivalents

Item	2024	2023
I. Cash	3,614,399,635.42	4,099,954,989.87
Including: Cash on hand	684,399.93	789,669.47
A digital currency that can be used for payments at any time		
Bank deposits available for use on demand	3,585,414,390.46	3,919,323,234.97
Other cash at bank and on hand for use on demand	28,300,845.03	179,842,085.43
Funds on deposit with the Central Bank available for disbursemen		
Interbank deposits		
Interbank funds on loan		
II. Cash equivalents		
Including: Investments in bonds maturing within three months		
III. Cash and cash equivalents at the end of the year	3,614,399,635.42	4,099,954,989.87
Including: Restricted cash and cash quivalents used by the Company or intra-group subsidiaries		

Monetary funds that are not cash and cash equivalents:

Item	2024.12.31	2023.12.31	Reasons that do not fall under the category of cash and cash equivalents
Bank acceptance bill deposit	32,365,260.17	80,557,244.61	Not readily available for payment
Accrual of bank deposit interest	37,437,346.01	31,678,407.86	Not actually received
Frozen funds	21,054,191.67	7,807,235.24	Not readily available for payment
Performance bond	2,760,477.86	756,929.20	Not readily available for payment
Fixed deposit	10,000,000.00		Long-term held-to-maturity
Total	103,617,275.71	120,799,816.91	

(63) Foreign currency monetary items

1. Foreign currency monetary items

Item	Ending balance of foreign currency	Exchange rate	Ending balance denominated in RMB
Cash at bank and on hand			565,831,017.07
Including: USD	74,387,216.85	7.1884	534,725,069.61
EUR	3,097,877.38	7.5257	23,313,695.82
HKD	1,157,645.50	0.9260	1,071,979.73
INR	50,562,076.90	0.0840	4,247,214.46
SGD	13,803.12	5.3214	73,451.92
MRY	1,465,407.96	1.6375	2,399,605.53
Accounts receivable			227,153,842.57
Including: USD	27,684,174.10	7.1884	199,004,917.10
EUR	1,077,781.88	7.5257	8,111,063.09
INR	233,880,312.88	0.0840	19,645,946.28

Item	Ending balance of foreign currency	Exchange rate	Ending balance denominated in RMB
GBP	43,179.21	9.0765	391,916.10
Other receivables			810,943.34
Including: USD	103,362.93	7.1884	743,014.09
EUR	163.00	7.5257	1,226.69
GBP	72,033.00	0.9260	66,702.56
Accounts payable			37,151,877.50
Including: USD	4,963,983.13	7.1884	35,683,096.34
EUR	53,857.28	7.5257	405,313.73
INR	12,660,326.56	0.0840	1,063,467.43
Other payables			2,651,234.51
Including: USD	350,123.00	7.1884	2,516,824.18
EUR	6,527.85	7.5257	49,126.64
INR	1,015,282.00	0.0840	85,283.69

2. A description of the foreign operating entity, including, in the case of a significant foreign operating entity, a disclosure of its principal place of business outside the country, the local currency of its accounts and the basis for selecting it, and, in the case of a change in the local currency of its accounts, a disclosure of the reasons for the change and its accounting treatment.

The subsidiary Lepu (Europe) and Comed B.V in the Netherlands have their main overseas operations in the Netherlands and use the Euro as their accounting currency; LepuCare (India) Vascular Solutions Private Limited, a subsidiary, operates primarily in India and uses the Indian Rupee as its accounting currency; Subsidiaries Lepu Holdings Limited, G Fund, and Lepu (Hong Kong) Co., Limited use the US dollar as their accounting currency; Subsidiary Lepu Technology (Malaysia) Sdn. Bhd. operates primarily in Malaysia and uses Ringgit as its accounting currency; The subsidiary Lepu Switzerland GmbH has its main overseas business location in Switzerland and uses the Swiss Franc as its accounting currency;

At the end of the period, the company shall convert foreign currency statements in accordance with the provisions of the Enterprise Accounting Standards

(64) Leases**1. As lessee**

Item	2024.12.31	2023.12.31
Interest expense on lease liabilities	7,285,839.98	6,041,264.85
Short-term lease charges charged to the cost of the relevant asset or to current profit or loss on a simplified basis	30,674,478.98	33,610,525.67
Lease charges for low-value assets (other than short-term lease charges for low-value assets) included in the cost of the relevant asset or in the current period's profit or loss as a simplified treatment		
Variable lease payments not included in the measurement of the lease liability that are included in the cost of the related asset or in profit or loss for the period		
Including: portion arising from sale and leaseback transactions		
Income received from sublease of right-of-use assets		
Total cash outflows relating to leases	88,886,933.32	101,768,162.91
Gains or losses associated with sale-and-leaseback transactions		
Cash inflows from sale and leaseback transactions		
Cash outflow from sale-and-leaseback transactions		

VI. Research and development expenditures**(1) Expensed expenditure**

Item	2024	2023
Employee benefit expense	387,864,802.18	507,269,004.00
Materials consumed, energy expense, and testing expense	290,686,561.37	339,691,488.66
Depreciation and amortization expense	107,567,588.84	104,306,545.56

Item	2024	2023
Design and clinical trial fee	146,601,398.17	142,427,772.01
Commissioned external research and development expense	160,070,092.87	58,529,230.59
Others	72,458,193.44	89,433,950.42
Total	1,165,248,636.87	1,241,657,991.24
Including: Expensed research and development expenditure	769,557,235.27	879,418,426.88
Capitalized research and development expenditure	395,691,401.60	362,239,564.36

(2) Capitalized expenditure

Item	2023.12.31	Increase during the period		Decrease during the period			2024.12.31
		Internal development expenditure	Increase in business combinations	Recognized as intangible assets	Increase in business combinations	Other decreases	
Diabetes-suitable preparations	128,487,628.98	123,327,579.75					251,815,208.73
Cardiac occluder	80,439,350.35	56,410,692.55		34,982,512.06			101,867,530.83
Catheter Project	197,287,499.87	51,354,375.05		49,172,414.18			199,469,460.74
Valve Project	125,854,503.30	26,895,394.00		120,444,485.70			32,305,411.60
Digital project platform construction	121,776,132.79	2,622,776.63		108,372,826.69			16,026,082.73
Renal artery catheters and equipment	9,789,490.24	66,630.11					9,856,120.35
Surgical Auxiliary Instruments	9,117,871.31	2,390,807.87					11,508,679.18
Digital DSA Project	7,717,854.06	2,869,384.26					10,587,238.32
Innovation drug Project			186,216,100.00				186,216,100.00
Others	184,410,675.79	129,753,761.39		68,826,588.39		3,135,310.31	242,202,538.48

Item	2023.12.31	Increase during the period		Decrease during the period			2024.12.31
		Internal development expenditure	Increase in business combinations	Recognized as intangible assets	Increase in business combinations	Other decreases	
Sub-total	864,881,006.69	395,691,401.60	186,216,100.00	381,798,827.02		3,135,310.31	1,061,854,370.96
Less: provision for impairment	3,135,310.31	40,968,868.29				3,135,310.31	40,968,868.29
Total	861,745,696.38	354,722,533.31	186,216,100.00	381,798,827.02			1,020,885,502.67

1. Provision for impairment of Capitalized expenditures

Item	2023.12.31	Increase during the period		Decrease during the period		2024.12.31	Impairment test situation
		Accrual	Others	Reselling	Others		
Diabetes-suitable preparations		22,641,510.20				22,641,510.20	Expected to generate no economic benefits, fully provision for impairment
Others	3,135,310.31	18,327,358.09		3,135,310.31		18,327,358.09	Expected to generate no economic benefits, fully provision for impairment
Total	3,135,310.31	40,968,868.29		3,135,310.31		40,968,868.29	

VII. Changes in scope of consolidation

(1) Business combinations not under common control

1. Business combinations not under common control that occurred during the reporting period

Name of acquiree	Time point for equity acquisition	Cost of equity acquisition	Proportion of equity acquisition(%)	Acquisition method	Acquisition date	Basis for determining acquisition date	Revenue of acquiree from acquisition date to closing date	Net profit of acquiree from acquisition date to closing date	Cash flows of acquiree from acquisition date to closing date
Shanghai Minwei Biotechnology Co., Ltd	2024/2/8	376,597,222.00	55.00	Equity capital increase	2024/2/8	Actual control has been achieved and business registration has been processed	50,000.00	-96,962,856.16	-6,249,517.79
Shenzhen Ruihan Medical Technology Co., Ltd	2024/9/11	36,591,489.40	71.27	Transfer of monetary funds for equity	2024/9/11	Actual control has been achieved and business registration has been processed	9,573,055.22	-3,837,106.88	290,023.35

2. Cost of combination and goodwill

	Shanghai Minwei Biotechnology Co., Ltd	Shenzhen Ruihan Medical Technology Co., Ltd
Combination cost		
—Cash	259,722,222.00	10,879,748.00
—Fair value of non-cash assets		
—Fair value of debt issued or assumed		
—Fair value of non-cash assets		
—Fair value of contingent consideration		
—Fair value of equity interests held prior to the purchase date at the purchase date	116,875,000.00	25,711,741.40
—Others		
Total consolidation cost	376,597,222.00	36,591,489.40
Less: fair value share of identifiable net assets obtained	215,946,009.21	2,225,100.54
Goodwill/consolidation costs less than share of fair value of identifiable net assets acquired	160,651,212.79	34,366,388.86

3. Gains or losses arising from the remeasurement of equity interests held prior to the acquisition date at fair value

	Shanghai Minwei Biotechnology Co., Ltd		Shenzhen Ruihan Medical Technology Co., Ltd	
	Fair value at date of purchase	Carrying value at the date of purchase	Fair value at date of purchase	Carrying value at the date of purchase
Assets:	438,460,145.51	251,301,923.27	46,963,348.93	24,336,174.22
Monetary funds	9,190,500.93	9,190,500.93	215,570.00	215,570.00
Inventory			9,348,539.22	9,348,539.22
Fixed assets	7,124,315.70	6,182,193.46	4,132,532.89	2,806,643.09
Intangible			21,373,040.00	71,755.09

	Shanghai Minwei Biotechnology Co., Ltd		Shenzhen Ruihan Medical Technology Co., Ltd	
	Fair value at date of purchase	Carrying value at the date of purchase	Fair value at date of purchase	Carrying value at the date of purchase
assets				
Right of use assets	14,769,841.64	14,769,841.64		
Expensed expenditure	186,216,100.00			
Deferred tax assets	2,187,041.78	2,187,041.78		
Other assets	218,972,345.46	218,972,345.46	11,893,666.82	11,893,666.82
Liabilities:	45,831,037.85	17,757,304.51	43,841,145.75	41,368,080.45
Accounts payable	4,700.00	4,700.00	1,441,053.64	1,441,053.64
Other payables			36,597,869.49	36,597,869.49
Lease liabilities	14,580,278.52	14,580,278.52		
Deferred tax liabilities	30,289,209.59	2,215,476.25	3,556,607.54	
Other liabilities	956,849.74	956,849.74	2,245,615.08	3,329,157.32
Net assets	392,629,107.66	233,544,618.76	3,122,203.18	-17,031,906.23
Less:				
Minority interests				
Net assets acquired	392,629,107.66	233,544,618.76	3,122,203.18	-17,031,906.23

4.Additional information on step-by-step realization of business combinations

Name of acquiree	The time at which the original equity holdings were acquired prior to the date of purchase	The percentage of equity originally held prior to the date of acquisition	The cost of acquiring the original equity held prior to the date of purchase	The method of acquisition of the original shareholding prior to the date of purchase	The book value of the equity originally held prior to the purchase date on the purchase date	The fair value of the equity originally held prior to the purchase date at the purchase date	Gains or losses arising from the remeasurement of shares originally held at fair value prior to the date of purchase	The method and key assumptions for determining the fair value of the equity originally held prior to the acquisition date	The amount of other comprehensive income related to the original equity holdings transferred to investment income/retained earnings prior to the date of purchase
Shanghai Minwei Biotechnology Co., Ltd	2023/7/26	27.50%	116,875,000.00	Equity transfer	105,304,734.13	116,875,000.00	11,570,265.87	Fair market price	
Shenzhen Ruihan Medical Technology Co., Lt	2022/2/25	50.08%	72,611,914.00	Equity transfer	44,409,000.92	25,711,741.40	-18,697,259.52	Fair market price	

