# Lepu Medical Technology (Beijing) Co., Ltd.

# 2025 Semi-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 semi-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 semi-annual report are truthful, accurate, and complete.

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

Investors are advised to carefully review the relevant content regarding the company's risk warnings and countermeasures in Section 10, "Risks Faced by the Company and Response Measures," under the third section, "Management Discussion and Analysis," of this report.

The profit distribution plan approved by the Board of Directors is as follows: Based on the total share capital as of the record date for the 2025 interim equity distribution (after deducting repurchased shares), totaling 1,843,395,691 shares, the Company will distribute a cash dividend of RMB 1.6275 per 10 shares (tax inclusive), with 0 bonus shares (tax inclusive) and 0 capital reserve shares transferred per 10 shares to all shareholders.

**Table of Contents**

## List of Documents for Reference

1.The original copy of the 2025 semi-annual report and its summary, signed by the company's legal representative, Mr. Pu Zhongjie;

2.The original copy of the financial statements, signed and stamped by the company's responsible person Mr. Pu Zhongjie, the person in charge of accounting work Ms. Wang Yong, and the head of the accounting department Ms. Li Yun;

3.The original copies of all company documents and announcements publicly disclosed on the designated websites of the China Securities Regulatory Commission during the reporting period;

4.Other relevant materials;

5.Location of the above reference documents: the company's Board of Directors Office.

## 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 |
| Stock exchange where stock is listed | Shenzhen Stock Exchange | | |
| 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 | | |

## 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

### 1. Contact Information

Whether there were any changes in the company's registered address, office address and its postal code, website, and email during the reporting period

There were no changes to the company's registered address, office address and its postal code, website, or email during the reporting period. For details, please refer to the 2024 Annual Report.

### 2. Information Disclosure and Storage Locations

Whether there were any changes in information disclosure and storage locations during the reporting period

The stock exchange website and media names and URLs through which the company discloses its semi-annual reports, as well as the storage location of the semi-annual reports, remained unchanged during the reporting period. For details, please refer to the 2024 Annual Report.

### 3. Registration Changes

Whether there were any changes in registration status during the reporting period

The company's registration status remained unchanged during the reporting period. For details, please refer to the 2024 Annual Report.

## V. Major accounting data and financial indicators

| | Current reporting period | Same period of previous year | Changes compared to previous year (%) |
|---|---|---|---|
| Operating revenue (RMB) | 3,369,384,556.21 | 3,383,886,554.54 | -0.43% |
| Net profit attributable to shareholders of the listed company (RMB) | 690,925,899.89 | 697,242,271.91 | -0.91% |
| Net profit attributable to shareholders of the listed company after deducting nonrecurring profits and losses (RMB) | 662,195,779.67 | 647,147,330.31 | 2.33% |
| Net cash flows from operating activities (RMB) | 636,364,548.11 | 158,886,015.01 | 300.52% |
| Basic earnings per share (RMB/share) | 0.3748 | 0.3766 | -0.48% |
| Diluted earnings per share (RMB/share) | 0.3748 | 0.3766 | -0.48% |
| Weighted average return on net assets | 4.43% | 4.47% | -0.04% |
| | End of reporting period | End of previous year | Changes compared to the end of previous year |
| Total assets (RMB) | 25,358,932,186.53 | 24,573,100,199.19 | 3.20% |
| Net assets attributable to shareholders of the Company (RMB) | 15,796,888,042.42 | 15,201,421,378.82 | 3.92% |

Whether the company's share capital changed between the end of the reporting period and the disclosure date of the semi-annual report due to new share issuances, additional offerings, share allotments, equity incentive exercises, share repurchases, or other reasons, and whether such changes affected the amount of owner's equity.

☐Yes ☑No

| | |
|---|---|
| Dividends paid on preferred shares | 0.00 |
| Interest paid on perpetual bonds (RMB) | 0.00 |
| Fully diluted earnings per share calculated based on the latest share capital (RMB/share) | 0.3674 |

## 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)

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)

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

Unit: RMB

| Item | Amount | Note |
|---|---|---|
| Gains/losses on disposal of non-current assets (including reversal of previously recognized impairment provisions) | -18,742,197.87 | |
| 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.) | 66,979,826.27 | |
| 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 | 1,796,405.19 | |
| Non-operating income and expenses other than the said items | -10,833,437.93 | |
| Other profit or loss items complying with the definition of non-recurring profit or losses | -5,368,654.37 | |
| Less: impact amount of income tax | 5,645,840.55 | |
| Impact amount of minority equity (after tax) | -544,019.48 | |
| Total | 28,730,120.22 | |

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

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

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. Main Business During the Reporting Period

### 1. Industry Background

At present, the biopharmaceutical industry faces both opportunities and challenges, with intensifying divergence among enterprises. According to data from the National Bureau of Statistics, from January to June 2025, pharmaceutical manufacturing enterprises above designated size achieved operating revenues of 1,227.52 billion yuan, marking a year-on-year decrease of 0.63%, while total profits reached 176.69 billion yuan, reflecting a decline of 2.16%. Under the influence of evolving industry policies and heightened competition, transformation within the biopharmaceutical sector continues to deepen, further widening the gap between enterprises. Companies focused on innovative drugs and medical devices with strong independent R&D capabilities are consolidating their advantages through business development (BD) collaborations to enhance research capabilities and expand into international markets. In contrast, enterprises reliant on non-patented products and slow to adapt remain trapped in competition. Over the coming years, the biopharmaceutical industry is expected to undergo continued shifts between traditional and emerging growth drivers. To achieve sustainable growth, companies must strengthen their capabilities, improve product quality and clinical value, and actively engage in global competition by aligning with international market regulations and requirements.

Under the aging population trend, domestic demand for diagnosis and treatment continues to grow rapidly. According to data from the National Healthcare Security Administration, in 2024, the total revenue and expenditure of the basic medical insurance fund (including maternity insurance) were 3,491.337 billion yuan and 2,976.403 billion yuan, respectively. In 2024, employees covered by medical insurance received benefits totaling 5.308 billion person-times, marking a year-on-year increase of 9.9%, while total medical expenses for employee insurance participants reached 2,058.746 billion yuan, up 3.6% year-on-year. During the same period, residents covered by medical insurance utilized benefits 3.035 billion times, a 14.9% year-on-year increase, with total medical expenses for resident insurance participants amounting to 2,031.216 billion yuan, reflecting a 3.7% year-on-year growth. The rising number of medical visits and escalating healthcare expenditures highlight a sustained upward trend in diagnosis and treatment demand as China’s population ages.

The centralized procurement policy will continue to optimize and mature under the principles of "stabilizing clinical usage, ensuring quality, preventing bid collusion, and counteracting unhealthy competition." Since 2018, the national-level centralized drug procurement has conducted 10 batches, covering 435 drug varieties, while provincial and inter-provincial alliance-level centralized procurement initiatives have also been implemented, forming a collaborative and complementary framework. On June 13, 2025, the State Council Executive Meeting called for research to refine centralized procurement measures for drugs and medical consumables. The meeting emphasized strengthening policy evaluations, summarizing experiences, addressing shortcomings, and advancing the standardization, institutionalization, and regularized implementation of centralized procurement. It also highlighted the need to better promote the coordinated development and governance of healthcare, medical insurance, and medicine, improve compensation mechanisms for public hospitals, support pharmaceutical enterprises in enhancing innovation capabilities, and better meet the public’s diverse medical and medication needs. In line with the optimized measures approved by the State Council Executive Meeting, the National Healthcare Security Administration is refining procurement rules—including volume reporting, selected bid prices, and quality assurance—guided by the principles of "stabilizing clinical usage, ensuring quality, preventing bid collusion, and counteracting unhealthy competition." Subsequent iterations of the centralized procurement policy are expected to become more scientific and market-oriented.

To comprehensively strengthen policy support across the entire value chain and promote innovation in the biopharmaceutical industry, the Chinese government has implemented a series of measures. On March 5, 2025, the *Government Work Report* released during the Third Session of the 14th National People’s Congress emphasized the need to “improve drug pricing mechanisms, establish an innovative drug catalog, and support the development of innovative drugs” under the section on “Strengthening Basic Healthcare Services.” This marked the first time the *Government Work Report* explicitly called for the creation of an innovative drug catalog, signaling heightened government prioritization of innovation and a commitment to providing end-to-end policy support for such drugs. On July 1, 2025, the National Healthcare Security Administration (NHSA) and the National Health Commission jointly issued the *Measures to Support High-Quality Development of Innovative Drugs*, proposing 16 initiatives across five key areas to provide comprehensive support spanning R&D, market access, clinical adoption, and multi-payer coverage. These measures aim to: (1) Enhance R&D support for innovative drugs. (2) Facilitate inclusion of innovative drugs in the National Reimbursement Drug List (NRDL) and commercial health insurance catalogs. (3) Promote clinical adoption of innovative therapies. (4) Strengthen multi-payer payment capabilities. (5) Optimize safeguards to ensure implementation. On July 3, 2025, the National Medical Products Administration (NMPA) released the *Announcement on Optimizing Full Lifecycle Regulation to Support Innovation in High-End Medical Devices*. Focusing on cutting-edge fields such as medical robotics, advanced imaging systems, AI-powered medical devices, and novel biomaterial technologies, the NMPA outlined 10 major initiatives to establish a full-chain support system—from R&D approvals to post-market regulation and global expansion. Key measures include: (1) Streamlining special approval pathways. (2) Refining classification and naming standards. (3) Strengthening post-market quality monitoring. (4) Advancing global regulatory harmonization. Regarding reimbursement, the NHSA has established a negotiation and renewal mechanism prioritizing innovative drugs, significantly shortening the timeline from market approval to inclusion in the NRDL. From 2018 to 2024, newly added drugs through national reimbursement negotiations generated over 540 billion yuan in sales during their agreement periods, with 370 billion yuan covered by medical insurance funds. These reforms underscore China’s commitment to fostering a sustainable ecosystem for biopharmaceutical innovation while addressing evolving healthcare needs.

China's overseas licensing deals for innovative drugs are growing rapidly, enabling domestic pharmaceutical companies to participate in global competition. The innovative drug industry in China began to flourish after the State Council issued the Opinions on *Reforming the Review and Approval System for Drugs and Medical Devices* in 2015. With rapid industry development, the number and value of overseas licensing collaborations between domestic innovative drug companies and foreign pharmaceutical firms have surged, further demonstrating the sector’s capabilities. According to PharmaCube, In 2024, Chinese pharmaceutical companies completed a total of 94 overseas licensing transactions, with a total transaction value of 51.9 billion dollars. In the first half of 2025, the total amount of overseas licensing by Chinese pharmaceutical companies reached 60.8 billion dollars, and the annual growth rate is expected to hit a new high. Successful BD collaborations allow domestic and foreign companies to share risks in innovative projects. Domestic firms can offset R&D costs through upfront payments and milestone revenues, while also gaining access to advanced expertise from global partners to enhance their R&D capabilities. These partnerships highlight China’s growing integration into the global pharmaceutical innovation ecosystem.

**2. Main business**

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 2,374 cumulative patent applications, over 600 commercialized products globally, 687 Class II/III medical device approved by NMPA, 34 U.S. FDA clearances, and 214 EU CE certifications.

During the reporting period, the Company achieved operating revenue of RMB 3,369.3846 million, representing a 0.43% year-on-year decrease; net profit attributable to shareholders of the listed company of RMB 690.9259 million, reflecting a 0.91% year-on-year decline; net profit attributable to shareholders of the listed company excluding non-recurring gains and losses of RMB 662.1958 million, marking a 2.33% year-on-year growth; and net cash flow from operating activities of RMB 636.3645 million, showing a 300.52% year-on-year increase.

In the field of cardiovascular implantable/interventional products: From early 2025 to the end of this report, the company obtained approvals for multiple cardiovascular interventional products, including: Coronary scoring balloon dilatation catheter, paclitaxel-coated peripheral balloon dilatation catheter, drug-coated peripheral balloon dilatation catheter, radiofrequency ablation system/endogenous radiofrequency closure catheter, etc. 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 | 2028 |
|---|---|---|---|---|
| Coronary Intervention | Intravascular Ultrasound | | | |
| Structural Heart Disease | | Oxidized Membrane Patent Foramen Ovale PFO Occluder | Biodegradable Left Atrial Appendage LAA Occluder | Transcatheter Aortic Valve System (TAVR for Regurgitation Indication) |
| | | Transapical Mitral Clip Repair System (Clip) | Transfemoral Mitral Clip Repair System | |
| | | | Transapical Mitral Valve Repair System (Chordae Tendineae) | |
| Peripheral Intervention | | Rapid Thrombus Aspiration Catheter | Peripheral Plaque Rotablator | Aortic Embolization Occluder |
| | | | | Biodegradable Aortic Occluder |
| | | | | Abdominal Aortic Aneurysm Cross-Linking Reinforcement System |
| | | | | Biodegradable Vascular Plug |
| CRM Electrophysiology | Qinming8632 Automatic Pacemaker | Atrial Fibrillation Cryo Balloon System/Catheter (CBA) | Atrial Fibrillation Pulsed Field Ablation Catheter/Equipment (PFA) | Renal artery denervation ultrasound ablation catheter/device |
| | | MRI-Compatible Cardiac Pacemaker | | |

| | | | | |
|---|---|---|---|---|
| Heart Failure Management | | Implantable Cardiac Contractility Modulator (CCM) | Small-diameter transcatheter left ventricular assist device (LVAD) | Transcatheter Left Ventricular Assist 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 neuromodulation device (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/GCG/GIP receptor triple agonist candidate drug MWN101 has completed Phase II clinical trials for obesity and type 2 diabetes, marking China's first GLP-1/GCG/GIP receptor triple agonist candidate drug to enter Phase II clinical studies. As of the reporting disclosure date, the MWN105 injection and the MWN109 tablet are in Phase I clinical trials for obesity/type 2 diabetes indications, while the MWN109 injection has entered Phase II clinical trials for obesity and type 2 diabetes indications. The MWX203 injection is currently in Phase I clinical trials for dyslipidemia as well as obesity and type 2 diabetes indications.