(2) Disposal of subsidiary

1. Transactions or events involving loss of control of subsidiaries during the period

Name of Subsidiary	Disposal price at point of loss of control	Percentage of disposals at point of loss of control (%)	Method of disposition at the point of loss of control	Time of loss of control	Basis for Judgment of disposition at the point of loss of control	Difference between the disposal price and the share of net assets of the subsidiary at the level of the consolidated financial statements corresponding to the disposal of the investment	Percentage of remaining equity at date of loss of control	Carrying value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Fair value of the remaining equity interest at the consolidated financial statement level at the date of loss of control	Gains or losses arising from the remeasurement of the remaining equity at fair value	Method of determining the fair value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control and key assumptions	Amount of other comprehensive income related to equity investments in atomic companies transferred to investment gains/losses/retained earnings
Beijing Lejian Dongwai Outpatient Department Co., Ltd	3,000,000.00	100.00	Sold	2024/11/28	The rights and obligations related to the target equity have been	-18,019,907.73						

Name of Subsidiary	Disposal price at point of loss of control	Percentage of disposals at point of loss of control (%)	Method of disposition at the point of loss of control	Time of loss of control	Basis for Judgment of disposition at the point of loss of control	Difference between the disposal price and the share of net assets of the subsidiary at the level of the consolidated financial statements corresponding to the disposal of the investment	Percentage of remaining equity at date of loss of control	Carrying value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Fair value of the remaining equity interest at the consolidated financial statement level at the date of loss of control	Gains or losses arising from the remeasurement of the remaining equity at fair value	Method of determining the fair value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control and key assumptions	Amount of other comprehensive income related to equity investments in atomic companies transferred to investment gains/losses/retained earnings
					transferred							
Xi'an Qinming Medical Instrument Co., Ltd	2,000,000.00	100.00	Sold	2024/6/17	The rights and obligations related to the target equity have been transferred	15,915.08						
Hangzhou Anyou	2,946,304.56	100.00	Sold	2024/4/11	The rights	-386,788.86						

Name of Subsidiary	Disposal price at point of loss of control	Percentage of disposals at point of loss of control (%)	Method of disposition at the point of loss of control	Time of loss of control	Basis for Judgment of disposition at the point of loss of control	Difference between the disposal price and the share of net assets of the subsidiary at the level of the consolidated financial statements corresponding to the disposal of the investment	Percentage of remaining equity at date of loss of control	Carrying value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Fair value of the remaining equity interest at the consolidated financial statement level at the date of loss of control	Gains or losses arising from the remeasurement of the remaining equity at fair value	Method of determining the fair value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control and key assumptions	Amount of other comprehensive income related to equity investments in atomic companies transferred to investment gains/losses/retained earnings
Ophthalmic Clinic Co., Ltd. and Suzhou Jingmou Pharmaceutical Technology Co., Ltd					and obligations related to the target equity have been transferred							
Changsha Runjie Medical Equipment Co., Ltd	831,589.30	100.00	Sold	2024/12/24	The rights and obligations	-565,245.72						

Name of Subsidiary	Disposal price at point of loss of control	Perce ntage of dispos als at point of loss of control (%)	Method of dispositi on at the point of loss of control	Time of loss of control	Basis for Judgeme nt of dispositi on at the point of loss of control	Difference between the disposal price and the share of net assets of the subsidiary at the level of the consolidated financial statements corresponding to the disposal of the investment	Perce ntage of remain ing equity at date of loss of control	Carrying value of the remaining equity interest at the level of the consolidat ed financial statements at the date of loss of control	Fair value of the remaining equity interest at the consolidat ed financial statement level at the date of loss of control	Gains or losses arising from the remeasureme nt of the remaining equity at fair value	Method of determinin g the fair value of the remaining equity interest at the level of the consolidat ed financial statements at the date of loss of control and key assumptio ns	Amount of other comprehensive income related to equity investments in atomic companies transferred to investment gains/losses/retai ned earnings
					related to the target equity have been transferred							
Pujie (Guangdo ng) Biotechno logy Co., Ltd		100.00	bankruptc y liquidation	2024/8/22	The manager has actually taken over	-3,464,397.20						

(3) Changes in scope of consolidation for other reasons

(1) The Company subscribed a capital of 20000 Swiss francs in February 2024 to establish Lepu Switzerland GmbH, with a shareholding ratio of 100.00%. As of the balance sheet date, the actual capital contribution has been completed.

(2) During the reporting period, the wholly-owned subsidiary, Yinchuan Lepu Internet Hospital Co., Ltd Beijing Ruixiang Taikang Technology Co., Ltd. and Xiangcheng Lepu Hospital Management Co., Ltd. were liquidated and cancelled.

VIII. Equity in other entities

(1) Equity in subsidiaries

1.Composition of enterprise group

Name of subsidiary	Main operation location	Registration location	Nature of business	Proportion of shareholding(%)		Acquisition method
				Direct	Indirect	
Lepu Qianshi Digital Technology (Shanghai) Co., Ltd.	Shanghai	Shanghai	Investment	100.00		Establishment
Lepu (Beijing) Medical Equipment Co., Ltd	Beijing	Beijing	Manufacturing	100.00		Business combination not under common control
Lepu Medical Electronic Instrument Co., Ltd	Xi'an	Xi'an	Manufacturing	98.89		Business combination not under common control
Changzhou Bingkun Medical Technology Co., Ltd.	Changzhou	Changzhou	Investment	91.26	0.74	Business combination not under common control
Beijing Lepu Diagnostic Technology Co., Ltd	Beijing	Beijing	Manufacturing	93.22	1.84	Establishment
Beijing Lepu Mingshi Technology Co., Ltd.	Beijing	Beijing	Technology development	70.00		Establishment

Name of subsidiary	Main operation location	Registration location	Nature of business	Proportion of shareholding(%)		Acquisition method
				Direct	Indirect	
Lepu (Europe) Company	Netherlands	Netherlands	Investment	99.95	0.05	Establishment
Beijing Sida Medical Devices Co., Ltd	Beijing	Beijing	Manufacturing	100.00		Business combination not under common control
Shenzhen Zhongke Lepu Medical Technology Co., Ltd	Shenzhen	Shenzhen	Manufacturing	65.00		Establishment
Shenzhen Lepu Intelligent Medical Devices Co., Ltd	Shenzhen	Shenzhen	Manufacturing	70.00		Business combination not under common control
Lepu Pharmaceutical Co., Ltd	Xiangcheng	Xiangcheng	Manufacturing	99.00	1.00	Business combination not under common control
Zhejiang Lepu Pharmaceutical Co., Ltd	Taizhou	Taizhou	Manufacturing	98.95		Business combination not under common control
Beijing Haihetian Technology Development Co., Ltd	Beijing	Beijing	Technology development	71.39	5.00	Business combination not under common control

Name of subsidiary	Main operation location	Registration location	Nature of business	Proportion of shareholding(%)		Acquisition method
				Direct	Indirect	
						control
Beijing Lepu Hushengtang Network Technology Co., Ltd	Beijing	Beijing	Trade	100.00		Business combination not under common control
Beijing Lejian Medical Investment Co., Ltd	Beijing	Beijing	Medical Investment	70.12		Business combination not under common control
Beijing Jinweijie Technology Development Co., Ltd	Beijing	Beijing	Manufacturing	51.00		Business combination not under common control
Anhui High-Tech Cardiovascular Hospital Management Co., Ltd	Hefei	Hefei	Investment	70.00		Business combination not under common control
Beijing Lepu Growth Investment Management Co., Ltd	Beijing	Beijing	Investment	100.00		Establishment
Lepu (Shenzhen) International Development Center Co., Ltd	Shenzhen	Shenzhen	Manufacturing	100.00		Establishment
Lepu (Shenzhen) Medical Technology Co.,	Shenzhen	Shenzhen	Investment	100.00		Establishment

Name of subsidiary	Main operation location	Registration location	Nature of business	Proportion of shareholding(%)		Acquisition method
				Direct	Indirect	
Ltd						
Shanghai Lepu Yunzhi Technology Co., Ltd	Shanghai	Shanghai	Manufacturing	47.47	23.35	Business combination not under common control
Qingdao Minyi Investment Center (Limited Partnership)	Qingdao	Qingdao	Investment	95.00		Establishment
Beijing Guoyihui Health Technology Co., Ltd	Beijing	Beijing	Technology development	100.00		Business combination not under common control
Beijing Lepu Tongxin Technology Co., Ltd	Beijing	Beijing	Trade	70.00		Establishment
Tianjin Yuhengjia Medical Technology Co., Ltd	Tianjin	Tianjin	Investment	100.00		Business combination not under common control
Xiangcheng Lepu Hospital Management Co., Ltd	Xiangcheng	Xiangcheng	Investment	100.00		Establishment
Liaoning Boao Biopharmaceutical Co., Ltd	Benxi	Benxi	Manufacturing	55.00		Business combination not under common

Name of subsidiary	Main operation location	Registration location	Nature of business	Proportion of shareholding(%)		Acquisition method
				Direct	Indirect	
						control
Beijing Lepu Precision Medical Technology Co., Ltd	Beijing	Beijing	Manufacturing	100.00		Establishment
Lepu International Holdings (Shenzhen) Co., Ltd	Shenzhen	Shenzhen	Trade	100.00		Establishment
Lepu Ruikang (Shanghai) Intelligent Technology Co., Ltd	Shanghai	Shanghai	Manufacturing	85.00		Establishment
Lepu Guanzhi Biotechnology Co., Ltd	Beijing	Beijing	Manufacturing	70.00		Establishment
Lepu Youkang (Beijing) Medical Technology Co., Ltd	Beijing	Beijing	Manufacturing	85.00		Establishment
Shaanxi Xingtai Biotechnology Co., Ltd	Xi'an	Xi'an	Manufacturing	100.00		Business combination not under common control
Sichuan Xingtai Pu Le Medical Technology Co., Ltd	Chengdu	Chengdu	Manufacturing	68.52		Business combination not under common control
Aunor (Qingdao)	Qingdao	Qingdao	Manufacturing	100.00		Business

Name of subsidiary	Main operation location	Registration location	Nature of business	Proportion of shareholding(%)		Acquisition method
				Direct	Indirect	
Pharmaceutical Co., Ltd						combination not under common control
Suzhou Bosomax Medical Technology Co., Ltd	Suzhou	Suzhou	Manufacturing	73.43		Business combination not under common control
Tibet Sky Dome Technology Development Co., Ltd	Lhasa	Lhasa	Investment	100.00		Business combination not under common control
Le Pu Rui Kang (Shenzhen) Technology Co., Ltd	Shenzhen	Shenzhen	Trade	100.00		Establishment
Lepu Scientech Medical Technology (Shanghai) Co., Ltd	Shanghai	Sanghai	79.94	0.75		Establishment
Lepu (Beijing) Medical Technology Co., Ltd	Beijing	Beijing	Technology Development	100.00		Establishment
Beijing LeDuo PuKang Medical Technology Co., Ltd	Beijing	Beijing	Technology Development	100.00		Establishment
Lepu Rui Kang	Beijing	Beijing	Aged care	70.00	0.18	Establishment

Name of subsidiary	Main operation location	Registration location	Nature of business	Proportion of shareholding(%)		Acquisition method
				Direct	Indirect	
(Beijing) Senior Services Management Co., Ltd						
Lepu Jiantang Pharmaceutical (Chongqing) Co., Ltd	Chongqing	Chongqing	Manufacturing	70.00		Establishment
Shanghai Gurong Biotechnology Co., Ltd	Shanghai	Shanghai	Technology development	70.00		Business combination not under common control
Beijing Lepu Digital Health Technology Co., Ltd	Beijing	Beijing	Technology development	70.00		Establishment
Shanxi Letong Printing Technology Co., Ltd	Shanxi	Shanxi	Manufacturing	56.70		Establishment
Shanghai Minwei Biotechnology Co., Ltd	Shanghai	Shanghai	Technology development	55.00		Business combination not under common control
Shenzhen Ruihan Medical Technology Co., Ltd	Shenzhen	Shenzhen	Manufacturing	71.27		Business combination not under common control
Lepu Technology	Malaysia	Malaysia	Manufacturing	100.00		Establishment

Name of subsidiary	Main operation location	Registration location	Nature of business	Proportion of shareholding(%)		Acquisition method
				Direct	Indirect	
(Malaysia) Sdn.Bhd.						
Lepu Switzerland GmbH	Switzerland	Switzerland	Manufacturing	100.00		Establishment

2.Significant non-wholly owned subsidiaries

Name of subsidiary	Portion of minority shareholding	Profit or loss attributable to minority shareholders in the period	Dividends declared to minority shareholders during the period	Balance of minority interests at the end of the period
Beijing Lejian Medical Investment Co., Ltd.	29.88%	-2,441,216.86		42,477,968.17
Liaoning Bo'ao Bio-pharmaceutical Co., Ltd.	45.00%	-1,041,169.34		119,197,031.13
Beijing Jinweijian Science & Technology Development Co., Ltd.	49.00%	2,781,268.15	2,450,000.00	22,054,885.07
Beijing Haihetian Technology Development Co., Ltd.	23.61%	4,849,018.75		47,164,257.89

3.Key financial information of significant non-wholly owned subsidiaries

Name of subsidiary	2024.12.31						2023.12.31				
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities
Beijing Lejian Medical Investment Co., Ltd.	221,669,005.36	15,978,975.86	237,647,981.22	67,179,476.42	4,391,413.31	71,570,889.73	222,911,239.17	48,942,323.40	271,853,562.57	82,051,295.79	16,651,111.11
Liaoning Bo'ao Bio-pharmaceutical Co., Ltd.	83,288,199.67	488,444,436.82	571,732,636.49	243,008,484.53	63,841,860.57	306,850,345.10	12,686,130.71	539,199,510.65	551,885,641.36	206,504,505.72	78,185,111.11
Beijing Jinweijian Science & Technology Development Co., Ltd.	33,053,001.69	13,629,088.60	46,682,090.29	1,672,120.76		1,672,120.76	33,735,166.70	13,244,774.49	46,979,941.19	2,285,704.85	360,111.11
Beijing Haihetian Technology Development Co., Ltd.	211,510,017.14		211,510,017.14	10,054,687.61	1,691,424.85	11,746,112.46	197,633,999.89	1,815,832.96	199,449,832.85	19,309,491.63	914,111.11

Name of subsidiary	2024.12.31				2023.12.31			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Beijing Lejian Medical Investment Co., Ltd.	129,606,648.33	-7,148,910.88	-7,118,736.83	1,781,332.57	196,569,451.35	14,955,073.20	15,053,669.55	42,690,067.94
Liaoning Bo'ao Bio-pharmaceutical Co., Ltd.	5,271,903.70	-2,313,709.65	-2,313,709.65	-29,166,965.76	1,812,556.13	-17,545,970.93	-17,545,970.93	-4,170,678.27
Beijing Jinweijian Science & Technology Development Co., Ltd.	19,596,569.52	5,676,057.45	5,676,057.45	6,954,638.12	22,961,887.27	7,124,847.19	7,124,847.19	8,932,482.19
Beijing Haihetian Technology Development Co., Ltd.	94,791,351.91	20,537,987.12	20,537,987.12	-9,628,893.90	138,859,816.08	58,649,273.60	58,649,273.60	31,303,029.66

(2) Transactions in which the share of ownership interest in a subsidiary changes but the subsidiary remains under control

1. Explanation of changes in share of ownership interests in subsidiaries

(1) In December 2023, the Company signed the "Equity Transfer Agreement of Sichuan Xingtai Pule Medical Technology Co., Ltd." with Shanghai Zhentang Business Information Consulting Center and Shanghai Minhong Network Technology Co., Ltd. (hereinafter referred to as the "Transferor"), and the company acquired 3.70% equity of Sichuan Xingtai from the Transferor. After the acquisition is completed in February 2024, the company holds 68.52% equity of Sichuan Xingtai.

(2) In April 2024, the subsidiary Edkang and Li Xiaoming (hereinafter referred to as the "Transferor") signed the "Yantai Kangxin Machinery Manufacturing Co., Ltd. Equity Transfer Agreement", in which the company acquired 49.00% equity of Yantai Kangxin Machinery Manufacturing Co., Ltd. (hereinafter referred to as "Kangxin Machinery") from the Transferor. After the acquisition is completed, Adkang holds 100.00% equity of Kangxin Machinery.

(3) In February 2024, the subsidiary Lepu Growth signed Property Share Transfer Agreements with Jinhu, Zhang Kun, and Li Yunlong respectively regarding Ningbo Langhui, Ningbo Langwan Enterprise Management Partnership (Limited Partnership) (hereinafter referred to as "Ningbo Langwan"), and Ningbo Langxin. The company acquired 1.04%, 1.73%, and 1.56% equity of Ningbo Langhui, Ningbo Langwan, and Ningbo Langxin from the transferor, respectively. After the acquisition was completed, Lepu Growth held 1.73%, 9.69%, and 6.25% equity of Ningbo Langhui, Ningbo Langwan, and Ningbo Langxin, respectively.

Due to the above matters, as of the balance sheet date, the company holds 80.68% equity of Lepuxingtai Technology and 91.36% equity of Bingkun Medical.

(4) In May 2024, the subsidiary of our company, Lepu Growth, signed property share change decisions with multiple individuals regarding Ningbo Jingran Enterprise Management Partnership (Limited Partnership) (hereinafter referred to as "Ningbo Jingran"), Ningbo Shanhai, Ningbo Xiyue Enterprise Management Partnership (Limited Partnership) (hereinafter referred to as "Ningbo Xiyue"), and Ningbo Xiran. The company acquired 6.01%, 9.43%, 11.48%, and 3.20% equity of Ningbo Jingran, Ningbo Shanhai, Ningbo Xiyue, and Ningbo Xiran from the transferor, respectively. After the acquisition was completed, Lepu Growth held 40.55%, 39.62%, 38.01% equity of Ningbo Jingran, Ningbo Shanhai, Ningbo Xiyue, and Ningbo Xiran, respectively. 10.98% equity.

Due to the above matters, as of the balance sheet date, the company holds 95.06% equity in Lepu Diagnostics (Technology).

(5) In August 2024, the subsidiary of the Company, Lepu Growth signed the "Property Share Transfer Agreement" with Gaofei and Nie Yanzhao respectively regarding Ningbo Xiran. The company acquired

1.46% equity of Ningbo Xiran from the transferor. After the completion of the acquisition, Lepu Growth held 12.44% equity of Ningbo Xiran

(6) In November 2024, our subsidiary Lepu Growth signed property share transfer agreements with multiple individuals regarding Ningbo Langhui, Ningbo Langwan Enterprise Management Partnership (Limited Partnership) (hereinafter referred to as "Ningbo Langwan"), and Ningbo Langxin. The company acquired 37.74%、14.71% and 11.01% equity of Ningbo Langhui, Ningbo Langwan, and Ningbo Langxin from the transferor, respectively. After the acquisition was completed, Lepu Growth held 39.47%、24.40% and 17.26% equity of Ningbo Langhui, Ningbo Langwan, and Ningbo Langxin, respectively.

(7) Due to the above (3) and (6), as of the balance sheet date, the company holds 80.69% of the equity of Lepu Xintai Technology and 92.00% of the equity of Bingkun Medical.

(8) Due to the above (4) and (5), as of the balance sheet date, the Company holds 95.06% of the equity of Lepu Diagnostics (Technology).

The above-mentioned Ningbo Langhui, Ningbo Langwan, Ningbo Langxin, Ningbo Jingran, Ningbo Shanhai, Ningbo Xiyue, and Ningbo Xiran are collectively referred to as the "Ningbo Series Partnership Enterprises".

2. Effect of the transaction on minority interests and profits attributable to shareholders of the Company

	Changzhou Bingkun Medical Technology Co., Ltd	Beijing Lepu Diagnostic Technology Co., Ltd	Yantai Kangxin Machinery Manufacturing Co., Ltd	Ningbo Series Partnership Enterprises	Sichuan Xingtai Pule Medical Technology Co., Ltd	Lepu Scientech Medical Technology (Shanghai) Co., Ltd
Acquisition cost / consideration for disposal						
—Cash			-13,753,339.98	-9,771,648.80	-20,000,000.00	
-Fair value of non-cash assets						
Total purchase cost/disposal consideration			-13,753,339.98	-9,771,648.80	-20,000,000.00	
Less: share of net assets of subsidiaries calculated according to the proportion of equity acquired / disposed	-6,110,899.26	-9,191,098.98	-15,081,510.49	-9,750,811.91	-44,560.35	-108,336.86
Differences	6,110,899.26	9,191,098.98	1,328,170.51	-20,836.89	-19,955,439.65	108,336.86
Including: adjustment to capital surplus	6,110,899.26	9,191,098.98	1,328,170.51	-20,836.89	-19,955,439.65	108,336.86
Adjustment to surplus						
Adjustment to unappropriated profit						

(3) Equity in joint ventures or associates

1.Important joint ventures or associates

Name of associates	Principal place of operations	Place of registration	Nature of business	Proportion of shareholding(%)		Accounting treatment for investment in joint ventures or associates
				Direct	Indirect	
Beijing Kuaishure Medical Technology Co., Ltd	Beijing	Beijing	Manufacturing industry	17.08		Equity method
Sichuan Ruijian Medical Technology Co., Ltd	Chengdu	Chengdu	Technology development	17.11		Equity method
Lepu Biotechnology Co., Ltd	Shanghai	Shanghai	Technology development	13.17		Equity method

Note:

- 1) The Company's appointment of a director to Kuaishou has a significant impact on its financial and operational decisions.
- 2) The Company holds 17.11% equity in Ruijian Medical and has one seat on its board of directors.
- 3) As the second largest shareholder of Lepu Biotechnology, the actual controller of the Company is the actual controller and chairman of Lepu Biotechnology, which has a significant impact on its financial and operational decisions.

2. Key financial information on significant associates

	2024.12.31			2023.12.31		
	Beijing Kuaishure Medical Technology Co., Ltd	Lepu Biotechnology Co., Ltd	Sichuan Ruijian Medical Technology Co., Ltd	Beijing Kuaishure Medical Technology Co., Ltd	Lepu Biotechnology Co., Ltd	
Current assets	39,059,928.35	645,508,227.24	612,132,736.17	15,002,245.78	677,146,396.72	
Non-current assets	49,266,488.73	1,635,175,766.24	326,300,486.93	46,972,337.30	1,707,159,803.20	
Total assets	88,326,417.08	2,280,683,993.48	938,433,223.10	61,974,583.08	2,384,306,199.92	
Current liabilities	43,616,138.65	1,043,512,353.67	68,831,686.57	40,441,405.46	899,561,393.77	
Non-current liabilities	9,934,922.79	555,369,015.94	8,558,586.06	10,536,664.44	596,045,450.41	
Total liabilities	53,551,061.44	1,598,881,369.61	77,390,272.63	50,978,069.90	1,495,606,844.18	
Non-controllin g interests		-21,021,685.10	-1,599,984.00		-8,204,532.06	
Total equity attributable to shareholders of	34,775,355.64	702,824,308.97	862,642,934.47	10,996,513.18	896,903,887.80	

the Company						
Share of net assets based on percentage of shareholding	5,939,769.84	92,561,961.49	147,610,048.89	1,999,166.10	121,799,278.89	
Adjustment						
matters	44,223,119.17		23,145,729.26	47,070,110.04		
—Goodwill	44,223,119.17		23,145,729.26	47,070,110.04		
-Unrealised profit on internal transactions						
-Others						
Carrying value of equity investments in associates	50,162,889.01	92,561,961.49	170,755,778.15	49,069,276.14	121,799,278.89	
Fair value of equity investments in associates where publicly quoted prices exist		546,754,885.29			859,760,271.66	
Operating						
revenue	20,502,475.11	368,392,016.90	483,085,086.83	25,432,047.14	225,424,683.92	
Net profit	-27,721,157.54	-424,192,909.97	129,455,129.50	-25,857,766.74	-122,793,232.08	