**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 | √ | √ | |
| MWN203 | / | siRNA | hyperlipidemia | Injection | √ | √ | |

In the field of consumer healthcare, the company continues to promote the R&D of ophthalmic and dermatological products. As of the date of this report disclosure, the company's Poly-L-lactic acid (PLLA) facial filler and sodium hyaluronate solution for injection have been approval by China's National Medical Products Administration (NMPA), and active preparations are underway for commercial promotion. The Poly-L-lactic acid (PLLA) facial filler is a dermal tissue filler that works by injecting poly-L-lactic acid (PLLA) into the deep dermis to restore volume, correct contours, and effectively fill grooves and wrinkles. Its primary component, poly-L-lactic acid (PLLA), exists as a micro-particle injectable powder with exceptional biocompatibility, biodegradability, and safety. It degrades in vivo into carbon dioxide and water for natural excretion, posing no long-term health risks. Independently developed and manufactured based on the company's biodegradable materials platform, this filler demonstrates superior clinical efficacy with low incidence of side effects, offering physicians and consumers a novel therapeutic option. Additionally, cross-linked sodium hyaluronate gel for injection and compound sodium hyaluronate solution for injection have entered the registration application stage, while cross-linked sodium hyaluronate gel containing poly-L-lactic acid is currently in the clinical trial phase.

**R & D Progress of Consumer Healthcare**

| Type | Name | Stage | Expected Certification Time |
|---|---|---|---|
| Ophthalmology | High-Power Contact Lenses | Application for Registration | 2026Q2 |
| | Multifocal Intraocular Lens | Clinical Trial | 2027Q4 |
| Dermatology | 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 terms of internationalization, the company's products have established marketing channels in over 160 countries and regions, including the United States, Brazil, Turkey, and Indonesia. The company continues to advance overseas product registrations, having obtained 341 product certifications covering cardiovascular implants, AI-based vital sign monitoring, surgical devices, in vitro diagnostics, and other specialized fields across 47 countries and regions. As of the reporting date, the company has secured 25 new EU CE MDR certifications for products such as oxidized membrane occluders, coronary cutting balloons, and ultrasonic scalpel systems. The innovative MemoSorb® fully degradable VSD occluder has obtained registration in Indonesia, with parallel registration processes initiated in Asia-Pacific and CIS countries. Cumulative overseas implantations of the MemoSorb® device have exceeded 60 cases as of the reporting date. Moving forward, the company will further drive international product registrations to execute its global strategy. The company actively participates in international academic conferences and medical device exhibitions to enhance its overseas brand presence. By the reporting date, it had attended 8 comprehensive exhibitions in 2025 across Europe, the Middle East, the Americas, and Southeast Asia, along with 13 major international academic conferences. The MemoSorb® biodegradable occluder's clinical data presentations at prominent forums including Germany's CSI, Thailand's CSI, and France's EuroPCR have garnered unanimous recognition from global academic experts. The company consistently showcases its latest products and technological achievements at these events to strengthen international engagement.

**(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 RMB 1,776.4694 million, a year-on-year increase of 1.30%.

Cardiovascular implantable/interventional products: During the reporting period, the cardiovascular implant intervention business achieved operating revenue of RMB 1,238.5980 million, representing a year-on-year increase of 7.57%, including RMB 881.2256 million from the coronary implant intervention business (up 3.60% YoY) and RMB 328.7146 million from the structural heart disease business (up 32.06% YoY). 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 2025 through the reporting date, the company obtained NMPA approvals for multiple cardiovascular interventional products including: Coronary scoring balloon dilatation catheter, paclitaxel-coated peripheral balloon dilatation catheter, drug-coated peripheral balloon dilatation catheter, radiofrequency ablation system/endogenous radiofrequency closure catheter, etc. 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 |
| | | RECATCHOR™ Anchored Balloon Dilatation Catheter | Class III |
| | Diagnostic Devices | Fractional Flow Reserve Measuring Instrument | Class III |
| | | VessTecTM 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 |
| | | DilatBK™ Paclitaxel-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 intervention, the company has remained committed to independent innovation and continuously advanced the R&D of new products. From early 2025 to the date of this report disclosure, the coronary scoring balloon has been granted registration approval by the National Medical Products Administration (NMPA). The R&D progress of pipeline products has been smooth as of the report disclosure date, with the Intravascular Ultrasound (IVUS) imaging system already submitted for registration application.

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. The MemoSorb® occluder has achieved remarkable sales performance through nearly two years of market promotion and clinical application, with cumulative post-launch sales exceeding RMB 200 million. The ScienCrown® aortic valve system, recognized for its superior clinical benefits, has been successfully adopted in over 70 clinical centers across China for implantation procedures as of the reporting date.

In the future, the company will further improve the product pipeline in the field of structural heart diseases. Currently, the Bio-Lefort® biodegradable left atrial appendage occluder are in the clinical trial stage; the

MemoClip-A® is currently undergoing clinical trials and is expected to submit a registration application to China's National Medical Products Administration (NMPA) by 2026. The oxidized membrane patent foramen ovale (PFO) occluder has completed clinical follow-up and entered the registration application phase, with submission to the NMPA expected in the third quarter of 2025.

**R&D Pipeline of Structural Heart Diseases**

| Category | Product | Development | Pre-Clinical | Clinical | Registration Application | Expected Approval Time |
|---|---|---|---|---|---|---|
| Occluders | Bio-Lefort® Biodegradable Left Atrial Appendage Occluder | √ | √ | √ | | Q3, 2027 |
| | MemoSorb® Oxidized Membrane Patent Foramen Ovale 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, 2027 |
| | ScienChute® Pulsed Acoustic Wave Generator | √ | | | | Q4, 2027 |
| Mitral Valves | ☆MemoClip-A® Transapical Mitral Valve Repair System (Clips) | √ | √ | √ | | Q4, 2026 |
| | 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 |

The company has established a strategic presence in the aortic and peripheral vascular domains, offering products including bioresorbable aortic occluders, embolic occluders, and peripheral occlusion-related devices. The bioresorbable aortic dissection rupture occluder represents an innovative extension of biodegradable technology, designed to treat distal aortic dissection ruptures through minimally invasive interventional procedures that precisely seal aortic tears, prevent dissection progression or rupture, preserve blood flow to critical vessels, improve distal organ perfusion, reduce postoperative complications, and lower surgical risks. The embolic occluder specifically addresses endoleaks following endovascular abdominal aortic aneurysm repair, utilizing a densely woven self-expanding structure that maintains full expansion in tortuous anatomical spaces, effectively filling aneurysm cavities, promoting thrombosis, reducing sac dimensions, and mitigating rupture risks. Both products have completed type testing and animal studies and have now entered the clinical trial phase.

In other sub-fields of interventional medical devices, as of the date of this report's disclosure, paclitaxel-coated peripheral balloon dilatation catheter, drug-coated peripheral balloon dilatation catheter, radiofrequency ablation system/endogenous radiofrequency closure catheter 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 | Non-Compliant PTA Drug-Coated Balloon Catheter (AVF) | √ | √ | √ | | Q4, 2025 |
| Debulking Devices | Peripheral Plaque Rotational Atherectomy | √ | √ | √ | | Q3, 2027 |
| | Rapid Thrombus Aspiration Catheter | √ | √ | | √ | Q2, 2026 |
| Occluder | Biodegradable Aortic Occluder | √ | √ | √ | | Q4,2028 |
| | Aortic Embolization Occluder | √ | √ | √ | | Q4,2028 |
| | Abdominal Aortic Aneurysm Cross-Linking Reinforcement System | √ | | | | Q4,2028 |
| | Biodegradable Vascular Plug | √ | | | | Q4,2028 |
| 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 RMB 241.0050 million, a year-on-year decrease of 10.29%. 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 RMB 163.3714 millio, down 17.35% YoY, primarily due to intensified competition-driven price declines and transitional impacts from workforce and strategic realignments. With restructuring now complete.

**(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. The pharmaceutical segment generated operating revenue of RMB 1,117.4431 million, reflecting a 1.52% year-on-year decrease but a 79.34% quarter-on-quarter increase, as retail channel inventory clearance was largely completed, with non-atorvastatin calcium and clopidogrel bisulfate products gradually gaining share in the revenue structure. Within this segment, formulated drugs (generics) achieved revenue of RMB 975.3454 million, up 3.89% year-on-year and 107.59% quarter-on-quarter, while API revenue totaled RMB 142.0977 million, down 27.44% year-on-year and 7.28% quarter-on-quarter.

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. As of the reporting disclosure date, the MWN105 injection and the MWN109 tablet are in Phase I clinical trials for obesity/type 2 diabetes indications, while the MWN109 injection has entered Phase II clinical trials for obesity and type 2 diabetes indications. The MWX203 injection is currently in Phase I clinical trials for dyslipidemia as well as obesity and type 2 diabetes indications.

As of the disclosure date of this report, the company’s self-developed dulaglutide injection biosimilar, targeting Type II diabetes, has largely completed Phase III clinical trials, demonstrating comparable efficacy and safety profiles to the originator drug, and is currently compiling pharmaceutical and clinical data in preparation for a pre-New Drug Application (pre-NDA) submission; the semaglutide biosimilar, indicated for Type II diabetes and obesity, has completed Phase I clinical trials confirming bioequivalence to the originator and is now undergoing Phase III clinical trials for Type II diabetes, with over half of the planned participants already enrolled; the recombinant botulinum toxin type A for injection has obtained clinical trial approval and initiated Phase I clinical studies; the atropine eye drops for treating childhood myopia have completed Phase I clinical trials and are preparing to advance into 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, the medical services and health management segment achieved operating revenue of RMB 475.4721 million, representing a year-on-year decrease of 4.05%. The Company provides cardiovascular disease medical services and health management through specialized cardiovascular hospitals, medical diagnostic laboratories, and pharmaceutical/medical device e-commerce platforms. Hefei Cardiovascular Hospital generated revenue of RMB 83.4410 million, up 3.51% year-on-year. In health management, the Company's AI-powered business, leveraging the Lepu Cloud Platform, focuses on three major services: medical-grade cardiac monitoring, home-based health monitoring, and smart rehabilitation care, offering various vital sign monitoring products and services to hospitals and individual consumers. The Company's AI-ECG-based vital sign monitoring product portfolio is comprehensive, enabling multiple functions including dynamic ECG, static ECG, bedside monitoring, and wearable telemetry, which not only enhances hospital informatization to improve diagnostic efficiency but also facilitates convenient home-based vital sign monitoring for patients. Lepu Cloud Intelligence Technology recorded revenue of RMB 284.3827 million, reflecting an 8.46% year-on-year increase.

**3. 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.

**4. 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 endogenous 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.

## II. 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.

## III. Analysis of primary business

Year-over-Year Changes in Key Financial Data Unit: RMB

| | Current reporting period | Same period of previous year | Changes compared to previous year (%) | Reasons |
|---|---|---|---|---|
| Operating Revenues | 3,369,384,556.21 | 3,383,886,554.54 | -0.43% | |
| Operating Costs | 1,204,217,388.49 | 1,207,881,959.38 | -0.30% | |
| Selling Expenses | 548,512,370.81 | 649,472,497.84 | -15.54% | |
| Administrative Expenses | 311,690,421.88 | 314,234,119.66 | -0.81% | |
| Financial Expenses | 62,052,220.98 | 14,252,975.81 | 335.36% | The increase in financial expenses was primarily attributable to exchange losses resulting from foreign currency fluctuations during the reporting period. |
| Income Tax Expenses | 129,779,939.02 | 106,018,680.32 | 22.41% | |
| R&D Investment | 532,833,731.27 | 518,036,953.16 | 2.86% | |
| Net Cash Flow from Operating Activities | 636,364,548.11 | 158,886,015.01 | 300.52% | The growth in net cash inflow from operating activities mainly stemmed from enhanced cost control measures, leading to varying degrees of reduction across all expenditure categories. |
| Net Cash Flow from Investing Activities | -642,416,355.21 | -822,191,919.58 | -21.87% | |
| Net Cash Flow from Financing Activities | -91,161,511.02 | 20,767,482.70 | -538.96% | The decline in net cash inflow from financing activities was principally due to a year-on-year decrease of RMB748.8463 million in net borrowing proceeds. Additional contributing factors included: A RMB348.7165 million reduction in cash dividend payments YoY; A RMB90.2066 million decrease in payments for minority stake acquisitions YoY; RMB75.0000 million capital injection received by subsidiaries (no comparable inflow in the prior period);RMB124.8583 |

| | | | | |
|---|---|---|---|---|
| | | | | million spent on treasury share repurchases in the prior period (no such outflow in current reporting period). |
| Net Increase in Cash and Cash Equivalents | -96,567,974.87 | -639,650,594.99 | -84.90% | The change in net increase of cash and cash equivalents was chiefly driven by a substantial year-on-year growth in net operating cash inflows during the reporting period. |

**Significant Changes in Profit Composition or Sources During the Reporting Period**

☐ Applicable ☑Not Applicable

**Products or Services Accounting for Over 10% of Revenue**

☑ Applicable ☐ Not Applicable

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 | 1,776,469,316.14 | 509,481,971.80 | 71.32% | 1.30% | 3.97% | -0.74% |
| Pharmaceuticals | 1,117,443,103.25 | 416,209,441.72 | 62.75% | -1.52% | -8.25% | 2.73% |
| Medical services and health management | 475,472,136.82 | 278,525,974.97 | 41.42% | -4.05% | 5.41% | -5.26% |
| By region | | | | | | |
| Overseas | 522,784,510.94 | 281,461,527.09 | 46.16% | 6.91% | 0.92% | 3.19% |
| Chinese mainland | 2,846,600,045.27 | 922,755,861.40 | 67.58% | -1.67% | -0.67% | -0.33% |

## IV. Non-primary business

Unit: RMB

| | Amount | Proportion of Total Profit | Explanation of Formation Reasons | Sustainability |
|---|---|---|---|---|
| Investment Income | -7,364,734.27 | -0.89% | | No |
| Fair Value Change Gain or Loss | -2,291,463.80 | -0.28% | | No |
| Asset Impairment | -5,865,343.49 | -0.71% | | No |
| Non-operating Income | 3,789,501.31 | 0.46% | | No |
| Non-operating Expenses | 14,817,072.87 | 1.79% | | No |
| Other Income | 74,523,497.26 | 8.99% | Other income primarily consists of government | No |

| | | | | |
|---|---|---|---|---|
| | | | grants related to ordinary business activities. | |

## V. Analysis of assets and liabilities

### 1. Major changes in asset composition

Unit: RMB

| | End of reporting period | | End of 2024 | | Increase/ decrease in proportion | Reasons for major changes |
|---|---|---|---|---|---|---|
| | Amount | Proportion in total assets | Amount | Proportion in total assets | | |
| Monetary Funds | 3,599,599,843.70 | 14.19% | 3,718,016,911.13 | 15.13% | -0.94% | |
| Accounts Receivable | 1,979,528,767.88 | 7.81% | 1,530,657,231.48 | 6.23% | 1.58% | |
| Inventories | 2,021,041,447.09 | 7.97% | 2,030,235,942.18 | 8.26% | -0.29% | |
| Investment Property | 526,320,742.96 | 2.08% | 463,953,038.77 | 1.89% | 0.19% | |
| Long-term Equity Investments | 1,206,329,960.77 | 4.76% | 1,189,771,189.43 | 4.84% | -0.08% | |
| Fixed Assets | 3,784,447,192.17 | 14.92% | 3,991,276,420.92 | 16.24% | -1.32% | |
| Constructions in progress | 647,153,149.11 | 2.55% | 533,097,328.96 | 2.17% | 0.38% | |
| Right-of-use assets | 308,004,565.00 | 1.21% | 338,472,348.46 | 1.38% | -0.17% | |
| Short-term borrowing | 334,637,425.17 | 1.32% | 301,656,435.95 | 1.23% | 0.09% | |
| Contract Liabilities | 207,490,119.74 | 0.82% | 242,043,458.27 | 0.98% | -0.16% | |
| Long-term Borrowings | 2,260,986,670.75 | 8.92% | 2,015,583,172.32 | 8.20% | 0.72% | |
| Lease Liabilities | 228,627,589.20 | 0.90% | 251,912,745.16 | 1.03% | -0.13% | |
| Notes Receivable | 70,271,089.73 | 0.28% | 116,747,820.08 | 0.48% | -0.20% | The decrease in notes receivable was primarily due to reduced acceptance bills received by the company during the reporting period. |
| Non-current Assets Due within One Year | 513,833,438.36 | 2.03% | 33,010,145.09 | 0.13% | 1.90% | The increase in non-current assets due within one year mainly resulted from certain large-denomination certificates of deposit maturing within |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | one year during the reporting period. |
| Other non-current financial assets | 44,500,000.00 | 0.18% | 26,500,000.00 | 0.11% | 0.07% | The growth in other non-current financial assets was principally attributable to new investments made by the company during the reporting period. |
| Employee benefits payable | 51,005,484.50 | 0.20% | 85,548,165.19 | 0.35% | -0.15% | The reduction in employee benefits payable was mainly caused by the company's payment of accrued bonuses from the previous year during the reporting period. |
| Non-current liabilities due within one year | 3,098,626,940.40 | 12.22% | 1,591,697,242.05 | 6.48% | 5.74% | The rise in non-current liabilities due within one year primarily stemmed from the company's convertible bonds becoming due within one year during the reporting period. |
| Other current liabilities | 40,605,829.13 | 0.16% | 60,739,818.02 | 0.25% | -0.09% | The decrease in other current liabilities was chiefly due to a reduction in endorsed but unmatured notes receivable during the reporting period. |
| Bonds payable | 0.00 | 0.00% | 1,608,915,230.87 | 6.55% | -6.55% | The decline in bonds payable mainly resulted from the reclassification of convertible bonds due within one year during the reporting period. |

| | | | | | | |
|---|---|---|---|---|---|---|
| Other Comprehensive Income | 45,998,002.47 | 0.18% | -41,347,794.62 | -0.17% | 0.35% | The increase in other comprehensive income was primarily driven by the fair value appreciation of other equity instrument investments during the reporting period. |

## 2. Major Overseas Assets

☐ Applicable ☑Not Applicable

## 3. Assets and Liabilities Measured at Fair Value

Unit: RMB

| Item | Opening balance | Fair value change in current period | Cumulative fair value changes included in equity | Impairment provision in current period | Purchase amount in current period | Sale amount in current period | Other changes | Closing balance |
|---|---|---|---|---|---|---|---|---|
| Financial Assets | | | | | | | | |
| Trading Financial Assets (excluding derivative financial assets) | 274,862,862.96 | -2,099,606.60 | | | 319,576,345.86 | 377,894,644.40 | | 204,725,726.58 |
| Accounts receivable financing | 159,509,608.70 | | | | 205,555,108.68 | 159,509,608.70 | | 205,555,108.68 |
| Investments in Other Equity Instruments | 1,086,887,464.61 | | 2,424,661.95 | | 3,766,245.00 | 94,362,927.43 | | 1,100,948,108.49 |
| Other Non-current Financial Assets | 26,500,000.00 | | | | 18,000,000.00 | | | 44,500,000.00 |
| Subtotal of Financial Assets | 1,547,759,936.27 | -2,099,606.60 | 2,424,661.95 | | 546,897,699.54 | 631,767,180.53 | | 1,555,728,943.74 |
| Total of the Above | 1,547,759,936.27 | -2,099,606.60 | 2,424,661.95 | | 546,897,699.54 | 631,767,180.53 | | 1,555,728,943.74 |
| Financial Liabilities | 93,983.38 | -191,857.20 | | | 574,252.16 | 263,983.38 | | 596,109.36 |

## VI. Analysis of investment status

### 1. Overview

| Investment amount during the reporting period (RMB) | Investment amount in the same period of previous year (RMB) | Change ratio |
|---|---|---|
| 1, 099, 097, 811. 92 | 875, 665, 251. 44 | 25. 52% |

### 2. Significant equity investments acquired during the reporting period

☐ Applicable ☑Not Applicable

### 2. Significant non-equity investments in progress during the reporting period

☐ Applicable ☑Not Applicable

### 4. Financial Assets Measured at Fair Value

Unit: RMB

| Asset Category | Initial Investment Cost | Fair Value Change in Current Period | Cumulative Fair Value Changes Included in Equity | Purchase Amount in Reporting Period | Sale Amount in Reporting Period | Cumulative Investment Income | Other Changes | Closing Balance | Funding Source |
|---|---|---|---|---|---|---|---|---|---|
| Trading financial assets and other non-current financial assets | 290,668,301.53 | -2,099,606.60 | | 337,576,345.86 | 377,894,644.40 | | | 249,225,726.58 | Own Funds (Trading Financial Assets & Other Non-current Financial Assets) |
| Accounts receivable financing | 159,509,608.70 | | | 205,555,108.68 | 159,509,608.70 | | | 205,555,108.68 | Own Funds (Receivables Financing) |
| Other equity instrument investments | 1,189,120,128.98 | | 2,424,661.95 | 3,766,245.00 | 94,362,927.43 | | | 1,100,948,108.50 | Own Funds (Investments in Other Equity Instruments) |
| Total | 1,639,298,039.21 | -2,099,606.60 | 2,424,661.95 | 546,897,699.54 | 631,767,180.53 | 0.00 | 0.00 | 1,555,728,943.76 | -- |

# VII. Major Asset and Equity Sales

## 1. Sale of Major Assets

☐ Applicable ☑Not Applicable

## 2. Sale of Major Equity Interests

☐ Applicable ☑Not Applicable

# VIII. 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 |
|---|---|---|---|---|---|---|
| Lepu ScienTech | Subsidiary | Technical development, technical consultation, technical services, and technology transfer in the field of shape - memory alloys and related medical materials and devices; engage in the import and export of goods and technologies | 324.294997 million | 2,279,067,518.34 | 1,973,183,899.76 | 329,705,338.78 |
| Lepu Pharmaceutical | Subsidiary | Production, research and development, and sales of powder injections, tablets, hard capsules, APIs, lyophilized powder injections, etc. | 55.00 million | 3,493,090,743.28 | 3,014,743,897.58 | 663,091,767.83 |
| 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 | 2,628,538,974.95 | 2,209,828,013.00 | 490,963,411.08 |

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 |
|---|---|---|
| Changzhou Ruisuosi Medical Equipment Co., Ltd. | Disposed of 100% of its equity | |
| Changzhou Ewote Medical Devices Co., Ltd. | Disposed of 100% of its equity | |
| Wuxi Bokang Medical Equipment Co., Ltd. | Disposed of 100% of its equity | |
| Beijing Guoyihui Health Technology Co., Ltd. | Disposed of 100% of its equity | |
| Lepu (Shanghai) Medical Devices Co., Ltd. | Deregister | |

1.During the reporting period, the operating revenue of Lepu ScienTech Technology increased by 32.36% year-on-year. As of June 30, 2025, the total assets of Lepu ScienTech Technology increased by 9.41% and the net assets decreased by 1.20% year-on-year respectively.

2.During the reporting period, the operating revenue of Lepu Pharmaceutical increased by 6.52% year-on-year. As of June 30, 2025, the total assets and net assets of Lepu Pharmaceutical increased by 8.22% and 7.64% year-on-year respectively.

3.During the reporting period, the operating revenue of Zhejiang Lepu Pharmaceutical decreased by 8.11% year-on-year. As of June 30, 2025, the total assets and net assets of Lepu Pharmaceutical increased by 2.16% and 8.10% year-on-year respectively.

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

## IX. Structured Entities Controlled by the Company

☐ Applicable ☑Not Applicable

## X. Risks Faced by the Company and Response Measures

(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. Environmental and Social Responsibility

## I. Changes in the company's directors, supervisors, and senior management personnel

| Name | Position | Type | Date | Reason |
|---|---|---|---|---|
| Wang Xinglin | Chairman of the Supervisory Board | Departure | May 9, 2025 | Personal Reasons |

## II. Profit distribution and capital reserve converted into share capital during the reporting period

| | |
|---|---|
| Number of bonus shares per 10 shares | 0 |
| Dividend per 10 shares (yuan) (tax inclusive) | 1.6275 |
| Number of capital reserve shares converted per 10 shares | 0 |
| Share capital base for the distribution proposal (shares) | 1,843,395,691 |
| Cash dividend amount (yuan) (tax inclusive) | 300,012,648.71 |
| Cash dividend amount through other methods (e.g., share repurchase) (yuan) | 0.00 |
| Total cash dividends (including other methods) (yuan) | 300,012,648.71 |
| Distributable profit (yuan) | 353,791,109.14 |
| Proportion of total cash dividends (including other methods) to total profit distribution | 100.00% |
| Details of this cash dividend distribution: | |
| If the company is in its growth stage with significant capital expenditure plans, the proportion of cash dividends in the current profit distribution must be at least 20%. | |
| Detailed explanation of the profit distribution or capital reserve capitalization plan: | |
| In the first half of 2025, the company achieved operating revenue of 3,369,384,556.21 yuan, net profit attributable to shareholders of the listed company of 690,925,899.89 yuan, and net profit of the parent company of 393,101,232.38 yuan.<br><br>In accordance with the Company Law and the provisions of the Articles of Association, 10% of the parent company’s net profit for the first half of 2025, amounting to 39,310,123.23 yuan, was allocated as statutory surplus reserves. The distributable profit for the half-year was 353,791,109.14 yuan.<br><br>The company proposes to distribute cash dividends to all shareholders at a rate of RMB 1.6275 per 10 shares (tax inclusive), based on the total number of shares on the equity distribution record date (excluding shares held in the company’s repurchase-specific securities account). No bonus shares will be issued, and no capital reserve will be converted into share capital.<br><br>As of the board meeting date, the company’s total share capital was 1,880,611,391 shares, and 37,215,700 shares had been repurchased through centralized bidding transactions via the share repurchase securities account. Based on the total share capital minus the repurchased shares, the preliminary total cash dividend amount is 300,012,648.71 yuan (tax inclusive).<br><br>If the share capital changes 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 RMB 1.6275 per 10 shares (tax inclusive) ratio. | |

## III. Implementation of the Company’s Equity Incentive Plans, Employee Stock Ownership Plans, or Other Employee Incentive Measures

During the reporting period, the Company had no equity incentive plans, employee stock ownership plans, or other employee incentive measures in place or under implementation

## IV. Environmental Information Disclosure Status

Whether the listed company and its major subsidiaries are included in the list of enterprises required to disclose environmental information in accordance with the law

| **Number of enterprises included in the list (units)** | | 4 |
|---|---|---|
| No. | **Enterprise Names** | **Query Index for Environmental Information Disclosure Reports** |
| 1 | Zhejiang Lepu Pharmaceutical Co., Ltd. | Zhejiang Provincial Department of Ecology and Environment (https://mlzj.sthjt.zj.gov.cn/eps) – Enterprise Environmental Information Disclosure System |
| 2 | Lepu Pharmaceutical Technology Co., Ltd. | Zhejiang Provincial Department of Ecology and Environment (https://mlzj.sthjt.zj.gov.cn/eps) – Enterprise Environmental Information Disclosure System |
| 3 | Lepu Pharmaceutical (Beijing) Co., Ltd. | Enterprise Environmental Information Disclosure System (Beijing) (https://hjxxpl.bevoice.com.cn:8002/home) |
| 4 | Lepu Pharmaceutical Co., Ltd. | Enterprise Environmental Information Disclosure System (Henan) (http://222.143.24.250:8247/home/home) |

## V. Social Responsibility

The company has consistently adhered to the mission of creating value for society, patients, and employees since its inception. Its core values—integrity, gratitude, respect, understanding, collaboration, and sharing—reflect a deep integration of social responsibility into corporate culture. By establishing a robust responsibility management system, all management departments and functional units operate under clear guidelines, fulfilling their respective roles while collaborating cohesively. This framework ensures alignment between stakeholder needs and expectations and the company's management and operations. Through this approach, the company maintains safe, efficient, compliant, and harmonious operations while comprehensively embedding social responsibility across all levels of the organization.