Net profit from discontinued operations						
Other comprehensive income		977,000.00			-331,099.50	
Total comprehensive income	-27,721,157.54	-423,215,909.97	129,455,129.50	-25,857,766.74	-123,124,331.58	
Dividends received from associates during the period						

3. Summarized financial information for immaterial joint ventures and associates

	2024.12.31	2023.12.31
Associates:		
Total carrying value of investments	876,290,560.78	1,037,572,473.78
The following sums calculated in proportion to shareholdings		
—Net profit	-28,437,505.51	-30,016,344.65
—Other comprehensive income		163,362.13
—Total comprehensive income	-28,437,505.51	-29,852,982.52

4. Excess losses incurred by joint ventures or associates

Name of joint ventures or associates	Accumulated unrecognized aggregate losses for prior period	Unrecognized loss for current period (or net profit shared for current period)	Accumulated unrecognized losses at the end of the period
Beijing Medical Union Kang Technology Co., Ltd	-350,908.14	11,423.08	-339,485.06

IX. Government subsidies

(1) Type, amount and presentation of government subsidies

1. Government subsidies recognized in profit or loss for the period

Government subsidies related to assets

Balance sheet presentation items	Amount of government subsidies	Amounts recognized in profit or loss or written off against related cost and expense losses for the period		Items recognized in profit or loss or written off against related cost and expense losses during the period
		2024.12.31	2023.12.31	
Deferred income	40,500,000.00	9,284,585.04	8,143,280.69	Other income
Deferred income	13,805,684.00	366,666.67	2,200,000.00	Other income
Deferred income	7,308,000.00	5,608,000.00	1,700,000.00	Other income
Deferred income	34,300,000.00	1,501,988.64	1,501,988.68	Other income
Deferred income	42,188,000.00		853,720.08	Construction in progress
Deferred income	4,400,000.00		555,555.44	Other income
Deferred income	5,270,000.00	501,918.72	501,918.72	Other income
Deferred income	8,620,000.00	431,000.04	431,000.04	Other income
Deferred income	3,780,000.00	406,902.64	406,902.64	Other income
Deferred income	4,270,000.00	104,985.36	398,372.85	Other income
Deferred income	4,080,000.00	388,119.72	388,119.72	Other income
Deferred income	2,600,000.00	287,254.44	387,499.20	Other income
Deferred income	2,400,000.00	300,000.00	300,000.00	Other income
Deferred income	10,286,300.00	207,454.80	207,454.80	Other income
Deferred income	916,816.27	136,033.59	145,239.36	Other income
Deferred income	1,294,100.00	129,410.00	129,410.00	Other income
Deferred income	3,000,000.00	99,999.96	99,999.96	Other income
Deferred income	670,000.00	66,999.96	66,999.96	Other income
Deferred income	7,661,247.59	49,533.93	49,533.93	Other income

Balance sheet presentation items	Amount of government subsidies	Amounts recognized in profit or loss or written off against related cost and expense losses for the period		Items recognized in profit or loss or written off against related cost and expense losses during the period
		2024.12.31	2023.12.31	
Deferred income	11,000,000.00	75,000.00	6,250.00	Other income
Deferred income	209,600.00	31,373.38	26,590.04	Other income
Deferred income	144,000.00	36,997.20		Other income
Deferred income	300,000.00			Other income
Total	209,003,747.86	20,014,224.09	18,499,836.11	

Government subsidies related to revenue

Items recognized in profit or loss or written off against related cost and expense losses during the period	Amount of government subsidies	Amounts recognized in profit or loss or written off against related cost and expense losses for the period	
		2024.12.31	2023.12.31
Software tax refund	31,040,334.94	6,976,629.66	24,063,705.28
Others	8,327,173.46	6,830,842.84	1,547,706.96
Supporting enterprise development funds	45,712,400.00	5,712,400.00	40,000,000.00
R&D subsidies	9,952,037.04	5,705,037.04	4,247,000.00
Special support funds for the transformation of high-tech achievements	5,035,000.00	5,035,000.00	
Supporting funds for high-quality development of enterprises	8,649,300.00	4,914,600.00	3,734,700.00
Financial subsidies at all levels	7,891,625.02	4,161,325.02	3,730,300.00
Specialized and innovative enterprise reward program	6,296,000.00	3,511,000.00	2,785,000.00
Strategic Emerging Industry Award Funding	2,428,110.70	2,428,110.70	

Government subsidies from Zhongguancun Science City Management Committee	2,100,000.00	2,100,000.00	
Outstanding Enterprise Award	2,515,000.00	1,895,000.00	620,000.00
Technology Development Funds	6,810,059.00	1,869,790.00	4,940,269.00
Stable employment subsidy	4,117,814.15	1,851,370.92	2,266,443.23
Tax subsidies	2,224,826.48	1,542,104.92	682,721.56
Consistency evaluation reward funds	1,500,000.00	1,500,000.00	
Subsidies for Enterprise Relief and Development	1,406,600.00	1,406,600.00	
Special funds for the development of small and medium-sized enterprises	1,058,696.00	1,058,696.00	
Development of the pharmaceutical and health industry	2,000,000.00	1,000,000.00	1,000,000.00
Employment subsidies	1,950,320.86	784,780.58	1,165,540.28
Enterprise Innovation Guidance Special Fund	500,000.00	500,000.00	
Subsidies for high-tech enterprise certification	1,755,970.90	420,000.00	1,335,970.90
Science and Technology Awards	1,107,271.73	400,000.00	707,271.73
Maternity allowance	546,206.81	339,060.13	207,146.68
Subsidies for foreign trade and economic cooperation funds	378,800.00	265,600.00	113,200.00
Talent cultivation subsidy	794,879.20	253,228.00	541,651.20
Project to Enhance International Business Capability	1,286,332.00	204,000.00	1,082,332.00
Subsidy for Hainan Ecological Software Park	35,200,000.00	200,000.00	35,000,000.00
Postdoctoral project subsidy	280,000.00	180,000.00	100,000.00
Subsidies for vocational skills training	310,560.95	176,860.95	133,700.00
Special funding for intellectual property rights	475,700.00	156,100.00	319,600.00
Municipal subsidies for digital workshops	651,698.11	130,000.00	521,698.11
Special policy award for exemplary organization	100,000.00	100,000.00	
14th Five Year Plan Project: Demonstration and Promotion of Ultrasound/Confocal Endoscopy Technology in the Diagnosis and	40,900.00	40,900.00	

Treatment of Esophageal Tumors			
Fixed asset funds	330,000.00	30,000.00	300,000.00
Listing subsidy	5,500,000.00		5,500,000.00
Upgrading, stabilizing, innovating and rewarding	1,800,000.00		1,800,000.00
Modeling and monitoring of data-driven surgical actuators and gastrointestinal soft tissue interaction	1,060,000.00		1,060,000.00
Tax advanced enterprise bonus	645,000.00		645,000.00
Enterprise economic work rewards	500,000.00		500,000.00
Talent cultivation bonus	470,000.00		470,000.00
Development funds for high-precision and cutting-edge industries in Beijing	300,000.00		300,000.00
Rent subsidies for industrial enterprises	300,000.00		300,000.00
Beijing Future Science City Project Subsidy	260,377.36		260,377.36
Provincial Special Financial Fund for Industrial and Information Technology Development	255,500.00		255,500.00
Reward funds for full load production	200,000.00		200,000.00
Subsidies for the development of high-precision and cutting-edge industries	500,000.00		500,000.00
Reward for expanding production and increasing efficiency	180,000.00		180,000.00
Research on System Integration and Control Strategy of Digestive Endoscopic Surgical Robot	170,000.00		170,000.00
Premium support funds	164,768.31		164,768.31
Beijing Municipal Bureau of Commerce supports projects	128,111.15		128,111.15
Total	207,207,374.17	63,679,036.76	143,579,713.75

(2) Liability items involving government subsidies

Liability items	2023.12.31	Amount of new subsidies during the period	Amount transferred to non-operating income during the period	Amounts transferred to other gains during the period	Amounts charged to costs during the period	Other changes	2024.12.31	Asset-related/Revenue-related
Deferred income	10,993,750.00			75,000.00			10,918,750.00	Asset-related
Deferred income	1,016,710.10			49,533.93			967,176.17	Asset-related
Deferred income	3,000,000.00						3,000,000.00	Asset-related
Deferred income	417,000.00			417,000.00				Asset-related
Deferred income	385,000.00	415,000.00					800,000.00	Revenue-related
Deferred	1,800,000.00						1,800,000.00	Revenue-related

Liability items	2023.12.31	Amount of new subsidies during the period	Amount transferred to non-operating income during the period	Amounts transferred to other gains during the period	Amounts charged to costs during the period	Other changes	2024.12.31	Asset-related/Revenue-related
income								
Deferred income	38,346,259.64					38,346,259.64		Asset-related
Deferred income	1,800,000.00						1,800,000.00	Revenue-related
Deferred income	159,176.59			31,373.38			127,803.21	Asset-related
Deferred income	435,500.14			66,999.96			368,500.18	Asset-related
Deferred income	190,618.83			136,033.59			54,585.24	Asset-related
Deferred income	9,214,450.24			207,454.80			9,006,995.44	Asset-related

Liability items	2023.12.31	Amount of new subsidies during the period	Amount transferred to non-operating income during the period	Amounts transferred to other gains during the period	Amounts charged to costs during the period	Other changes	2024.12.31	Asset-related/Revenue-related
Deferred income	2,997,057.19			104,985.36			2,892,071.83	Asset-related
Deferred income	2,365,804.77			388,119.72			1,977,685.05	Asset-related
Deferred income	1,631,251.99			287,254.44			1,343,997.55	Asset-related
Deferred income	4,600,775.03			501,918.72			4,098,856.31	Asset-related
Deferred income	4,400,000.00						4,400,000.00	Asset-related
Deferred income	983,333.52			99,999.96			883,333.56	Asset-related
Deferred	2,796,651.94			406,902.64			2,389,749.30	Asset-related

Liability items	2023.12.31	Amount of new subsidies during the period	Amount transferred to non-operating income during the period	Amounts transferred to other gains during the period	Amounts charged to costs during the period	Other changes	2024.12.31	Asset-related/Revenue-related
income								
Deferred income	600,000.00			300,000.00			300,000.00	Asset-related
Deferred income	366,666.67			366,666.67				Asset-related
Deferred income	4,000,000.00						4,000,000.00	Asset-related
Deferred income	1,500,000.00						1,500,000.00	Asset-related
Deferred income	3,600,000.00						3,600,000.00	Asset-related
Deferred income	323,525.00			129,410.00			194,115.00	Asset-related

Liability items	2023.12.31	Amount of new subsidies during the period	Amount transferred to non-operating income during the period	Amounts transferred to other gains during the period	Amounts charged to costs during the period	Other changes	2024.12.31	Asset-related/Revenue-related
Deferred income	5,608,000.00	1,041,000.00		5,608,000.00			1,041,000.00	Asset-related
Deferred income	32,238,011.32			1,501,988.64			30,736,022.68	Asset-related
Deferred income	30,174,901.11			9,284,585.04			20,890,316.07	Asset-related
Deferred income	6,033,999.77			431,000.04			5,602,999.73	Asset-related
Deferred income	4,500,000.00						4,500,000.00	Asset-related
Deferred income	12,017,128.33						12,017,128.33	Asset-related
Deferred	3,010,000.00						3,010,000.00	Asset-related

Liability items	2023.12.31	Amount of new subsidies during the period	Amount transferred to non-operating income during the period	Amounts transferred to other gains during the period	Amounts charged to costs during the period	Other changes	2024.12.31	Asset-related/Revenue-related
income								
Deferred income		300,000.00					300,000.00	Asset-related
Deferred income		144,000.00		36,997.20			107,002.80	Asset-related
Deferred income		45,000.00					45,000.00	Revenue-related
Deferred income		40,000.00					40,000.00	Revenue-related
Deferred income		42,250.00					42,250.00	Revenue-related

X. Risks related to financial instruments

(1) Types of risks arising from financial instruments

The Company faces various financial risks in its daily activities, including credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks). The above-mentioned financial risks and the risk management policies of the Company adopted to reduce those risks are as followings:

The Board of Directors is responsible for planning and establishing the Company's risk management structure, formulating the Company's risk management policies and related guidelines and overseeing the implementation of risk management measures. The Company has risk management policies in place to identify and analyze the risks to which the Company is exposed, and these risk management policies specify specific risks and cover a wide range of areas such as market risk, credit risk and liquidity risk management. The Company periodically evaluates changes in the market environment and the Company's business activities to determine whether to update its risk management policies and systems. Risk management in the Company is carried out by the Risk Management Committee in accordance with policies approved by the Board of Directors. The Risk Management Committee identifies, evaluates and avoids relevant risks by working closely with other business units of the Company. The Company's internal auditors will also audit risk management policies and procedures and report the findings to the Audit Committee.