In terms of products and services, the company is committed to maximizing value for its clients through high-quality medical products and comprehensive services. By establishing a robust and responsive customer service mechanism, the company maintains real-time monitoring of market dynamics for its products, swiftly addressing client needs while serving patients to enhance satisfaction. This approach cultivates a virtuous cycle that elevates customer loyalty and fosters a sustainable ecosystem for corporate growth.

Lepu Medical has integrated environmental protection as a critical component of its sustainable development strategy, emphasizing the fulfillment of environmental responsibilities and actively implementing environmentally friendly and resource-efficient development principles. The company strictly adheres to the requirements of the *Environmental Protection Law of the People's Republic of China* and proactively controls environmental risks, including emissions of pollutants such as waste gas, wastewater, and industrial residues. By continually upholding its commitment to eco-friendly and resource-conserving practices, Lepu Medical aims to achieve goals such as cost reduction, minimized resource depletion, environmental preservation, and pollution prevention. These efforts align with the company's mission to foster sustainable, stable, and progressive societal development through cleaner operations and responsible stewardship.

In terms of talent development, Lepu Medical champions and implements a people-oriented philosophy, consistently regarding employee well-being and sense of accomplishment as core drivers of corporate productivity, and considering the realization of employees' personal value a key indicator of its success. As an enterprise dedicated to achieving extraordinary endeavors, Lepu remains committed to creating value for its employees, aiming to empower them to build fulfilling careers, accumulate wealth, and enjoy a joyful life. By maximizing their potential and providing innovative opportunities and a supportive environment, the company fosters a culture where employees thrive while advancing the organization's mission.

In the realm of social responsibility, "Technology Caring for Life" is not only the core mission of Lepu Medical but also a reflection of its corporate culture and commitment to social accountability. Since its inception, the company has consistently adhered to its commitment to giving back to society through compassion and actively engaging in philanthropic initiatives. By leveraging its technological and resource advantages, Lepu Medical focuses on three key areas—enhancing primary healthcare, contributing through charitable donations, and supporting children's welfare—to actively serve communities and improve public health and medical care standards.

The company is dedicated to advancing primary healthcare by fully leveraging its strengths in the healthcare industry. Through training programs, free medical clinics, patient education initiatives, and the dissemination of advanced medical equipment and innovative concepts, Lepu Medical strives to make accessible, high-quality medical services available to more healthcare institutions and patients. This approach ensures that cutting-edge medical solutions benefit underserved populations while fostering long-term improvements in community health outcomes.

# Section V. Major Matters

## I. 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 | September 18, 2009 | No specified commitment period, to be fulfilled during Mr. Pu Zhongjie's | Being fulfilled normally |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | 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. Within six months after Mr. Pu Zhongjie's resignation, our company will not transfer the shares we hold in the company. | | tenure | |
| Whether the Commitments Are Fulfilled on Time | yes | | | | | |
| If the Commitments Are Not Fulfilled on Time and Have Expired, the Specific Reasons for Non-fulfillment and the Next-step Work Plan Should Be Detailed | none | | | | | |

## II. Non-operational Fund Occupancy by Controlling Shareholders and Other Related Parties

During the reporting period, there were no instances of non-operational fund occupancy by controlling shareholders or other related parties of the listed company.

## III. Illegal External Guarantees

The company had no illegal external guarantees during the reporting period.

## IV. Appointment and Dismissal of Accounting Firms

Whether the semi-annual financial report has been audited:

☐ Yes ☑ No
The company’s semi-annual report was unaudited.

## V. Explanation by the Board of Directors, Supervisory Board, and Audit Committee Regarding

☐ Applicable ☑ Not Applicable

## VI. Board of Directors' Explanation Regarding "Non-Standard Audit Reports" from the Previous Year

☐ Applicable ☑ Not Applicable

## VII. Matters Related to Bankruptcy Reorganization

☐ Applicable ☑ Not Applicable
No bankruptcy reorganization matters occurred during the reporting period.

## VIII. Litigation Matters

Major Litigation and Arbitration Matters:
☐ Applicable ☑ Not Applicable
The company had no major litigation or arbitration matters during the reporting period.

Other Litigation Matters:
☐ Applicable ☑Not Applicable

## IX. Penalties and Rectification

☐ Applicable ☑ Not Applicable
The company faced no penalties or rectification requirements during the reporting period.

## X. Integrity Status of the Company and Its Controlling Shareholders or Actual Controllers

☐ Applicable ☑ Not Applicable

## XI.. Significant Related-Party Transactions

### 1. Related-Party Transactions Related to Daily Operations:

☐ Applicable ☑ Not Applicable
No related-party transactions related to daily operations occurred during the reporting period.

### 2. Related-Party Transactions Involving Asset or Equity Acquisitions or Sales:

☐ Applicable ☑ Not Applicable
No related-party transactions involving asset or equity acquisitions or sales occurred during the reporting period.

### 3. Related-Party Transactions Involving Joint External Investments:

☐ Applicable ☑ Not Applicable
No related-party transactions involving joint external investments occurred during the reporting period.

### 4. Related-Party Debt and Credit Transactions:

☐ Applicable ☑ Not Applicable
公 No related-party debt or credit transactions occurred during the reporting period.

### 5. Transactions with Related Financial Companies:

☐ Applicable ☑ Not Applicable
公 The company and its related financial companies, as well as the financial companies controlled by the company, had no deposits, loans, credit extensions, or other financial dealings with related parties.

### 6. Transactions Between the Company's Controlled Financial Companies and Related Parties:

☐ Applicable ☑ Not Applicable
No deposits, loans, credit extensions, or other financial dealings occurred between the financial companies controlled by the company and related parties.

### 7. Other Significant Related-Party Transactions:

☐ Applicable ☑ Not Applicable
No other significant related-party transactions occurred during the reporting period.

## XII. Significant Contracts and Their Performance

### 1. Trusteeship, Contracting, and Leasing Matters

☐ Applicable ☑ Not Applicable

### 2. Significant Guarantees

☐ Applicable ☑ Not Applicable

## XIII. Explanation of Other Significant Matters

1. On February 24, 2025, the company's stock price triggered the downward adjustment clause for the conversion price of "Lepu Convertible Bond 2." The Board of Directors held its 13th meeting of the 6th session and reviewed and approved the *Proposal on Not Adjusting Downward the Conversion Price of "Lepu Convertible Bond 2,"* deciding not to downwardly adjust the conversion price of "Lepu Convertible Bond 2." Furthermore, from February 26, 2025, to August 25, 2028, even if the downward adjustment clause is triggered again, no downward adjustment proposal will be submitted. (Announcement No.: 2025-006)
2. In April 2025, the company's self-developed coronary scoring balloon catheter received registration approval from the National Medical Products Administration (NMPA), with the registration certificate number: Guo Xie Zhun 20253030679. (Announcement No.: 2025-008)
3. In June 2025, the company's self-developed polylactic acid facial filler received registration approval from the National Medical Products Administration (NMPA), with the registration certificate number: Guo Xie Zhun 20253131101. (Announcement No.: 2025-051)

4. On May 19, 2025, the company's convertible bond "Lepu Convertible Bond 2" began the put option process due to the activation of the conditional put clause. The put option was completed on May 26, 2025, and the results were disclosed. For details, please refer to the *Announcement on the Put Option of "Lepu Convertible Bond 2"* (Announcement No.: 2025-039) and the *Announcement on the Results of the Put Option of "Lepu Convertible Bond 2"* (Announcement No.: 2025-050) disclosed on the CNINFO website

## XIV. Significant Matters of the Company's Subsidiaries

1. In May 2025, the company's subsidiary, Shanghai Minwei Biotechnology Co., Ltd., received the *Drug Clinical Trial Approval Notice* issued by the National Medical Products Administration (NMPA), approving the clinical trial application for MWN109 tablets submitted by Minwei Biotechnology. (Announcement No.: 2025-036)

# Section VI. Change of Shares and Information of Shareholders

## I. Changes in shares

### 1. Changes in shares

Unit: share

| | Prior to the change | | Increase/decrease in the change | | | | | After the change | |
|---|---|---|---|---|---|---|---|---|---|
| | Number | Proportion | Shares newly issued | Number | Proportion | Shares newly issued | Number | Proportion | Shares newly issued |
| I. Shares subject to sales restriction | 264,574,537 | 14.07% | | | | -61,875 | -61,875 | 264,512,662 | 14.07% |
| Shares held by the state | | | | | | | | | |
| 2. Shares held by state legal persons | | | | | | | | | |
| 3. Shares held by other domestic subjects | 171,598,087 | 9.12% | | | | -61,875 | -61,875 | 171,536,212 | 9.12% |
| Including: shares held by domestic legal persons | | | | | | | | | |
| Shares held by domestic natural persons | 171,598,087 | 9.12% | | | | -61,875 | -61,875 | 171,536,212 | 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 | 92,976,450 | 4.94% | | | | 0 | 0 | 92,976,450 | 4.94% |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| legal persons | | | | | | | | | |
| Shares held by foreign natural persons | | | | | | | | | |
| II. Shares not subject to sales restriction | 1,616,036,468 | 85.93% | 246 | | | 61,875 | 62,121 | 1,616,098,589 | 85.93% |
| 1. RMB ordinary shares | 1,616,036,468 | 85.93% | 246 | | | 61,875 | 62,121 | 1,616,098,589 | 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 | 1,880,611,005 | 100.00% | 246 | | | 0 | 246 | 1,880,611,251 | 100.00% |

**Reasons for Share Capital Changes**

Lepu Convertible Bond 2 (Lepu Zhuan 2) entered the conversion period starting October 8, 2021. During the reporting period, 70 units of Lepu Zhuan 2 were reduced due to conversion, with 246 shares converted. As of June 30, 2025, 16,376,628 units of Lepu Zhuan 2 remain outstanding.

**Approval status of share 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.

Approved by the Shenzhen Stock Exchange, the company's RMB 1.638 billion convertible bonds were listed and traded on the Shenzhen Stock Exchange starting from April 19, 2021, under the bond abbreviation "Lepu Zhuan 2" with the bond code "123108." The convertible bonds have a term spanning 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 of senior management | During Ms. 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 | 217,500 | 54,375 | | 163,125 | 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 | 30,000 | 7,500 | | 22,500 | 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 | 264,574,537 | 61,875 | 0 | 264,512,662 | -- | -- |

## II. Securities Issuance and Listing Status

☐ Applicable ☑ Not Applicable

## III. Information on the Company's Controlling Shareholder

Unit: share

| Total number of common shareholders at the end of the reporting period | 100,055 | Total number of preferred shareholders recovering voting rights at the end of reporting period | 0 | Total number of shareholders holding | 0 |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| | | | | special voting shares (if any) | |

| Shareholding status of the top ten shareholders (excluding shares lent through transfer financing business) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Name of sharehol der(s) | Nature of sharehol der(s) | Sharehol ding ratio | Number of shares held | Number of shares held with restricte d conditio ns | Name of sharehol der(s) | Nature of sharehol der(s) | Pledge, marking or freezing information | |
| | | | | | | | Share status | Share status |
| Luoyang Ship Material Researc h Institute | State-owned legal person | 12.98% | 244,063,788 | 0 | 0 | 0 | / | 0 |
| PU Zhongjie | Domestic natural person | 12.13% | 228,074,749 | 0 | 171,056,062 | 57,018,687 | Pledge | 144,629,988 |
| 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 | 0 | / | 0 |
| Bank of China Limited - Huabao CSI Healthcare Sector ETF | Others | 2.32% | 43,721,118 | 724700 | 0 | 0 | / | 0 |
| Houde Yimin (Ningbo) Investment Management Co., Ltd. | Domestic non-state-owned legal person | 1.91% | 35,850,000 | 0 | 0 | 0 | / | 0 |
| Industrial and Commer | Others | 1.62% | 30,509,326 | -3255319 | 0 | 0 | / | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| cial Bank of China Limited - E Fund ChiNext ETF | | | | | | | | |
| Agricultural Bank of China Limited - CSI 500 ETF | Others | 1.04% | 19,559,240 | 1021900 | 0 | 0 | / | 0 |
| Hong Kong Securities Clearing Company Limited | Foreign legal person | 0.73% | 13,728,219 | -1787153 | 0 | 0 | / | 0 |
| Wang Yunyou | Domestic natural person | 0.58% | 10,971,033 | -1037600 | 0 | 0 | / | 0 |

| | |
|---|---|
| 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 | type |
| Luoyang Ship | 244,063,788 | A-shares | 244,063,788 |

| | | | |
|---|---|---|---|
| Material Research Institute | | | |
| 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 | 43,721,118 | A-shares | 43,721,118 |
| Houde Yimin (Ningbo) Investment Management Co., Ltd. | 35,850,000 | A-shares | 35,850,000 |
| WP MEDICAL TECHNOLOGIES, INC | 30,992,150 | A-shares | 30,992,150 |
| Industrial and Commercial Bank of China Limited - E Fund ChiNext ETF | 30,509,326 | A-shares | 30,509,326 |
| Agricultural Bank of China Limited - CSI 500 ETF | 19,559,240 | A-shares | 19,559,240 |
| Hong Kong Securities Clearing Company Limited | 13,728,219 | A-shares | 13,728,219 |
| Wang Yunyou | 10,971,033 | A-shares | 10,971,033 |
| 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 | | |

## IV. Changes in Shareholdings of Directors, Supervisors, and Senior Management

☐ Applicable ☑ Not Applicable

There were no changes in the shareholdings of the company's directors, supervisors, and senior management during the reporting period. For details, please refer to the 2024 Annual Report.

## V. Changes in Controlling Shareholders or Actual Controllers

☐ Applicable ☑ Not Applicable

## VI. Preferred Stock Related Matters

☐ Applicable ☑ Not Applicable

The company had no preferred stock during the reporting period.

# Section VII. Bonds

## I. Corporate Bonds

The company had no corporate bonds during the reporting period.

## II. Company Bonds

The company had no company bonds during the reporting period.

## III. Non-Financial Enterprise Debt Financing Instruments

The company had no non-financial enterprise debt financing instruments during the reporting period.

## IV. Convertible Corporate Bonds

### 1. Issuance Details of Convertible Bonds

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.

With the approval of the Shenzhen Stock Exchange, the company's 1.638 billion yuan convertible bonds were listed and traded on the Shenzhen Stock Exchange starting from April 19, 2021. The bond is abbreviated as "Lepu Convertible Bond 2" with the bond code "123108". The conversion period runs from October 8, 2021 to March 29, 2026.

As of June 30, 2025, 16,376,628 Lepu Zhuan2 bonds remained outstanding, representing a remaining convertible bond balance of RMB 1,637,662,800.

# Section VIII. Financial Report

## I. Audit Report

The company's semi-annual financial report has not been audited.

## II. Financial Statements

The unit of measurement in the financial statements and notes is: RMB yuan.

### 1. Consolidated Balance Sheet

Lepu Medical Technology (Beijing) Co., Ltd
2025.6.30

Unit: RMB

| Item | Ending balance | Beginning balance |
|---|---|---|
| Current assets: | | |
| Monetary capital | 3,599,599,843.70 | 3,718,016,911.13 |
| Settlement reserves | | |
| Lending funds | | |
| Transactional financial assets | 204,725,726.58 | 274,862,862.96 |
| Derivative financial assets | | |
| Notes receivable | 70,271,089.73 | 116,747,820.08 |
| Accounts receivable | 1,979,528,767.88 | 1,530,657,231.48 |
| Receivables financing | 205,555,108.68 | 159,509,608.70 |
| Advance payment | 272,206,107.85 | 226,737,694.48 |
| Premiums receivable | | |
| Reinsurance accounts receivable | | |
| Reserves for reinsurance contract receivable | | |
| Other receivables | 135,201,763.86 | 114,401,883.63 |
| Wherein: Interests receivable | | |
| Dividends receivable | | |
| Redemptory monetary capital for sale | | |
| Inventories | 2,021,041,447.09 | 2,030,235,942.18 |
| Wherein: Data resource | | |
| Contract assets | | |
| Held-for-sale assets | | |
| Non-current assets due within one year | 513,833,438.36 | 33,010,145.09 |
| Other current assets | 221,580,073.41 | 232,101,603.89 |
| Total current assets | 9,223,543,367.14 | 8,436,281,703.62 |
| Non-current assets: | | |

| | | |
|---|---|---|
| Loan granted and advances | | |
| Creditor's right investments | | |
| Other creditor's right investments | | |
| Long-term receivables | 0.00 | 189,453.63 |
| Long-term equity investments | 1,206,329,960.77 | 1,189,771,189.43 |
| Other equity instrument investments | 1,100,948,108.49 | 1,086,887,464.61 |
| Other non-current financial assets | 44,500,000.00 | 26,500,000.00 |
| Investment property | 526,320,742.96 | 463,953,038.77 |
| Fixed assets | 3,784,447,192.17 | 3,991,276,420.92 |
| Construction in progress | 647,153,149.11 | 533,097,328.96 |
| Productive biological assets | | |
| Oil-and-gas assets | | |
| Right-of-use assets | 308,004,565.00 | 338,472,348.46 |
| Intangible assets | 2,044,312,616.72 | 2,018,616,893.91 |
| Wherein: Data resource | | |
| R&D expenses | 1,042,403,668.90 | 1,020,885,502.67 |
| Wherein: Data resource | | |
| Goodwill | 3,619,848,802.32 | 3,619,848,802.32 |
| Long-term unamortized expenses | 284,812,946.93 | 290,734,919.11 |
| Deferred income tax assets | 314,386,022.57 | 314,866,760.31 |
| Other non-current assets | 1,211,921,043.45 | 1,241,718,372.47 |
| Total non-current assets | 16,135,388,819.39 | 16,136,818,495.57 |
| Total assets | 25,358,932,186.53 | 24,573,100,199.19 |
| Current liabilities: | | |
| Short-term borrowings | 334,637,425.17 | 301,656,435.95 |
| Borrowings from the central bank | | |
| Borrowing fund | | |
| Trading financial liabilities | 596,109.36 | 93,983.38 |
| Derivative financial liabilities | | |
| Notes payable | 68,514,141.06 | 87,698,748.88 |
| Accounts payables | 745,770,538.12 | 709,454,994.52 |
| Advance receipt | | |
| Contract liabilities | 207,490,119.74 | 242,043,458.27 |
| Financial assets sold for repurchase | | |
| Deposits from customers and interbank | | |
| Acting trading securities | | |
| Acting underwriting securities | | |
| Employee compensations payable | 51,005,484.50 | 85,548,165.19 |
| Taxes payable | 143,141,192.59 | 135,655,297.65 |
| Other payables | 452,996,406.10 | 397,963,800.74 |
| Wherein: Interests payables | | |

| | | |
|---|---|---|
| Dividends payable | 34,784,043.66 | 3,071,231.31 |
| Fees and commissions payable | | |
| Reinsurance accounts payable | | |
| Held-for-sale liabilities | | |
| Non-current liabilities due within one year | 3,098,626,940.40 | 1,591,697,242.05 |
| Other current liabilities | 40,605,829.13 | 60,739,818.02 |
| Total current liabilities | 5,143,384,186.17 | 3,612,551,944.65 |
| Non-current liabilities: | | |
| Reserves for insurance contract | | |
| Long-term borrowings | 2,260,986,670.75 | 2,015,583,172.32 |
| Bonds payable | 0.00 | 1,608,915,230.87 |
| Wherein: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 228,627,589.20 | 251,912,745.16 |
| Long-term payables | | |
| Long-term payrolls payable | | |
| Estimated liabilities | | |
| Deferred profits | 127,347,671.18 | 137,907,778.27 |
| Deferred income tax liabilities | 199,175,623.63 | 205,793,013.00 |
| Other non-current liabilities | 0.00 | |
| Total non-current liabilities | 2,816,137,554.76 | 4,220,111,939.62 |
| Total liabilities | 7,959,521,740.93 | 7,832,663,884.27 |
| Owners' equities: | | |
| Share capital | 1,880,611,251.00 | 1,880,611,005.00 |
| Other equity instruments | 214,746,104.92 | 214,747,153.96 |
| Wherein: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserves | 3,577,632,706.47 | 3,533,592,427.30 |
| Minus: Treasury shares | 608,492,292.32 | 608,492,292.32 |
| Other comprehensive incomes | 45,998,002.47 | -41,347,794.62 |
| Special reserves | | |
| Surplus reserves | 787,909,316.71 | 787,909,316.71 |
| General risk reserves | | |
| Retained profits | 9,898,482,953.17 | 9,434,401,562.79 |
| Total equities attributable to the owners of the parent company | 15,796,888,042.42 | 15,201,421,378.82 |
| Minority equity | 1,602,522,403.18 | 1,539,014,936.10 |
| Total owners' equities | 17,399,410,445.60 | 16,740,436,314.92 |
| Total liabilities and owners' equities | 25,358,932,186.53 | 24,573,100,199.19 |

Legal representative: Pu Zhongjie Principal of accounting work: Wang Yong Person in charge of accounting: Li Yun

## 2. Balance sheet of parent company

Unit: RMB

| Item | Ending balance | Beginning balance |
|---|---|---|

| | | |
|---|---|---|
| Current assets: | | |
| Monetary capital | 900,268,571.07 | 1,253,790,384.38 |
| Transactional financial assets | | |
| Derivative financial assets | | |
| Notes receivable | | |
| Accounts receivable | 69,433,483.83 | 55,409,599.24 |
| Receivables financing | 2,810,708.59 | 2,097,526.20 |
| Advance payment | 51,636,607.50 | 14,615,721.04 |
| Other receivables | 2,758,106,589.06 | 2,231,671,775.43 |
| Wherein: Interests receivable | | |
| Dividends receivable | 171,864,000.00 | 49,472,656.25 |
| Inventories | 246,039,264.09 | 231,313,619.44 |
| Wherein: Data resource | | |
| Contract assets | | |
| Held-for-sale assets | | |
| Non-current assets due within one year | 117,793,684.93 | |
| Other current assets | 520,261.69 | 369,436.16 |
| Total current assets | 4,146,609,170.76 | 3,789,268,061.89 |
| Non-current assets: | | |
| Creditor's right investments | | |
| Other creditor's right investments | | |
| Long-term receivables | | |
| Long-term equity investments | 10,368,922,354.26 | 10,206,669,727.90 |
| Other equity instrument investments | 716,240,791.43 | 682,428,159.59 |
| Other non-current financial assets | 44,500,000.00 | 26,500,000.00 |
| Investment property | 37,032,074.31 | 38,059,103.37 |
| Fixed assets | 331,874,077.20 | 347,952,806.39 |
| Construction in progress | 1,091,935.58 | 4,017,626.13 |
| Productive biological assets | | |
| Oil-and-gas assets | | |
| Right-of-use assets | 10,624,856.10 | 14,915,635.08 |
| Intangible assets | 314,227,351.60 | 241,506,388.08 |
| Wherein: Data resource | | |
| R&D expenses | 207,404,847.63 | 267,705,289.85 |
| Wherein: Data resource | | |
| Goodwill | | |
| Long-term unamortized expenses | 51,687,276.63 | 54,584,176.31 |
| Deferred income tax assets | 29,343,158.71 | 40,440,771.86 |
| Other non-current assets | 869,105,576.81 | 740,007,796.89 |
| Total non-current assets | 12,982,054,300.26 | 12,664,787,481.45 |
| Deferred income tax assets | 17,128,663,471.02 | 16,454,055,543.34 |

| | | |
|---|---|---|
| Current liabilities: | | |
| Short-term borrowings | 202,067,916.67 | 105,553,915.27 |
| Trading financial liabilities | | |
| Derivative financial liabilities | | |
| Notes payable | | |
| Accounts payable | 185,517,034.29 | 154,947,256.99 |
| Advance receipt | | |
| Contract liabilities | 43,295,411.26 | 10,260,525.85 |
| Employee compensations payable | 1,614,137.22 | 1,743,422.29 |
| Taxes payable | 58,832,055.15 | 48,741,877.30 |
| Other payables | 1,842,726,534.29 | 1,755,031,523.83 |
| Wherein: Interests payables | | |
| Dividends payable | 1,626,800.00 | 1,626,800.00 |
| Held-for-sale liabilities | | |
| Non-current liabilities due within one year | 2,955,973,432.77 | 1,447,655,451.95 |
| Other current liabilities | 5,436,386.02 | 1,217,173.58 |
| Total current liabilities | 5,295,462,907.67 | 3,525,151,147.06 |
| Non-current liabilities: | | |
| Long-term borrowings | 1,281,879,128.23 | 999,943,191.00 |
| Bonds payables | 0.00 | 1,608,915,230.87 |
| Wherein: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 2,613,338.86 | 8,065,558.11 |
| Long-term payables | | |
| Long-term payrolls payable | | |
| Estimated liabilities | | |
| Deferred profits | 5,250,000.00 | 9,400,000.00 |
| Deferred income tax liabilities | | |
| Other non-current liabilities | | |
| Total non-current liabilities | 1,289,742,467.09 | 2,626,323,979.98 |
| Deferred income tax liabilities | 6,585,205,374.76 | 6,151,475,127.04 |
| Owners' equities: | | |
| Share capital | 1,880,611,251.00 | 1,880,611,005.00 |
| Other equity instruments | 214,746,104.92 | 214,747,153.96 |
| Wherein: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserves | 4,082,098,008.82 | 4,069,508,945.89 |
| Minus: Treasury shares | 608,492,292.32 | 608,492,292.32 |
| Other comprehensive incomes | 102,360,949.24 | 39,416,929.79 |
| Special reserves | | |
| Surplus reserves | 912,333,679.22 | 912,333,679.22 |
| Retained profits | 3,959,800,395.38 | 3,794,454,994.76 |
| Total owners' equities | 10,543,458,096.26 | 10,302,580,416.30 |

| | | |
|---|---|---|
| Total liabilities and owners' equities | 17,128,663,471.02 | 16,454,055,543.34 |