The Company seeks to diversify its portfolio of investments and businesses in order to minimize the risk of concentration in a single industry, region or counterparty through appropriate diversification of its investment and business portfolios and the establishment of risk management policies.

1. Credit risk

Credit risk refers to the risk of financial loss of the Company due to counterparty's failure to fulfill the obligations of the contract.

The Company mainly faces customer credit risks caused by credit sales. Before signing new contract, the Company evaluates the credit risks of new customers, including external credit ratings and bank credit certificates in some cases (when this information is available). The Company sets a credit limit for each customer which is the maximum amount without additional approval.

The Company is through quarterly monitoring of the existing customer credit rating and the monthly reviewing of account receivables aging analysis to ensure that the Company's overall credit risk is within a controllable range. When monitoring customers' credit risks, the Company categorized the credit risks according to the customers' credit characteristics. Customers rated "high risk" are placed on the restricted customer list and can only be sold on credit in the future period with additional approval from the

Company, or they must be required to pay in advance.

2. Liquidity risk

Liquidity risk is the capital shortage risk that an enterprise will encounter in meeting obligations that are settled by delivering cash or other financial asset.

It is the company's policy that ensuring sufficient cash is available to meet maturing debt obligations.

The liquidity risk is under the central control of the finance department of the Company. The finance department ensures that the Company has sufficient funds to repay the debt under all reasonable projections by monitoring cash balances, marketable securities that can be readily liquidated and rolling forecasts of cash flows over the next 12 months.

3. Market risk

Market risk of financial instruments refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to changes in market price, including exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to changes in market interest rate.

The interest rate risk faced by the Company mainly comes from long-term bank borrowings and bonds payable.

On 31 December 2024, while other variables remain unchanged, if the borrowing rate calculated by floating rate rises or decreases by 100 basis points, the net profit will decrease or increase by RMB 24.408 million (31 December 2023:RMB16,887,900).

(2) Exchange rate risk

Exchange rate risk refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to changes in foreign exchange rate.

The company strives to match foreign currency income with foreign currency expenditures to minimize exchange rate risks. Additionally, the company may enter into forward foreign exchange contracts or currency swap agreements to hedge against such risks. During the reporting period, relevant control measures included: taking into account the volatility of exchange rates and the actual situation of receipts and payments, the group conducted dual-currency deposit business, totaling RMB 8 million; as of 31 December 2024, the total amount of unexpired contracts was RMB 8 million.

On 31 December 2024, while all other variables remain unchanged, if the RMB appreciates or

depreciates by 1% against the US dollar, the Company will increase or decrease its net profit by RMB 5.2877 million (31 December 2023: RMB 4,029,000). Management believes that 1% reasonably reflects the reasonable range of possible changes in the RMB against the US dollar in the next year.

(3) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to changes in market prices other than exchange rate risk and interest rate risk.

The Company holds the equity investments of other listed companies, and the management considers that the market price risks facing these investment activities are acceptable

XI. Disclosure of Fair Value

Inputs used in the fair value measurement are divided into three levels:

Level 1 inputs refer to quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.

Level 2 inputs refer to inputs that are directly or indirectly observable for the asset or liability other than Level 1 inputs.

Level 3 inputs refer to unobservable inputs of the relevant assets or liabilities.

The level of the measurement result of fair value shall subject to the lowest level which the input that is of great significance to the entire measurement of fair value belongs to.

(1) Fair value of assets and liabilities measured at fair value at the end of period

Item	Fair value at 31 December 2024			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
(1)Fair value measurement on a recurring basis				
◆Trading financial assets		274,862,862.96		274,862,862.96
1. Financial assets measured at fair value with changes recognized in current profit or loss		274,862,862.96		274,862,862.96
(1) Bank financing		274,862,862.96		274,862,862.96
2. Designated as financial assets measured at fair value with changes recognized in current profit or loss				
(1) Debt instrument investment				
(2)Others				

Item	Fair value at 31 December 2024			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
◆ Receivable financing			159,509,608.70	159,509,608.70
◆ Other debt investments				
◆ Investments in other equity instruments	199,711,796.38		887,175,668.23	1,086,887,464.61
◆ Other non-current financial assets			26,500,000.00	26,500,000.00
1. Financial assets measured at fair value with changes recognized in current profit or loss			26,500,000.00	26,500,000.00
(1) Equity instrument investment			26,500,000.00	26,500,000.00
Total assets continuously measured at fair value	199,711,796.38	274,862,862.96	1,073,185,276.93	1,547,759,936.27
◆ Trading financial liabilities		93,983.38		93,983.38
Others		93,983.38		93,983.38
Total liabilities continuously measured at fair value		93,983.38		93,983.38
(2) Non-continuous fair value measurement				
◆ Holding assets for sale				
Total amount of assets not continuously measured at fair value				
◆ Holding liabilities for sale				
Total amount of liabilities not continuously measured at fair value				

(2) Basis for determining the market value of ongoing and non ongoing first level fair value measurement items.

The Company determines the market value of the recurring and non-recurring level 1 fair value measurement items based on the quotations in the active market at the end of the equity instrument held

by the Company.

(3) Valuation techniques and qualitative and quantitative information of important parameters for recurring and non-recurring level 2 fair value items measurement items.

The Company's second level fair value measurement financial products and other instruments are recognized for fair value at the end of the period based on the relevant quotes provided by the settlement instrument provider.

(4) The valuation techniques and qualitative and quantitative information of important parameters used in the continuous and non continuous third level fair value measurement projects

The Company measures its investments in equity instruments at fair value. However, in limited circumstances, if the recent information used to determine fair value is insufficient, or if the estimated amount of fair value is widely distributed, and the cost represents the best estimate of fair value within that range, the cost can represent an appropriate estimate of fair value within that distribution range.

XII. Related parties and related-parties transaction

(1) Controlling shareholder and ultimate controller

The ultimate controller of the Company is Mr. Pu Zhongjie (蒲忠傑).

(2) Subsidiaries of the Company

Please refer to Note "VIII. Equity in other entities" for details of the subsidiaries of the Company.

(3) Joint ventures and associates of the Company

For details of significant joint ventures or associates of the Company, please refer to Note "VIII. Equity in other entities" under this section.

Other joint ventures and associates that conducted related party transactions with the Company during the reporting period or have balance of related-party transactions with the Company for the previous periods are as follows:

Name of joint ventures and associates	Relationship with the Company
Beijing Haijinge Pharmaceutical Technology Co., Ltd	Significantly influenced by the Company
Beijing Kuaishure Medical Technology Co., Ltd	Significantly influenced by the Company
Beijing Yalian Baide Technology and Trade Co., Ltd	Significantly influenced by the Company

Name of joint ventures and associates	Relationship with the Company
Beijing Yuhengjia Technology Co., Ltd	Significantly influenced by the Company
Beijing Yuding Additive Manufacturing Research Institute Co., Ltd	Significantly influenced by the Company
Beijing Zhong'an Yisheng Medical Technology Co., Ltd	Significantly influenced by the Company
Shenzhen Bowen Medical Equipment Co., Ltd	Significantly influenced by the Company
Tianjin Weiman Biomaterials Co., Ltd	Significantly influenced by the Company
Xi'an Chaoqian Intelligent Technology Co., Ltd	Significantly influenced by the Company
China-U.S. Huashitong Biopharmaceutical Technology (Wuhan) Co., Ltd	Significantly influenced by the Company
Beijing Yalian Yashijie Science and Trade Co., Ltd	Its parent company significantly influenced by the Company
Chengdu Mudao'er Precision Molding Co., Ltd	Its parent company significantly influenced by the Company
Chengdu Ousai Medical Equipment Co., Ltd	Its parent company significantly influenced by the Company
Guangzhou Senuokang Medical Equipment Co., Ltd	Its parent company significantly influenced by the Company
Lepu (Beijing) Biotechnology Co., Ltd	Its parent company significantly influenced by the Company
Lepu Chuangyi Biotechnology (Shanghai) Co., Ltd	Its parent company significantly influenced by the Company
Shanghai Meiyake Biotechnology Co., Ltd	Its parent company significantly influenced by the Company
Taizhou Hanzhong Biopharmaceutical Co., Ltd	Its parent company significantly influenced by the Company
Taizhou Houde Aoke Technology Co., Ltd	Its parent company significantly influenced by the Company
Tianjin Shengge Bioengineering Co., Ltd	Its parent company significantly

Name of joint ventures and associates	Relationship with the Company
	influenced by the Company
Xi'an Medxin Pharmacy Co., Ltd	Its parent company significantly influenced by the Company
Xinxiang Yashijie Medical Laboratory (Limited Partnership)	Its parent company significantly influenced by the Company

(4) Other related parties

Name of other related parties	Relationship with the Company
Luoyang Ship Material Research Institute	Shareholder
Beijing Juntai Shengyue Technology Co., Ltd	A company controlled by a close family member of the actual controller
Beijing Pufeng Medical Management Co., Ltd	A company controlled by a close family member of the actual controller
Beijing Taijie Weiye Technology Co., Ltd	A company controlled by a close family member of the actual controller
Beijing Akron Medical Technology Co., Ltd	A company controlled by a close family member of the actual controller

(5) Related-party transactions

1. Related-party transactions in relation to purchase and sale of goods and provision and receipt of services

Purchase of goods/receipt of services

Related party	Content of related-party transaction	Closing balance	Opening balance
Chengdu Ousai Medical Equipment Co., Ltd	Purchase of goods	44,169,199.84	22,849,052.65
Lepu (Beijing) Biotechnology Co., Ltd	Receipt of services	42,273,591.77	
Beijing Haijinge Pharmaceutical Technology Co., Ltd	Receipt of services	13,443,124.53	23,251,306.78
Beijing Akron Medical Technology Co., Ltd	Receipt of services	11,432,690.40	
Beijing Akron Medical Technology Co.,	Purchase of goods	9,418,407.08	

Related party	Content of related -party transaction	Closing balance	Opening balance
Ltd			
Tianjin Weiman Biomaterials Co., Ltd	Purchase of goods	8,597,725.98	6,700,452.61
Shenzhen Bowen Medical Equipment Co., Ltd	Purchase of goods	4,514,748.35	3,231,223.03
Beijing Juntai Shengyue Technology Co., Ltd	Receipt of services	2,398,172.48	583,429.36
Shanghai Meiyake Biotechnology Co., Ltd	Receipt of services	1,769,811.32	
Beijing Pufeng Medical Management Co., Ltd	Receipt of services	1,763,914.69	2,968,247.18
Beijing Kuaisuer Medical Technology Co., LTD	Purchase of goods	1,365,761.07	2,429,530.95
Lepu (Beijing) Biotechnology Co., Ltd	Purchase of goods	1,296,596.58	
Tianjin Weiman Biomaterials Co., Ltd	Receipt of services	527,271.06	
Beijing Taijie Weiye Technology Co., Ltd	Purchase of goods	311,509.31	1,141,275.42
Tianjin Shengge Bioengineering Co., Ltd	Receipt of services	169,835.85	
Chengdu Moudal Precision Molding Co., LTD	Purchase of goods	140,404.18	260,973.47
Shenzhen Bowen Medical Equipment Co., Ltd	Receipt of services	14,601.77	
Chengdu Ousai Medical Equipment Co., Ltd	Receipt of services	4,424.78	120,833.96
Beijing Taijie Weiye Technology Co., Ltd	Receipt of services	3,698.76	
Beijing Kuaishure Medical Technology Co., Ltd	Receipt of services	752.21	358,023.90
Shenzhen Ruihan Medical Technology Co., Ltd	Receipt of services		291,262.12
Shenzhen Ruihan Medical Technology Co., Ltd	Purchase of goods		35,962.65
Beijing Yuhengjia Technology Co., Ltd	Receipt of services		6,462.26