### 3. Consolidated profit statement

Unit: RMB

| Item | Semi-annual period in 2025 | Semi-annual period in 2024 |
|---|---|---|
| I. Total operating incomes | 3,369,384,556.21 | 3,383,886,554.54 |
| Wherein: Operating incomes | 3,369,384,556.21 | 3,383,886,554.54 |
| Interest incomes | | |
| Earned premiums | | |
| Incomes from service charges and commissions | | |
| II. Total operating costs | 2,565,093,395.65 | 2,586,484,750.06 |
| Wherein: Operating costs | 1,204,217,388.49 | 1,207,881,959.38 |
| Interest expenses | | |
| Handling fee and commission expenses | | |
| Surrender value | | |
| Net amount of compensation expenses | | |
| Withdrawal of net amount of insurance liability reserve | | |
| Policy dividends expenses | | |
| Reinsurance expenses | | |
| Taxes and surcharges | 43,699,453.96 | 44,492,993.66 |
| Selling expenses | 548,512,370.81 | 649,472,497.84 |
| Administrative expenses | 311,690,421.88 | 314,234,119.66 |
| R&D expenses | 394,921,539.53 | 356,150,203.71 |
| Financing expenses | 62,052,220.98 | 14,252,975.81 |
| Wherein: Interest expenses | 88,577,130.33 | 87,167,026.14 |
| Interest incomes | 42,478,848.04 | 58,107,580.30 |
| Plus: Other incomes | 74,523,497.26 | 40,455,960.53 |
| Incomes from investments (the loss is expressed with "-") | -7,364,734.27 | -19,590,896.79 |
| Wherein: Return on investment in associated enterprises and joint ventures | 6,133,398.22 | -34,139,061.71 |
| Incomes from derecognition of financial assets measured at the amortized costs | | |
| Incomes from exchange (the loss is expressed with "-") | | |
| Income from net exposure hedging (the loss is expressed with "-") | | |
| Incomes from changes in fair value (the loss is expressed with "-") | -2,291,463.80 | 7,178,523.94 |

| | | |
|---|---|---|
| Losses from credit impairment (the loss is expressed with "-") | -22,482,960.93 | -16,923,707.26 |
| Losses from asset impairment(the loss is expressed with "-") | -5,865,343.49 | -18,401,396.19 |
| Incomes from asset disposal (the loss is expressed with "-") | -635,110.56 | 11,847,502.27 |
| III. Operating profit (the loss is expressed with "-") | 840,175,044.77 | 801,967,790.98 |
| Plus: Non-operating incomes | 3,789,501.31 | 8,181,536.72 |
| Minus: Non-operating expenses | 14,817,072.87 | 14,122,503.19 |
| IV. Total profits (the total loss is expressed with "-") | 829,147,473.21 | 796,026,824.51 |
| Minus: Income tax expenses | 129,779,939.02 | 106,018,680.32 |
| V. Net profit (the net loss is expressed in with "-") | 699,367,534.19 | 690,008,144.19 |
| (I) Classified by operation continuity | | |
| 1. Net profit from continuing operation (the net loss is expressed in with "-") | 699,367,534.19 | 690,008,144.19 |
| 2. Net profits from discontinuing operation (the net loss is expressed in with "-") | | |
| (II) Classification by ownership | | |
| 1. Net profit attributable to the shareholders of parent company (the net loss is expressed with "-") | 690,925,899.89 | 697,242,271.91 |
| 2. Minority shareholders' profit and loss (the net loss is expressed with "-") | 8,441,634.30 | -7,234,127.72 |
| VI. After-tax net amount of other comprehensive incomes | 107,289,444.54 | -115,074,143.11 |
| After-tax net amount of other comprehensive incomes attributable to the owners of the parent company | 109,359,677.84 | -98,317,628.09 |
| (I) Other comprehensive incomes that cannot be reclassified into profits and losses | 89,559,447.30 | -87,558,200.60 |
| 1. Re-measurement of the changed amount of the defined benefit plan | | |
| 2. Other comprehensive income that cannot be converted to profit or loss under the equity method | | |
| 3. Changes in fair value of other equity instrument investments | 89,559,447.30 | -87,558,200.60 |
| 4. Changes in fair value of enterprise credit risk | | |
| 5. Others | | |
| (II) Other comprehensive incomes that can be reclassified into profits and losses | 19,800,230.54 | -10,759,427.49 |
| 1. Other comprehensive income that can be converted to profit or loss under the equity method | 12,866.54 | 117,133.05 |

| | | |
|---|---|---|
| 2. Changes in fair value of other creditor's right investments | | |
| 3. Amounts of financial assets reclassified into other comprehensive incomes | | |
| 4. Credit impairment reserves of other creditor's right investments | | |
| 5. Cash flow hedging reserves | | |
| 6. Translation differences in foreign currency financial statements | 19,787,364.00 | -10,876,560.54 |
| 7. Others | | |
| After-tax net amount of other comprehensive incomes attributable to the minority shareholders | -2,070,233.30 | -16,756,515.02 |
| VII. Total comprehensive incomes | 806,656,978.73 | 574,934,001.08 |
| Total comprehensive incomes attributable to the owners of the parent company | 800,285,577.73 | 598,924,643.82 |
| Total comprehensive incomes attributable to minority shareholders | 6,371,401.00 | -23,990,642.74 |
| VIII. Earnings per share: | | |
| (I) Basic earnings per share | 0.3748 | 0.3766 |
| (II) Diluted earnings per share | 0.3748 | 0.3766 |

As for the business combination under the same control in the current period, the net profit achieved by the combined party before the combination is: 0, and the net profit achieved by the combined party for the last period is: 0.

Legal representative: Pu Zhongjie Principal of accounting work: Wang Yong Person in charge of accounting: Li Yun

### 4. Profit statement of parent company

Unit: RMB

| Item | Semi-annual period in 2025 | Semi-annual period in 2024 |
|---|---|---|
| I. Operating incomes | 809,642,673.80 | 796,747,526.72 |
| Minus: Operating costs | 262,555,871.50 | 262,242,070.13 |
| Taxes and surcharges | 11,071,915.63 | 11,461,626.74 |
| Selling expenses | 105,173,377.95 | 89,077,397.64 |
| Administrative expenses | 96,759,556.33 | 94,948,423.81 |
| R&D expenses | 52,147,476.12 | 69,027,857.82 |
| Financing expenses | 56,528,929.96 | 57,722,845.70 |
| Wherein: Interest expenses | 75,531,411.37 | 88,575,484.51 |
| Interest incomes | 19,826,598.09 | 30,642,920.29 |
| Plus: Other incomes | 17,901,706.20 | 5,603,515.96 |
| Incomes from investments (the loss is expressed with "-") | 186,042,125.32 | 134,607,117.98 |
| Wherein: Return on investment in associated enterprises and joint ventures | 14,147,405.32 | -28,027,982.59 |
| Incomes from derecognition of financial assets measured at the amortized costs | | |
| Income from net exposure | | |

| | | |
|---|---|---|
| hedging (the loss is expressed with "-") | | |
| Incomes from changes in fair value (the loss is expressed with "-") | | |
| Losses from credit impairment (the loss is expressed with "-") | -470,423.90 | 10,629,454.00 |
| Losses from asset impairment(the loss is expressed with "-") | -5,865,343.49 | -2,611,739.84 |
| Incomes from asset disposal (the loss is expressed with "-") | 96,365.47 | |
| II. Operating profit (the loss is expressed with "-") | 423,109,975.91 | 360,495,652.98 |
| Plus: Non-operating incomes | 95,319.81 | 259,619.07 |
| Minus: Non-operating expenses | 104,717.21 | 369,937.61 |
| III. Total profits (the total loss is expressed with "-") | 423,100,578.51 | 360,385,334.44 |
| Minus: Income tax expenses | 29,999,346.13 | 28,444,615.11 |
| IV. Net profit (the net loss is expressed in with "-") | 393,101,232.38 | 331,940,719.33 |
| (I) Net profit from continuing operation (the net loss is expressed in with "-") | 393,101,232.38 | 331,940,719.33 |
| (II) Net profits from discontinuing operation (the net loss is expressed in with "-") | | |
| V. After-tax net amount of other comprehensive incomes | 84,046,577.95 | -17,966,126.74 |
| (I) Other comprehensive incomes that cannot be reclassified into profits and losses | 84,033,711.41 | -18,083,259.79 |
| 1. Re-measurement of the changed amount of the defined benefit plan | | |
| 2. Other comprehensive income that cannot be converted to profit or loss under the equity method | | |
| 3. Changes in fair value of other equity instrument investments | 84,033,711.41 | -18,083,259.79 |
| 4. Changes in fair value of enterprise credit risk | | |
| 5. Others | | |
| (II) Other comprehensive incomes that can be reclassified into profits and losses | 12,866.54 | 117,133.05 |
| 1. Other comprehensive income that can be converted to profit or loss under the equity method | 12,866.54 | 117,133.05 |
| 2. Changes in fair value of other creditor's right investments | | |
| 3. Amounts of financial assets reclassified into other comprehensive incomes | | |
| 4. Credit impairment reserves of other creditor's right investments | | |
| 5. Cash flow hedging reserves | | |

| | | |
|---|---|---|
| 6. Translation differences in foreign currency financial statements | | |
| 7. Others | | |
| VI. Total comprehensive incomes | 477,147,810.33 | 313,974,592.59 |
| VII. Earnings per share: | | |
| (I) Basic earnings per share | | |
| (II) Diluted earnings per share | | |

### 5. Consolidated cash flow statement

Unit: RMB

| Item | Semi-annual period in 2025 | Semi-annual period in 2024 |
|---|---|---|
| I. Cash flow generated from operating activities: | | |
| Cash received from sales of goods and provision of labor services | 2,966,941,637.60 | 3,128,917,177.65 |
| Net increase of deposits from customers and other banks | | |
| Net increase in borrowings from the central bank | | |
| Net increase in borrowing funds from other financial institutions | | |
| Cash received from the original insurance contract premium | | |
| Net cash received from reinsurance premiums | | |
| Net increase in policy holder deposits and investment funds | | |
| Cash collected from interests, service charges and commissions | | |
| Net increase in borrowing funds | | |
| Net capital increase of repurchase business | | |
| Net cash received from vicariously traded securities | | |
| Refund of taxes and dues received | 32,710,291.26 | 62,634,050.27 |
| Other cash received related to operating activities | 137,251,903.29 | 92,514,739.67 |
| Subtotal of cash inflows from operating activities | 3,136,903,832.15 | 3,284,065,967.59 |
| Cash paid for purchase of goods and acceptance of labor services | 765,602,690.72 | 948,281,434.76 |
| Net increase in customer loans and advances | | |
| Net increase of deposits in central bank and other banks | | |
| Cash paid for indemnity of original insurance contract | | |
| Net increase in lending funds | | |
| Cash paid for interests, service charges and commissions | | |

| | | |
|---|---|---|
| Cash paid for policy dividends | | |
| Cash paid to and for employees | 838,137,550.36 | 977,633,617.30 |
| All taxes and dues paid | 391,568,024.00 | 560,061,209.60 |
| Other cash paid related to operating activities | 505,231,018.96 | 639,203,690.92 |
| Subtotal of cash outflows from operating activities | 2,500,539,284.04 | 3,125,179,952.58 |
| Net cash flow generated from operating activities | 636,364,548.11 | 158,886,015.01 |
| II. Cash flow generated from investing activities: | | |
| Cash received from withdrawing investment | 444,922,364.68 | 187,176,385.37 |
| Cash received from obtaining incomes from investment | 44,550,427.14 | 8,081,061.02 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 1,304,563.31 | 29,835,717.03 |
| Net cash received from disposal of subsidiaries and other business units | 15,341,435.70 | 15,250,149.21 |
| Other cash received related to investing activities | 7,500,000.00 | 12,235,724.68 |
| Subtotal of cash inflows from investing activities | 513,618,790.83 | 252,579,037.31 |
| Net cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets | 305,153,455.94 | 374,339,929.63 |
| Cash paid for investments | 793,944,355.98 | 480,980,471.92 |
| Net increase in pledged loans | | |
| Net cash paid for disposal of subsidiaries and other business entities | | 20,344,849.89 |
| Other cash paid related to investing activities | 56,937,334.12 | 199,105,705.45 |
| Subtotal of cash outflows from investing activities | 1,156,035,146.04 | 1,074,770,956.89 |
| Net cash flow generated from investing activities | -642,416,355.21 | -822,191,919.58 |
| III. Cash flow generated from financing activities: | | |
| Cash received from attracting investment | 96,142,857.00 | |
| Wherein: Cash received by subsidiaries from absorbing investments from minority shareholders | 96,142,857.00 | |
| Cash received from obtaining borrowings | 1,280,017,893.39 | 2,032,257,211.50 |
| Other cash received related to financing activities | 17,664,617.64 | 34,404,358.37 |
| Subtotal of cash inflows from financing activities | 1,393,825,368.03 | 2,066,661,569.87 |
| Cash paid for the repayment of debts | 1,104,618,230.00 | 1,108,011,200.00 |
| Cash paid for the distribution of dividends and profits or the repayment of interests | 327,797,233.27 | 676,513,781.64 |
| Wherein: Dividends and profits paid to minority shareholders by subsidiaries | 535,343.75 | |

| | | |
|---|---|---|
| Other cash paid related to financing activities | 52,571,415.78 | 261,369,105.53 |
| Subtotal of cash outflows from financing activities | 1,484,986,879.05 | 2,045,894,087.17 |
| Net cash flow generated from financing activities | -91,161,511.02 | 20,767,482.70 |
| IV. Influence of fluctuation in exchange rate on cash and cash equivalents | 645,343.25 | 2,887,826.88 |
| V. Net increase amount in cash and cash equivalents | -96,567,974.87 | -639,650,594.99 |
| Plus: Balance of cash and cash equivalents at the beginning of the period | 3,614,399,635.42 | 4,099,954,989.87 |
| VI. Balance of cash and cash equivalents at the end of the period | 3,517,831,660.55 | 3,460,304,394.88 |

## 6. Cash flow statement of parent company

Unit: RMB

| Item | Semi-annual period in 2025 | Semi-annual period in 2025 |
|---|---|---|
| I. Cash flow generated from operating activities: | | |
| Cash received from sales of goods and provision of labor services | 885,243,111.96 | 887,392,013.46 |
| Refund of taxes and dues received | 699,218.03 | 646,734.19 |
| Other cash received related to operating activities | 35,037,036.61 | 15,944,240.96 |
| Subtotal of cash inflows from operating activities | 920,979,366.60 | 903,982,988.61 |
| Cash paid for purchase of goods and acceptance of labor services | 168,778,256.99 | 103,602,289.77 |
| Cash paid to and for employees | 217,758,089.56 | 251,488,576.86 |
| All taxes and dues paid | 117,618,510.78 | 130,507,562.60 |
| Other cash paid related to operating activities | 124,243,119.92 | 135,634,370.44 |
| Subtotal of cash outflows from operating activities | 628,397,977.25 | 621,232,799.67 |
| Net cash flow generated from operating activities | 292,581,389.35 | 282,750,188.94 |
| II. Cash flow generated from investing activities: | | |
| Cash received from attracting investment | 227,818,681.22 | 13,744,624.49 |
| Cash received from obtaining incomes from investment | 76,229,666.15 | 4,514,549.53 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 1,159,000.00 | |
| Net cash received from disposal of subsidiaries and other business units | 1,450,000.00 | 258,850,404.62 |
| Other cash received related to financing activities | | 186,045,223.75 |
| Subtotal of cash inflows from financing activities | 306,657,347.37 | 463,154,802.39 |
| Net cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets | 22,181,105.34 | 6,318,426.16 |

| | | |
|---|---|---|
| Cash paid for investments | 475,000,000.00 | 72,000,000.00 |
| Net cash paid for disposal of subsidiaries and other business entities | 141,939,083.00 | 245,718,725.00 |
| Other cash paid related to investing activities | 27,642,857.00 | 44,890,000.00 |
| Subtotal of cash outflows from investing activities | 666,763,045.34 | 368,927,151.16 |
| Net cash flow generated from investing activities | -360,105,697.97 | 94,227,651.23 |
| III. Cash flow generated from financing activities: | | |
| Cash received from obtaining borrowings | 1,157,000,000.00 | 1,576,000,000.00 |
| Subtotal of cash inflows from financing activities | 1,157,000,000.00 | 1,576,000,000.00 |
| Cash paid for the repayment of debts | 885,301,000.00 | 882,011,200.00 |
| Cash paid for the distribution of dividends and profits or the repayment of interests | 308,534,898.50 | 672,635,859.38 |
| | 242,883,113.85 | 550,936,023.06 |
| Subtotal of cash outflows from financing activities | 1,436,719,012.35 | 2,105,583,082.44 |
| Net cash flow generated from financing activities | -279,719,012.35 | -529,583,082.44 |
| IV. Influence of fluctuation in exchange rate on cash and cash equivalents | -29,082.48 | 319,390.41 |
| V. Net increase amount in cash and cash equivalents | -347,272,403.45 | -152,285,851.86 |
| Plus: Balance of cash and cash equivalents at the beginning of the period | 1,229,650,020.73 | 1,158,662,551.05 |
| VI. Balance of cash and cash equivalents at the end of the period | 882,377,617.28 | 1,006,376,699.19 |

## 7. Consolidated statement of changes in owners' equities

Amount of the current period

Unit: RMB

| Item | Semi-annual period in 2025 | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equities attributable to the owners of the parent company | | | | | | | | | | | | | Minority equity | Total owners' equities |
| | Share capital | Other equity instruments | | | Capital reserves | Minus: Treasury shares | Other comprehensive incomes | Special reserves | Surplus reserves | General risk reserves | Retained profits | Others | Subtotal | | |
| | | Preferred shares | Perpetual bonds | Others | | | | | | | | | | | |
| I. Year-end balance of the last 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 |
| Plus: Changes in | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| accounting policies | | | | | | | | | | | | | | | |
| Early error correction | | | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | | | |
| II. Beginning balance of the current 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 |
| III. Increase/decrease in the current period (the decrease is expressed with "-") | 246.00 | | | -1,049.04 | 44,040,279.17 | | 87,345,797.09 | | | | 464,081,390.38 | | 595,466,663.60 | 63,507,467.08 | 658,974,130.68 |
| (I) Total comprehensive incomes | | | | | | | 109,359,677.84 | | | | 690,925,899.89 | | 800,285,577.73 | 6,371,401.00 | 806,656,978.73 |
| (II) Invested and reduced capitals of the owner | 246.00 | | | -1,049.04 | 37,196,838.00 | | | | | | | | 37,196,034.96 | 89,384,222.18 | 126,580,257.14 |
| 1. Ordinary shares invested by the owners | | | | | | | | | | | | | | | |
| 2. Invested capital of other equity instruments holders | 246.00 | | | -1,049.04 | 7,508.81 | | | | | | | | 6,705.77 | | 6,705.77 |
| 3. Amount of share-based payment included into owners' equities | | | | | 17,718,365.35 | | | | | | | | 17,718,365.35 | 2,009,823.17 | 19,728,188.52 |
| 4. Others | | | | | 19,470,963.84 | | | | | | | | 19,470,963.84 | 87,374,399.01 | 106,845,362.85 |
| (III) Profit distribution | | | | | | | | | | | -248,858,390.26 | | -248,858,390.26 | -32,248,156.10 | -281,106,546.36 |
| 1. Withdrawal surplus | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| reserves | | | | | | | | | | | | | | | |
| 2. Withdraw of general risk reserves | | | | | | | | | | | | | | | |
| 3. Distribution to owners (or shareholders) | | | | | | | | | | | -248,858,390.26 | | -248,858,390.26 | -32,248,156.10 | -281,106,546.36 |
| 4. Others | | | | | | | | | | | | | | | |
| (IV) Internal carry-over of owners' equities | | | | | | | -22,013,880.75 | | | | 22,013,880.75 | | | | |
| 1. Paid-in capital (or share capital) transferred from capital reserves | | | | | | | | | | | | | | | |
| 2. Paid-in capital (or share capital) transferred from surplus reserves | | | | | | | | | | | | | | | |
| 3. Surplus reserves offsetting loss | | | | | | | | | | | | | | | |
| 4. Retained incomes of the changed amount carry-over in the defined benefit plan | | | | | | | | | | | | | | | |
| 5. Retained earnings of the carry-over in other comprehensive incomes | | | | | | | -22,013,880.75 | | | | 22,013,880.75 | | | | |
| 6. Others | | | | | | | | | | | | | | | |
| (V) Special reserves | | | | | | | | | | | | | | | |
| 1. Withdrawal in the current period | | | | | | | | | | | | | | | |
| 2. Use in the current period | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (VI) Others | | | | | 6,843,441.17 | | | | | | | | 6,843,441.17 | | 6,843,441.17 |
| IV. Ending balance of the current period | 1,880,611,251.00 | | | 214,746,104.92 | 3,577,632,706.47 | 608,492,292.32 | 45,998,002.47 | | 787,909,316.71 | | 9,898,482,953.17 | | 15,796,888,042.42 | 1,602,522,403.18 | 17,399,410,445.60 |

Amount of the previous year

Unit: RMB

| Item | Semi-annual period in 2024 | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equities attributable to the owners of the parent company | | | | | | | | | | | | | Minority equity | Total owners' equities |
| | Share capital | Other equity instruments | | | Capital reserves | Minus: Treasury shares | Other comprehensive incomes | Special reserves | Surplus reserves | General risk reserves | Retained profits | Others | Subtotal | | |
| | | 优先股 | 永续债 | 其他 | | | | | | | | | | | |
| I. Year-end balance of the 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 |
| Plus: Changes in accounting policies | | | | | | | | | | | | | | | |
| Early error correction | | | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | | | |
| II. Beginning balance of the current 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 in the current period (the decrease is expressed with "-") | 206.00 | | | -2,242.32 | 53,525,000.39 | 124,858,286.48 | -100,356,397.60 | | | | 86,588,808.74 | | -85,102,911.27 | 28,203,098.00 | -56,899,813.27 |
| (I) Total comprehensive incomes | | | | | | | -98,317,628.09 | | | | 697,242,271.91 | | 598,924,643.82 | -23,990,642.74 | 574,934,001.08 |
| (II) Invested | 206.00 | | | -2,24 | 16,519,6 | 124,858, | | | | | | | -108, | 81,841,2 | -26,4 |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| and reduced capitals of the owner | | | | 2.32 | 43.42 | 286.48 | | | | | | | 340,679.38 | 39.09 | 99,440.29 |
| 1. Ordinary shares invested by the owners | | | | | | | | | | | | | | | |
| 2. Invested capital of other equity instruments holders | 206.00 | | | -2,242.32 | 7,121.35 | | | | | | | | 5,085.03 | | 5,085.03 |
| 3. Amount of share-based payment included into owners' equities | | | | | 26,902,661.94 | | | | | | | | 26,902,661.94 | 3,083,665.36 | 29,986,327.30 |
| 4. Others | | | | | -10,390,139.87 | 124,858,286.48 | | | | | | | -135,248,426.35 | 78,757,573.73 | -56,490,852.62 |
| (III) Profit distribution | | | | | | | | | | | -612,692,232.68 | | -612,692,232.68 | -29,647,498.35 | -642,339,731.03 |
| 1. Withdrawal surplus reserves | | | | | | | | | | | | | | | |
| 2. Withdraw of general risk reserves | | | | | | | | | | | | | | | |
| 3. Distribution to owners (or shareholders) | | | | | | | | | | | -612,692,232.68 | | -612,692,232.68 | -29,647,498.35 | -642,339,731.03 |
| 4. Others | | | | | | | | | | | | | | | |
| (IV) Internal carry-over of owners' equities | | | | | | | -2,038,769.51 | | | | 2,038,769.51 | | | | |
| 1. Paid-in capital (or share capital) transferred from capital reserves | | | | | | | | | | | | | | | |
| 2. Paid-in capital (or share capital) | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| transferred from surplus reserves | | | | | | | | | | | | | | | |
| 3. Surplus reserves offsetting loss | | | | | | | | | | | | | | | |
| 4. Retained incomes of the changed amount carry-over in the defined benefit plan | | | | | | | | | | | | | | | |
| 5. Retained earnings of the carry-over in other comprehensive incomes | | | | | | | -2,038,769.51 | | | | 2,038,769.51 | | | | |
| 6. Others | | | | | | | | | | | | | | | |
| (V) Special reserves | | | | | | | | | | | | | | | |
| 1. Withdrawal in the current period | | | | | | | | | | | | | | | |
| 2. Use in the current period | | | | | | | | | | | | | | | |
| (VI) Others | | | | | 37,005,356.97 | | | | | | | | 37,005,356.97 | | 37,005,356.97 |
| IV. Ending balance of the current period | 1,880,610,558.00 | | | 214,748,806.19 | 3,518,190,904.22 | 555,923,164.15 | -181,249,261.34 | | 732,541,206.45 | | 10,282,080,002.67 | | 15,890,999,052.04 | 1,549,656,255.29 | 17,440,655,307.33 |