Sale of goods/provision of services

Related party	Content of related -party transaction	Closing balance	Opening balance
Beijing Taijie Weiye Technology Co., Ltd	Sale of goods	2,888,974.82	3,510,252.51
Beijing Taijie Weiye Technology Co., Ltd	Provision of services	2,658,347.40	604,196.21
Chengdu Mudao'er Precision Molding Co., Ltd	Sale of goods	2,162,294.59	2,536,106.21
Beijing Akron Medical Technology Co., Ltd	Sale of goods	376,268.15	
Chengdu Ousai Medical Equipment Co., Ltd	Sale of goods	358,486.37	646,869.90
Guangzhou Senuokang Medical Equipment Co., Ltd	Sale of goods	210,910.70	
Lepu (Beijing) Biotechnology Co., Ltd	Sale of goods	160,404.94	310,334.45
Taizhou Hanzhong Biopharmaceutical Co., Ltd	Provision of services	116,500.00	
Taizhou Houde Aoke Technology Co., Ltd	Provision of services	90,600.00	
Tianjin Weiman Biomaterials Co., Ltd	Provision of services	67,707.32	150,000.00
Shenzhen Ruihan Medical Technology Co., Ltd	Sale of goods	38,230.08	1,059,439.90
Tianjin Weiman Biomaterials Co., Ltd	Sale of goods	21,944.87	64,400.73
Beijing Akron Medical Technology Co., Ltd	Provision of services	20,366.04	
Beijing Yuding Additive Manufacturing Research Institute Co., Ltd	Sale of goods	17,203.54	

Related party	Content of related -party transaction	Closing balance	Opening balance
Shanghai Meiyake Biotechnology Co., Ltd	Sale of goods	16,371.69	25,026.54
Lepu Chuangyi Biotechnology (Shanghai) Co., Ltd	Sale of goods	3,893.80	6,849.56
Shenzhen Bowen Medical Equipment Co., Ltd	Provision of services	2,688.68	
Chengdu Ousai Medical Equipment Co., Ltd	Provision of services		746,876.79
Beijing Purun Medical Equipment Co., Ltd	Sale of goods		316,683.20
China-U.S. Huashitong Biopharmaceutical Technology (Wuhan) Co., Ltd	Sale of goods		104,867.26
Lepu (Beijing) Biotechnology Co., Ltd	Provision of services		72,657.00
Xi'an Medxin Pharmacy Co., Ltd	Sale of goods		27,787.61
Shenzhen Bowen Medical Equipment Co., Ltd	Sale of goods		582.79

2. Related leases

As lessee:

Name of lessee	Type of leased assets	Opening balance					Closing balance				
		Rental costs of short-term leases and leases of low-value assets under simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rental paid	Interest expense on lease liabilities assumed	Increase in right-of-use assets	Rental costs of short-term leases and leases of low-value assets under simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rental paid	Interest expense on lease liabilities assumed	Increase in right-of-use assets
Tianjin Weiman Biomaterials Co., Ltd	Buildings			67,324.34	2,479.65	361,318.91					
Tianjin Shengge Bioengineering Co., Ltd	Buildings				23,162.26	1,344,809.31					

Name of lessee	Type of leased assets	Opening balance					Closing balance				
		Rental costs of short-term leases and leases of low-value assets under simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rental paid	Interest expense on lease liabilities assumed	Increase in right-of-use assets	Rental costs of short-term leases and leases of low-value assets under simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rental paid	Interest expense on lease liabilities assumed	Increase in right-of-use assets
Beijing Pufeng Medical Management Co., Ltd	Buildings	7,339.45					31,237. 62		31,237. 62		

3. Related guarantees

As guarantor:

Entity guaranteed	Amount of guaranteed	Date of commencement of guarantee	Date of expiration of guarantee	Whether fully executed
Shenzhen Keruikang Industrial Co., Ltd	4,000,000.00	2023/9/27	2024/9/26	Yes
Shenzhen Keruikang Industrial Co., Ltd	6,000,000.00	2023/10/11	2024/10/10	Yes
Shenzhen Keruikang Industrial Co., Ltd	8,000,000.00	2023/12/5	2024/12/4	Yes

Note: The Company provided a maximum guarantee of 100 million yuan to its controlling subsidiary, Shenzhen Kerikang Industrial Co., Ltd., in 2023. The initial guarantee balance is RMB 8 million, and the due amount of guarantee for this reporting period is RMB 8 million . On 31 December2024, the actual guaranteed loan amount under this guarantee was RMB 0 million.

4. Lending of funds from related parties

Related parties	Amount of money on loan	Note
Lending funds		
Beijing Zhong'an Yisheng Medical Technology Co., Ltd	400,000.00	

5. Compensation of key management personnel

Item	Opening balance	Closing balance
Compensation of key management personnel	14,132,209.64	15,911,178.14

(6) Receivables from and payable to related parties

1. Receivables

Item	Related party	Closing balance		Opening balance	
		Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
Accounts receivable					
	Xinxiang Yashijie Medical Laboratory (Limited Partnership)	2,027,715.40	2,027,715.40	2,027,715.40	2,027,715.40
	Chengdu Mudao'er Precision Molding Co., Ltd	709,950.00	3,549.75	1,262,550.00	6,312.75
	Beijing Akron Medical Technology Co., Ltd	336,247.00	25,432.24		
	Lepu (Beijing) Biotechnology Co., Ltd	218,867.00	10,127.21	124,053.20	647.55
	Taizhou Houde Aoke Technology Co., Ltd	116,500.00	582.50		
	Taizhou Hanzhong Biopharmaceutical Co., Ltd	90,600.00	453.00		
	Chengdu Ousai Medical Equipment Co., Ltd	47,042.34	235.21	41,110.29	205.55

Item	Related party	Closing balance		Opening balance	
		Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
	Tianjin Weiman Biomaterials Co., Ltd	24,797.70	123.99		
	Lepu Chuangyi Biotechnology (Shanghai) Co., Ltd			3,000.00	15.00
	Shenzhen Bowen Medical Equipment Co., Ltd			658.55	3.29
	Shenzhen Ruihan Medical Technology Co., Ltd			6,967.00	34.84
Prepayments					
	Beijing Kuaishure Medical Technology Co., Ltd	195,344.25		187,118.58	
	Shenzhen Bowen Medical Equipment Co., Ltd	44,850.00		44,850.00	
	Chengdu Mudao'er Precision Molding Co., Ltd			276.10	
Other receivables					
	Beijing Yalian Baide Technology and Trade Co., Ltd	127,799,293.21	127,799,293.21	127,799,293.21	127,799,293.21

Item	Related party	Closing balance		Opening balance	
		Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
	Beijing Yalian Yashijie Science and Trade Co., Ltd	2,006,597.50	2,006,597.50	2,006,597.50	2,006,597.50
	Beijing Zhong'an Yisheng Medical Technology Co., Ltd	400,000.00	2,000.00		
	Chengdu Ousai Medical Equipment Co., Ltd	101,502.19	507.51		
	Beijing Kuaishure Medical Technology Co., Ltd	100,000.00	20,000.00	100,000.00	10,000.00
Other non-current assets					
	Xi'an Chaoqian Intelligent Technology Co., Ltd	21,879,644.76	6,309,793.28	21,879,644.76	
	Shanghai Minwei Biotechnology Co., Ltd			43,000,000.00	
	Shenzhen Ruihan Medical Technology Co., Ltd			21,404,900.48	
Non-current assets due within one year					

Item	Related party	Closing balance		Opening balance	
		Ending balance	Provision for bad debts	Ending balance	Provision for bad debts
	Beijing Yalian Baide Technology and Trade Co., Ltd	58,536,415.90	58,536,415.90	62,173,727.90	62,173,727.90
	Beijing Yalian Yashijie Science and Trade Co., Ltd	3,270,851.82	3,270,851.82	3,270,851.82	3,270,851.82

2. Payable

Item	Related party	Closing balance	Opening balance
Accounts payable			
	Chengdu Ousai Medical Equipment Co., Ltd	15,892,316.00	30,774,427.82
	Beijing Akron Medical Technology Co., Ltd	11,980,138.73	
	Lepu (Beijing) Biotechnology Co., Ltd	4,727,695.49	
	Tianjin Weiman Biomaterials Co., Ltd	2,130,411.73	577,684.53
	Tianjin Shengge Bioengineering Co., Ltd	606,711.00	
	Shenzhen Bowen Medical Equipment Co., Ltd	272,446.43	749,839.17
	Beijing Juntai Shengyue Technology Co., Ltd	219,054.88	
	Beijing Taijie Weiye Technology Co., Ltd	206,219.09	923,406.76
	Chengdu Mudao'er Precision Molding Co., Ltd		413,788.50
	Beijing Haijinge Pharmaceutical Technology Co., Ltd		388,393.00
	Beijing Pufeng Medical Management Co., Ltd		315,770.73
	Beijing Yuhengjia Technology Co., Ltd		111,247.78
Other payable			
	Tianjin Weiman Biomaterials Co., Ltd	46,000.00	35,000.00
Contract liabilities			
	Guangzhou Senokang Medical Equipment Co., Ltd	537,090.15	
	Chengdu Ousai Medical Equipment Co., Ltd	84,955.75	
	Tianjin Weiman Biomaterials Co., Ltd	873.89	873.89
	Xi'an Medxin Pharmacy Co., Ltd		1,538.28

XIII. Share-based payment

(1) General situation of share-based payments

Stock options or other equity instruments issued at the end of the period

Vested	Stock options issued at the end of the period		Other equity instruments issued at the end of the period	
	Range of Exercise Prices	Remaining term of the contract	Range of Exercise Prices	Remaining term of the contract
Sales staff			2.49 yuan/share, 1.78 yuan/share, 3.48 yuan/share	35 months, 10 months, 10 months
Managerial staff			2.49 yuan/share, 1.78 yuan/share, 3.48 yuan/share	35 months, 10 months, 10 months
Research and development staff			2.49 yuan/share, 1.78 yuan/share, 3.48 yuan/share	35 months, 10 months, 10 months
Manufacturing staff			2.49 yuan/share, 1.78 yuan/share, 3.48 yuan/share	35 months, 10 months, 10 months

Note: The company held the 10th meeting of the 6th Board of Directors and the 8th meeting of the 6th Board of Supervisors on 6 September 2024, and unanimously deliberated and approved the motion on the termination of the 2022 Restricted Stock Incentive Plan. The termination of the plan did not have a significant adverse impact on the company's daily business activities.

(2) The conditions of Equity-settled share-based payment

The fair value recognition method of the equity instruments at grant date	Fair value of shares as determined by appraisal
Significant parameters of grant date fair value of equity instruments	
The recognition method of best available estimate of vesting equity instruments	Best estimate of quantities at the balance sheet date
The reason of significant variance between current and previous period estimate	None

The fair value recognition method of the equity instruments at grant date	Fair value of shares as determined by appraisal
The expenses recognized as equity-settled share-based payment	317,329,624.02

(3) Share-based payment expenses

	2024.12.31			2023.12.31		
	Equity-settled share-based payments	Cash-settled share-based payments	Total	Equity-settled share-based payments	Cash-settled share-based payments	Total
Vested						
Sales staff	6,234,339.47		6,234,339.47	35,165,510.09		35,165,510.09
Managerial staff	14,595,867.46		14,595,867.46	75,676,710.43		75,676,710.43
Research and development staff	13,464,794.68		13,464,794.68	49,374,970.72		49,374,970.72
Manufacturing staff	2,271,243.04		2,271,243.04	7,992,712.33		7,992,712.33
Total	36,566,244.65		36,566,244.65	168,209,903.57		168,209,903.57

XIV. Commitments and contingencies

(1) Significant commitments

1. Significant commitments existing at the balance sheet date

The company plans to invest 540 million yuan in Boao Biotechnology through project milestones and phased equity acquisitions, ultimately owning 75% of its equity. As of 31 December 2024, the company has completed capital increase and first and second equity transfers, holding 55% equity of Boao Biotechnology, corresponding to an acquisition consideration of 340 million yuan, and has actually paid 340 million yuan. After the subsequent agreed conditions are met, the third equity transfer will be carried out, which is to acquire 20% equity for 200 million yuan.

(2) Contingencies

The Company has no material contingencies that require disclosure.

XV. Events after the balance sheet date

(1) Significant non-adjustment matters

None

(2) Profit distribution situation

According to the resolution of the 14th meeting of the 6th Board of Directors held by the Company on 17 April 2025, the Company plans to distribute a cash dividend of RMB 1.3500 (including tax) for every 10 shares based on the total share capital on the equity registration date when the 2024 equity distribution plan is implemented in the future, after deducting the repurchased shares. As of the approval date of this report, the number of shares allocated for the distribution plan is 1,843,395,382, and the cash dividend amount calculated based on this is 248,858,376.57 yuan (including tax).

XVI. Other important matters

As of 31 December 2024, Mr. Pu Zhongjie and his concerted action persons held a total of 455,643,349 shares of the company, accounting for 24.23% of the total share capital of the company. Among them, the cumulative number of pledged shares is 240,809,988, accounting for 12.80% of the company's total share capital and 52.85% of its shareholding ratio.

XVII. Notes to the main items of the parent company's financial statements

(1) Accounts receivable

1. Ageing analysis of accounts receivable

Ageing	2024.12.31	2023.12.31
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Ageing	2024.12.31	2023.12.31
Within 1 year	27,282,379.79	159,953,652.47
1-2 years	2,236,988.81	6,573,332.89
2-3years	6,070,738.01	8,326,505.98
3-4years	4,371,964.56	9,921,647.19
4-5years	6,932,948.44	13,211,093.24
Above 5 years	21,730,388.60	22,505,990.75
Subtotal	68,625,408.21	220,492,222.52
Less:Provision for bad debts	13,215,808.97	22,806,780.47
Total	55,409,599.24	197,685,442.05

2. Accounts receivables by bad debt provision method

Items	2024.12.31					2023.12.31				
	Ending balance		Provision for bad debts		Book value	Ending balance		Provision for bad debts		Book value
	Amount	Proportion(%)	Amount	Provision proportion(%)		Amount	Proportion (%)	Amount	Provision on proportion(%)	
Provision for bad debt by grouping	68,625,408.21	100.00	13,215,808.97	19.26	55,409,599.24	220,492,222.52	100.00	22,806,780.47	10.34	197,685,442.05
Including:										
Grouping of expected credit loss	35,244,923.80	51.36	13,215,808.97	37.50	22,029,114.83	38,634,483.27	17.52	22,806,780.47	59.03	15,827,702.80
Grouping of related parties	33,380,484.41	48.64			33,380,484.41	181,857,739.25	82.48			181,857,739.25
Total	68,625,408.21	100.00	13,215,808.97		55,409,599.24	220,492,222.52	100.00	22,806,780.47		197,685,442.05

Provision for bad debts is made on the basis of a combination of credit risk characteristics:

Items of bad debt provided on grouping basis:

Ageing	2024.12.31		
	Accounts receivables	Provision for bad debts	Percentage(%)
Within 1 year	17,180,113.60	85,900.58	0.50
1-2 years	1,429,904.36	142,990.44	10.00
2-3years	3,386,076.72	677,215.34	20.00
3-4years	1,313,595.01	394,078.50	30.00
4-5years	39,220.00	19,610.00	50.00
Above 5 years	11,896,014.11	11,896,014.11	100.00
Total	35,244,923.80	13,215,808.97	

3. Provision, reversal or recovery, and offset or written-off of bad debts during this period

Items	Opening balance	Amount of changes during the period				Closing balance
		Provision accrued	Recovered or reversed	Offset or written off	Other changes	
Expected credit loss	22,806,780.47	-9,990,971.50			400,000.00	13,215,808.97
Total	22,806,780.47	-9,990,971.50			400,000.00	13,215,808.97

4. Accounts receivable of the top five ending balances collected by debtor

The total amount of the top five accounts receivable collected by the debtor at the end of the period is 42,099,548.82 yuan, accounting for 61.35% of the total accounts receivable at the end of the period.

The corresponding provision for bad debts at the end of the period is 9,247,772.38 yuan.

(2) Other receivables

Item	2024.12.31	2023.12.31
Interest receivable		
Dividends receivable	49,472,656.25	
Other receivables	2,182,199,119.18	2,485,080,815.54
Total	2,231,671,775.43	2,485,080,815.54

1.Dividends receivable**(1) Details of receivable dividends**

Item (or investee)	2024.12.31	2023.12.31
Dividends receivable with an age of less than one year	49,472,656.25	
Sub-total	49,472,656.25	
Less: Provision for bad debts		
Total	49,472,656.25	

2. Other receivables**(1) Disclosure by aging**

Ageing	2024.12.31	2023.12.31
Within 1 year	609,524,937.92	1,064,988,401.56
1-2 years	699,557,243.83	852,619,262.86
2-3years	320,442,739.17	147,434,238.57
3-4years	144,174,673.27	55,322,530.57
4-5years	50,072,336.81	330,911,164.80
Above 5 years	505,483,133.38	174,572,568.58
Subtotal	2,329,255,064.38	2,625,848,166.94
Less:Provision for bad debts	147,055,945.20	140,767,351.40
Total	2,182,199,119.18	2,485,080,815.54

(2) Other receivables disclosed by bad debt provision method

Items	2024.12.31					2023.12.31				
	Ending balance		Provision for bad debts		Book value	Ending balance		Provision for bad debts		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Bad debt provision for individuals	129,805,890.71	5.57	129,805,890.71	100.00		129,805,890.71	4.94	129,805,890.71	100.00	
Provision for bad debt on grouping basis	2,199,449,173.67	94.43	17,250,054.49	0.78	2,182,199,119.18	2,496,042,276.23	95.06	10,961,460.69	0.44	2,485,080,815.54
Including:										
Grouping of expected credit loss	41,482,401.93	1.78	17,250,054.49	41.58	24,232,347.44	47,041,162.25	1.79	10,961,460.69	23.30	36,079,701.56
Grouping of related parties	2,157,966,771.74	92.65			2,157,966,771.74	2,449,001,113.98	93.27			2,449,001,113.98
Total	2,329,255,064.38	100.00	147,055,945.20		2,182,199,119.18	2,625,848,166.94	100.00	140,767,351.40		2,485,080,815.54

Other accounts receivable with significant provision for bad debts on a per item basis:

Items	2024.12.31				2023.12.31	
	Ending balance	Bad debt provision	Proportion of provision (%)	Consideration for provision	Book balance	Bad debt provision
Beijing Yalian Baide Technology and Trade Co., Ltd	127,799,293.21	127,799,293.21	100.00	Expected irretrievable	127,799,293.21	127,799,293.21
Total	127,799,293.21	127,799,293.21			127,799,293.21	127,799,293.21

Provision for bad debt on grouping basis:

Items of bad debt provided on grouping basis:

Item	2024.12.31		
	Other receivables	Bad debt provision	Proportion of provision (%)
Grouping of expected credit loss	41,482,401.93	17,250,054.49	41.58
Grouping of related parties	2,157,966,771.74		
Total	2,199,449,173.67	17,250,054.49	

(3) Condition of provision for bad debts

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses(No credit impairment occurred)	Lifetime expected credit losses(Credit impairment has occurred)	
Opening balance	10,961,460.69		129,805,890.71	140,767,351.40
Closing balance				
--Transfer to stage 2				
--Transfer to stage 3				
--Reverse back stage 2				
--Reverse back stage 1				
Accrual during the period	6,288,593.80			6,288,593.80
Reverse during the period				
Write-off during the period				

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses(No credit impairment occurred)	Lifetime expected credit losses(Credit impairment has occurred)	
Cancellation during the period				
Other changes				
Closing balance	17,250,054.49		129,805,890.71	147,055,945.20

(4) Bad debt for provision, reverse and recover during reporting period

Items	Opening balance	Amount of changes during the period				Closing balance
		Accrual	Reverse and recover	Write-off	Other changes	
Grouping of expected credit loss	10,961,460.69	6,288,593.80				17,250,054.49
Provision on individual basis	129,805,890.71					129,805,890.71
Total	140,767,351.40	6,288,593.80				147,055,945.20

(5) Other receivables disclosed by nature of accounts

Nature of accounts	2024.12.31	2023.12.31
Current accounts	2,326,488,414.24	2,619,825,119.23
Reserve fund	2,524,422.92	5,573,475.35
Others	242,227.22	449,572.36
Total	2,329,255,064.38	2,625,848,166.94

(6) Other accounts receivable with the top five ending balances collected by debtor

The total amount of the top five other receivables collected by the debtor at the end of the period is 1,569,212,504.79 yuan, accounting for 67.37% of the total amount of other receivables at the end of the period. The corresponding provision for bad debts at the end of the period is 0.00 yuan.

(3) Long-term equity investments

Items	2024.12.31			2023.12.31		
	Ending balance	Provision for impairment	Carrying value	Ending balance	Provision for impairment	Carrying value
Investments in subsidiaries	9,309,780,887.26		9,309,780,887.26	9,118,201,989.35		9,118,201,989.35
Investments in Joint venture and associates	1,034,913,251.05	138,024,410.41	896,888,840.64	1,182,743,880.81	138,024,410.41	1,044,719,470.40
Total	10,344,694,138.31	138,024,410.41	10,206,669,727.90	10,300,945,870.16	138,024,410.41	10,162,921,459.75

1. Investments in subsidiaries

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period				2024.12.31	Provision for impairment at the end of the period
			Increase during the period	Decrease during the period	Accrual for impairment during the period	Others		
Zhejiang Lepu Pharmaceutical Co., Ltd	1,665,572,597.31						1,665,572,597.31	
Lepu Pharmaceutical Co., Ltd	1,090,666,543.10						1,090,666,543.10	
Changzhou Bingkun Medical Technology Co., Ltd	1,073,181,201.77						1,073,181,201.77	
Lepu (Shenzhen) International Development Center Co., Ltd	800,000,000.00						800,000,000.00	
Lepu (Europe) Company	763,839,609.54		6,478,945.37				770,318,554.91	
Shanghai Lepu Yunzhi Technology Co., Ltd	517,065,146.36		41,125,000.00				558,190,146.36	
Liaoning Boao Biopharmaceutical Co., Ltd	337,563,293.88						337,563,293.88	

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period				2024.12.31	Provision for impairment at the end of the period
			Increase during the period	Decrease during the period	Accrual for impairment during the period	Others		
LEPU TECHNOLOGY (MALAYSIA) SDN. BHD.	322,418,413.57		2,264,779.63				324,683,193.20	
Shanghai Minwei Biotechnology Co., Ltd			298,304,734.13				298,304,734.13	
Suzhou Bosimei Medical Technology Co., Ltd	254,634,348.00						254,634,348.00	
Lepu Medical Electronic Instrument Co., Ltd	230,042,742.25						230,042,742.25	
Beijing Sida Medical Equipment Co., Ltd	173,000,000.00						173,000,000.00	
Lepuxintai Medical Technology (Shanghai) Co., Ltd	162,071,500.00						162,071,500.00	
Beijing Lejian Medical Investment Co., Ltd	126,999,430.43						126,999,430.43	
Beijing Haihetian Technology	120,651,729.40						120,651,729.40	

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period				2024.12.31	Provision for impairment at the end of the period
			Increase during the period	Decrease during the period	Accrual for impairment during the period	Others		
Development Co., Ltd								
Xizang Tianqiu Technology Development Co., Ltd	108,107,172.36						108,107,172.36	
Anhui High tech Cardiovascular and Cerebrovascular Hospital Management Co., Ltd	107,450,000.00						107,450,000.00	
Lepu Youkang (Beijing) Pharmaceutical Technology Co., Ltd	100,000,000.00						100,000,000.00	
Lepurikang (Beijing) Elderly Care Service Management Co., Ltd	50,285,000.00		49,715,000.00				100,000,000.00	
Sichuan Xingtai Pule Medical Technology Co., Ltd	59,267,618.98		20,000,000.00				79,267,618.98	
Aonuo (Qingdao) Pharmaceutical Co., Ltd	70,000,000.00						70,000,000.00	

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period				2024.12.31	Provision for impairment at the end of the period
			Increase during the period	Decrease during the period	Accrual for impairment during the period	Others		
Shanghai Gurong Biotechnology Co., Ltd	70,000,000.00						70,000,000.00	
Le Pu Rui Kang (Shanghai) Intelligent Technology Co., Ltd	65,600,000.00		2,000,000.00				67,600,000.00	
Beijing Lepu Hushengtang Network Technology Co., Ltd	65,000,000.00						65,000,000.00	
Shenzhen Ruihan Medical Technology Co., Ltd			55,288,748.92				55,288,748.92	
Lepu (Beijing) Medical Equipment Co., Ltd	63,567,691.02						63,567,691.02	
Shaanxi Xingtai Biotechnology Co., Ltd	59,358,059.71						59,358,059.71	
Shenzhen Lepu Intelligent Medical Equipment Co., Ltd	50,000,000.00						50,000,000.00	

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period				2024.12.31	Provision for impairment at the end of the period
			Increase during the period	Decrease during the period	Accrual for impairment during the period	Others		
Beijing Lepu Gene Technology Co., Ltd	42,917,466.66						42,917,466.66	
Beijing Jinweijie Technology Development Co., Ltd	36,428,571.43						36,428,571.43	
LepejianJiantang Pharmaceutical (Chongqing) Co., Ltd	15,000,000.00		20,000,000.00				35,000,000.00	
Beijing Lepu Tongxin Technology Co., Ltd	33,000,000.00						33,000,000.00	
Beijing Lepu Diagnostic Technology Co., Ltd	30,000,000.00						30,000,000.00	
Lepu (Shenzhen) Medical Technology Co., Ltd	30,000,000.00						30,000,000.00	
Shenzhen Zhongke Lepu Medical Technology Co., Ltd	22,750,000.00						22,750,000.00	

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period				2024.12.31	Provision for impairment at the end of the period
			Increase during the period	Decrease during the period	Accrual for impairment during the period	Others		
Lepuqianshi Digital Technology (Shanghai) Co., Ltd	20,000,000.00						20,000,000.00	
Lepu (Beijing) Medical Technology Co., Ltd	20,000,000.00						20,000,000.00	
Shanxi Letong Printing Technology Co., Ltd	16,500,000.00		2,500,000.00				19,000,000.00	
Beijing Lepu Digital Health Technology Co., Ltd	5,500,000.00		8,500,000.00				14,000,000.00	
Beijing Lepu Growth Investment Management Co., Ltd	10,000,000.00						10,000,000.00	
Tianjin Yuhengjia Medical Technology Co., Ltd	7,000,000.00						7,000,000.00	
Lepu International Holdings (Shenzhen) Co., Ltd	3,500,000.00						3,500,000.00	

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period				2024.12.31	Provision for impairment at the end of the period
			Increase during the period	Decrease during the period	Accrual for impairment during the period	Others		
Beijing Guoyihui Health Technology Co., Ltd	2,000,000.00						2,000,000.00	
Beijing Ledong Pukang Medical Technology Co., Ltd	900,000.00		304,000.00				1,204,000.00	
Beijing Lepu Precision Medical Technology Co., Ltd	1,000,000.00						1,000,000.00	
Le Pu Rui Kang (Shenzhen) Technology Co., Ltd	300,000.00						300,000.00	
Lepu Switzerland GmbH			161,543.44				161,543.44	
Beijing Lepu Zhiying Technology Co., Ltd	252,906,505.79			252,906,505.79				
Xiangcheng Lepu Hospital Management Co., Ltd	56,330,000.00			56,330,000.00				
Beijing Ruixiang Taikang Technology Co., Ltd	3,027,347.79			3,027,347.79				

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period				2024.12.31	Provision for impairment at the end of the period
			Increase during the period	Decrease during the period	Accrual for impairment during the period	Others		
Yinchuan Lepu Internet Hospital Co., Ltd	2,800,000.00			2,800,000.00				
Total	9,118,201,989.35		506,642,751.49	315,063,853.58			9,309,780,887.26	

2.Investments in Joint Ventures and Associates

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period								2024.12.31	Provision of impairment at the end of the period
			Increase during the period	Decrease during the period	Investment profit and loss recognized through equity-method	Adjustment for other comprehensive income	Other changes in equity	Declaration of cash dividends or profit distributions	Accrual for provision of impairment	Others		
1. Associates												
Beijing Yalian	138,024,410.	138,024,410.41									138,024,410.41	138,024,410.41

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period								2024.12.31	Provision of impairment at the end of the period
			Increase during the period	Decrease during the period	Investment profit and loss recognized through equity-method	Adjustment for other comprehensive income	Other changes in equity	Declaration of cash dividends or profit distributions	Accrual for provision of impairment	Others		
Baide Technology and Trade Co., Ltd	41											
Beijing Kuaishure Medical Technology Co., Ltd	49,069,276.14				-4,797,670.27		5,891,283.14				50,162,889.01	
Sichuan Ruijian Medical Technology Co., Ltd	145,319,708.98				22,253,584.06		3,182,485.11				170,755,778.15	
Lepu Biotechnology	121,799,278.89				-54,968,781.20	128,494.42	25,602,969.38				92,561,961.49	

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period								2024.12.31	Provision of impairment at the end of the period
			Increase during the period	Decrease during the period	Investment profit and loss recognized through equity-method	Adjustment for other comprehensive income	Other changes in equity	Declaration of cash dividends or profit distributions	Accrual for provision of impairment	Others		
Co., Ltd												
Beijing Yuding Additive Manufacturing Research Institute Co., Ltd	77,281,218.05		12,000,000.00		-157,203.42		4,861,869.16				93,985,883.79	
Xi'an Chaoqian Intelligent Technology Co., Ltd	38,411,693.47				-4,131,598.60						34,280,094.87	
Beijing Haijinge Pharmaceutical Technology Co.,	126,551,900.99				10,767,055.95		369,953.49				137,688,910.43	

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period								2024.12.31	Provision of impairment at the end of the period
			Increase during the period	Decrease during the period	Investment profit and loss recognized through equity-method	Adjustment for other comprehensive income	Other changes in equity	Declaration of cash dividends or profit distributions	Accrual for provision of impairment	Others		
Ltd												
Tianjin Weiman Biomaterials Co., Ltd	126,333,575.08				-3,611,308.15						122,722,266.93	
Shenzhen Bowen Medical Equipment Co., Ltd	37,906,148.06				-2,120,860.98						35,785,287.08	
Xinyu Baiaotongda Biotechnology Co., Ltd	49,993,421.95				-2,159.05						49,991,262.90	
Hunan Pinxin Biotechnology	81,708,797.04				-2,245,693.70						79,463,103.34	

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period								2024.12.31	Provision of impairment at the end of the period
			Increase during the period	Decrease during the period	Investment profit and loss recognized through equity-method	Adjustment for other comprehensive income	Other changes in equity	Declaration of cash dividends or profit distributions	Accrual for provision of impairment	Others		
Co., Ltd												
Shenzhen Ruihan Medical Technology Co., Ltd	52,872,646.30				-8,463,645.38					-44,409,000.92		
Beijing Yuewei Medical Technology Co., Ltd	9,015,056.84		3,000,000.00		-3,104,021.84		580,367.65				9,491,402.65	
Shanghai Minwei Biotechnology Co., Ltd	108,456,748.61				-3,152,014.48					-105,304,734.13		
China	20,000,000.0										20,000,000.00	

Investee	2023.12.31	Provision of impairment at the end of the prior period	Amount of changes during the period								2024.12.31	Provision of impairment at the end of the period
			Increase during the period	Decrease during the period	Investment profit and loss recognized through equity-method	Adjustment for other comprehensive income	Other changes in equity	Declaration of cash dividends or profit distributions	Accrual for provision of impairment	Others		
Machinery Emergency Industry Co., Ltd	0											
Sub-total	1,182,743.88 0.81	138,024,410.41	15,000,000. 00		-53,734,317.06	128,494.4 2	40,488,927 .93			-149,713, 735.05	1,034,913,251.05	138,024,410.41
Total	1,182,743.88 0.81	138,024,410.41	15,000,000. 00		-53,734,317.06	128,494.4 2	40,488,927 .93			-149,713, 735.05	1,034,913,251.05	138,024,410.41

(4) Operating revenue and operating cost**1.Breakdown of operating revenue and operating cost**

Item	2024		2023	
	Revenue	Cost	Revenue	Cost
Principal business	1,436,107,498.36	426,183,131.30	1,473,521,421.85	381,135,228.39
Other businesses	105,405,687.13	94,374,221.46	103,460,065.07	93,458,800.20
Total	1,541,513,185.49	520,557,352.76	1,576,981,486.92	474,594,028.59

(5) Investment income

Item	2024	2023
Long term equity investment income accounted for by cost method	361,808,916.78	411,550,000.00
Long term equity investment income accounted for by equity method	-53,734,317.06	-14,709,625.78
Investment income generated from the disposal of long-term equity investments	-2,381,448.06	-219,910.48
Investment income obtained from disposing of trading financial assets		451,342.96
Interest income earned during the holding period of other debt investments	1,502,181.98	1,620,000.00
Investment income of other non current financial assets during the holding period		1,100,000.00
Investment income obtained from disposal of other non current financial assets		10,779,309.41
Others		-9,949,374.21
Total	307,195,333.64	400,621,741.90

XVIII. Supplementary information

(1) Breakdown of non-recurring gains and losses for the year

Item	Amount	Note
Gain or loss on disposal of non-current assets, including elimination of provision for impairment of assets	-24,132,187.92	
Government subsidies included in current profit or loss (other than ongoing government subsidies which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits and conditions)	76,714,354.07	
Gain or loss on changes in fair value of financial assets held-for-trading derivative financial assets financial liabilities held-for-trading and derivative financial liabilities, and investment income from disposal of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading and derivative financial liabilities and other debt investments, except for effective hedging transactions that are closely related to the Company's normal operation	10,674,218.65	
Capital occupation fee received from non-financial entities included in current profit or loss		
Gain or loss on entrusted investments or assets under management		
Gains or losses from entrusted loans		
Loss of assets due to force majeure factors, such as natural disasters		
Reversal of provision for impairment of receivables individually tested for impairment		
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates		

Item	Amount	Note
and joint ventures		
Net gains or losses of subsidiaries for the current year from the beginning of the period to the date of combination arising from business combination under common control		
Gain or loss on exchange of non-monetary assets		
Gain or loss on debt restructuring		
One-time costs incurred by the enterprise due to the fact that the relevant business activities are no longer continuing, such as expenses for relocating employees		
One-time effect on current period's profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercise of options		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		
Profit or loss from transactions with obviously unfair transaction price for amount which exceeds fair value		
Gain or loss on other contingencies which are not related to the Company's normal operations		
Entrusted fee income from entrusted operations		
Other non-operating income and expenses apart from the aforesaid items	-23,059,038.73	
Other gain or loss items meeting the definition of non-recurring gains or losses	-8,423,003.14	
Sub-total	31,774,342.93	
Effect of income tax	-937,157.26	
Effect of minority interests (after tax)	7,204,189.11	

Item	Amount	Note
Total	25,507,311.08	

(2) Returns on net assets and earnings per share

Profits for the reporting period Profits for the reporting period	Weighted average return on equity (%)	Earnings per share (RMB)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	1.59	0.1336	0.1336
Net profit attributable to ordinary shareholders of the Company, net of non-recurring gains and losses	1.42	0.1198	0.1198

Lepu Medical Technology (Beijing) Co., Ltd

(Seal)

17 April 2025