## 8. Statement of changes in owners' equities of parent company

Amount of the current period

Unit: RMB

| Item | Semi-annual period in 2025 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Other equity instruments | | | Capital reserves | Minus: Treasury shares | Other comprehensive incomes | Special reserves | Surplus reserves | Retained profits | Others | Total owners' equities |
| | | 优先股 | 永续债 | 其他 | | | | | | | | |
| I. Year-end | 1,880,611,0 | | | 214,747,15 | 4,069,508,9 | 608,492,29 | 39,416,929. | | 912,333,67 | 3,794,454,9 | | 10,302,580, |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| balance of the last year | 05.00 | | | 3.96 | 45.89 | 2.32 | 79 | | 9.22 | 94.76 | | 416.30 |
| Plus: Changes in accounting policies | | | | | | | | | | | | |
| Early error correction | | | | | | | | | | | | |
| Others | | | | | | | | | | | | |
| II. Beginning balance of the current 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 |
| III. Increase/decrease in the current period (the decrease is expressed with "-") | 246.00 | | | -1,049.04 | 12,589,062.93 | 0.00 | 62,944,019.45 | | 0.00 | 165,345,400.62 | | 240,877,679.96 |
| (I) Total comprehensive incomes | | | | | | | 84,046,577.95 | | | 393,101,232.38 | | 477,147,810.33 |
| (II) Invested and reduced capitals of the owner | 246.00 | | | -1,049.04 | 7,204,934.93 | 0.00 | | | | | | 7,204,131.89 |
| 1. Ordinary shares invested by the owners | | | | | | | | | | | | |
| 2. Invested capital of other equity instruments holders | 246.00 | | | -1,049.04 | 7,508.81 | | | | | | | 6,705.77 |
| 3. Amount of share-based payment included into owners' equities | | | | | 7,197,426.12 | | | | | | | 7,197,426.12 |
| 4. Others | | | | | | 0.00 | | | | | | 0.00 |
| (III) Profit distribution | | | | | | | | | 0.00 | -248,858,390.26 | | -248,858,390.26 |
| 1. Withdrawal surplus | | | | | | | | | 0.00 | 0.00 | | |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| reserves | | | | | | | | | | | | | |
| 2. Distribution to owners (or shareholders) | | | | | | | | | | -248,858,390.26 | | -248,858,390.26 |
| 3. Others | | | | | | | | | | | | | |
| (IV) Internal carry-over of owners' equities | | | | | | | -21,102,558.50 | | | 21,102,558.50 | | |
| 1. Paid-in capital (or share capital) transferred from capital reserves | | | | | | | | | | | | | |
| 2. Paid-in capital (or share capital) transferred from surplus reserves | | | | | | | | | | | | | |
| 3. Surplus reserves offsetting loss | | | | | | | | | | | | | |
| 4. Retained incomes of the changed amount carry-over in the defined benefit plan | | | | | | | | | | | | | |
| 5. Retained earnings of the carry-over in other comprehensive incomes | | | | | | | -21,102,558.50 | | | 21,102,558.50 | | |
| 6. Others | | | | | | | | | | | | | |
| (V) Special reserves | | | | | | | | | | | | | |
| 1. Withdrawal in the current period | | | | | | | | | | | | | |
| 2. Use in the current period | | | | | | | | | | | | | |
| (VI) Others | | | | | 5,384,128.00 | | | | | | | 5,384,128.00 |
| IV. Ending | 1,880, | | | 214,7 | 4,082, | 608,4 | 102,3 | | 912,3 | 3,959, | | 10,54 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| balance of the current period | 611,251.00 | | | 46,104.92 | 098,008.82 | 92,292.32 | 60,949.24 | | 33,679.22 | 800,395.38 | | 3,458,096.26 |

Amount of the last period

Unit: RMB

| Item | Semi-annual period in 2024 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Other equity instruments | | | Capital reserves | Minus: Treasury shares | Other comprehensive incomes | Special reserves | Surplus reserves | Retained profits | Others | Total owners' equities |
| | | 优先股 | 永续债 | 其他 | | | | | | | | |
| I. Year-end balance of the 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 |
| Plus: Changes in accounting policies | | | | | | | | | | | | |
| Early error correction | | | | | | | | | | | | |
| Others | | | | | | | | | | | | |
| II. Beginning balance of the current 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 |
| III. Increase/decrease in the current period (the decrease is expressed with "-") | 206.00 | | | -2,242.32 | 45,874,022.34 | 124,858,286.48 | -17,966,126.74 | | | -280,751,513.35 | | -377,703,940.55 |
| (I) Total comprehensive incomes | | | | | | | -17,966,126.74 | | | 331,940,719.33 | | 313,974,592.59 |
| (II) Invested and reduced capitals of the owner | 206.00 | | | -2,242.32 | 9,037,872.01 | 124,858,286.48 | | | | | | -115,822,450.79 |
| 1. Ordinary shares invested by the owners | | | | | | | | | | | | |
| 2. Invested capital of other equity instruments | 206.00 | | | -2,242.32 | 7,121.35 | | | | | | | 5,085.03 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| holders | | | | | | | | | | | | |
| 3. Amount of share-based payment included into owners' equities | | | | | 9,030,750.66 | | | | | | | 9,030,750.66 |
| 4. Others | | | | | | 124,858,286.48 | | | | | | -124,858,286.48 |
| (III) Profit distribution | | | | | | | | | | -612,692,232.68 | | -612,692,232.68 |
| 1. Withdrawal surplus reserves | | | | | | | | | | | | |
| 2. Distribution to owners (or shareholders) | | | | | | | | | | -612,692,232.68 | | -612,692,232.68 |
| 3. Others | | | | | | | | | | | | |
| (IV) Internal carry-over of owners' equities | | | | | | | | | | | | |
| 1. Paid-in capital (or share capital) transferred from capital reserves | | | | | | | | | | | | |
| 2. Paid-in capital (or share capital) transferred from surplus reserves | | | | | | | | | | | | |
| 3. Surplus reserves offsetting loss | | | | | | | | | | | | |
| 4. Retained incomes of the changed amount carry-over in the defined benefit plan | | | | | | | | | | | | |
| 5. Retained earnings of the carry- | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| over in other comprehensive incomes | | | | | | | | | | | | |
| 6. Others | | | | | | | | | | | | |
| (V) Special reserves | | | | | | | | | | | | |
| 1. Withdrawal in the current period | | | | | | | | | | | | |
| 2. Use in the current period | | | | | | | | | | | | |
| (VI) Others | | | | | 36,836,150.33 | | | | | | | 36,836,150.33 |
| IV. Ending balance of the current period | 1,880,610,558.00 | | | 214,748,806.19 | 4,069,980,521.61 | 555,923,164.15 | 40,456,242.79 | | 856,965,568.96 | 3,876,126,688.93 | | 10,382,965,222.33 |

## III. Basic Information of the Company

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 of June 30, 2025, the total cumulative issued share capital of the company was 1,880,611,251.00 shares, with a registered capital of RMB 1,880.610488 million. As of the date of approval of this report, the industrial and commercial registration changes are still in progress.

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 August 21, 2025.

For details of the scope of the consolidated financial statements and changes during the reporting period, please refer to Note "9. Changes in the Scope of Consolidation" and Note "10. Interests in Other Entities" in these notes.

## IV. 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 the end of the reporting period, the Company did not have any material uncertain eventuality that may prejudice the Company’s ability to continue as a going concern.

## V. 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 June 30，2025 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 June 30, 2025, 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. Materiality Criteria Determination Method and Selection Basis**

| Item | Materiality Criteria |
|---|---|
| Material notes receivable with specific provision for bad debts | The Company considers notes receivable with an individual amount exceeding 0.5% of total assets as material. |
| Material accounts receivable with specific provision for bad debts | The Company considers accounts receivable with an individual amount exceeding 0.5% of total assets as material. |
| Material write-offs of accounts receivable in the current period | The Company considers accounts receivable with an individual amount exceeding 0.5% of total assets as material. |
| Prepayments aged over one year and material | The Company considers prepayments with an individual amount exceeding 0.5% of total assets as material. |
| Material other receivables with specific provision for bad debts | The Company considers other receivables with an individual amount exceeding 0.5% of total assets as material. |
| Material construction in progress | The Company considers construction in progress with a significant investment budget, or where the current-period amount or balance exceeds 10% of the scale of fixed assets, as material. |
| Accounts payable aged over one year or overdue and material | The Company considers accounts payable with an individual amount exceeding 0.5% of total assets as material. |
| Contract liabilities aged over one year and material | The Company considers contract liabilities with an individual amount exceeding 0.5% of total assets as material. |
| Other payables aged over one year or overdue and material | The Company considers other payables with an individual amount exceeding 0.5% of total assets as material. |
| Material cash flows from investing activities | The Company considers individual cash flow amounts exceeding 5% of total assets as material. |
| Material capitalized R&D projects | The Company considers capitalized R&D projects with a year-end balance exceeding 0.5% of total assets as material. |
| Material externally acquired in-process R&D projects | The Company considers externally acquired in-process R&D projects with an individual amount exceeding 0.5% of total assets as material. |
| Material commitments | The Company considers events such as restructuring and mergers & acquisitions as material. |
| Material contingent liabilities | The Company considers obligations that are highly likely to arise as material. |
| Material events after the reporting period | The Company considers profit distribution events occurring after the reporting period as material. |

**6. 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.

**7. 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.

**8. 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.

**9. 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.

**10. 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.

**11. 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 lose. The financial asset is subsequently measured at fair value, where the changes in fair value are included in profit or lose.

(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.

**12. Contract Assets**

(1) Recognition Method and Criteria for Contract Assets

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the fulfillment of performance obligations and customer payments. The Company recognizes as contract assets the right to consideration for goods transferred or services rendered to customers, where such right is conditional on factors other than the passage of time. Contract assets and contract liabilities under the same contract are presented on a net basis. The Company’s unconditional right (dependent solely on the passage of time) to receive consideration from customers is presented separately as receivables.

(2) Determination Method and Accounting Treatment for Expected Credit Losses on Contract Assets
For details, refer to "Note 5.11(6) – Measurement Method and Accounting Treatment for Financial Asset Impairment" in these notes.

**13. 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.

**14. Assets held for sale**

Non-current assets or disposal groups are classified as held for sale when their carrying amounts are expected to be recovered principally through sale (including non-monetary asset exchanges with commercial substance) rather than through continuing use.

The Company classifies a non-current asset or disposal group as held for sale if the following conditions are met:(1) The asset or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets or disposal groups; (2) The sale is highly probable, meaning that the Company has committed to a plan to sell and has obtained a firm purchase commitment, and the sale is expected to be completed within one year. If the sale is subject to approval by the Company’s relevant authorities or regulatory bodies, such approval has been obtained.

For non-current assets (excluding financial assets, deferred tax assets, and assets arising from employee benefits) or disposal groups classified as held for sale, if the carrying amount exceeds the fair value less costs to sell, the carrying amount is written down to fair value less costs to sell. The amount of the write-down is recognized as an impairment loss in the current period, and a provision for impairment of assets held for sale is recorded accordingly.

**15. 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.

**16. 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.

**17. 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% |

**18. 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 | (1) The main construction project and supporting works have been substantially completed; (2) The construction project meets the predetermined design requirements, and the acceptance is completed by the survey, design, construction, supervision and other units; (3) Accepted by external departments such as fire Bureaub, land Bureaub, and planning Bureaub; (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. |
| Machines and equipment that need to be installed and commissioned | (1) Relevant equipment and other supporting facilities have been installed; (2) The equipment can be debugged to maintain normal and stable operation for a period of time; (3) The production equipment can produce qualified products stably for a period of time; (4) The equipment has been accepted by asset management personnel and user personnel. |

**19. 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.

**20. 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 and 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.

**21. 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 carries 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.

**22. 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.

**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 the 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.

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. Other financial instruments such as preferred shares and perpetual 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 "V. (11) 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 "V. (11) Financial Instruments" on the modification or re-agreement of the contract.

### 32. Changes in Significant Accounting Policies and Accounting Estimates

(1) Changes in Significant Accounting Policies
☐ Applicable ☒ Not Applicable

(2) Changes in Significant Accounting Estimates
☐ Applicable ☒ Not Applicable

(3) Adjustments to Relevant Items in the Opening Financial Statements for the Year of Initial Application of New Accounting Standards Effective from 2025
☐ Applicable ☒ Not Applicable

## VI. 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% |
| 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% |

**2.Tax incentives**

**(1) Preferential corporate income tax policies**

(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 2025.

(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 2025.

(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 2025.

(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 2025.

(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 2025.

(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 2025.

(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 2025.

(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 2025.

(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 2025.

(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 2025.

(11)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 2025.

(12)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 2025.

(13)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 2025.

(14)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 2025.

(15)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 2025.

(16)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 2025.

(17)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 2025.

(18)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 2025.

(19)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 2025.

(20)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 2025.

(21)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 2025.

(22)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 2025.

(23)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 2025.

(24)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 2025.

(25)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 2025.

(26)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 2025.

(27)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 2025.

(28)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 2025.

(29)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 2025.

(30)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 2025.

(31)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 2025.

(32)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 2025.

(33)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 2025.

(34)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 2025.

(35)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 2025.

(36) 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 2025.

**(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.

## VII. Notes to the Consolidated Financial Statements

### 1. Cash at bank and on hand

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Cash on hand | 1,020,877.43 | 684,399.93 |
| Bank deposits | 3,520,659,091.98 | 3,631,783,778.17 |
| Other monetary funds | 77,919,874.29 | 85,548,733.03 |
| Total | 3,599,599,843.70 | 3,718,016,911.13 |
| Including: cash at bank and on hand deposited overseas | 242,527,822.64 | 162,809,171.43 |

### 2. Financial assets held-for-trading

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Financial assets at fair value through profit or loss | 204,725,726.58 | 274,862,862.96 |
| Including: | | |
| Wealth management products | 204,725,726.58 | 274,862,862.96 |
| Including: | | |
| Total | 204,725,726.58 | 274,862,862.96 |

### 3. Notes receivable

#### (1) Notes receivable by category

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Bank acceptance notes | 70,271,089.73 | 115,905,403.42 |
| Trade acceptance notes | | 842,416.66 |
| Total | 70,271,089.73 | 116,747,820.08 |

#### (2)Notes receivable pledged at the end of the reporting period

Unit: RMB

| Item | Amount pledged |
|---|---|
| Bank acceptance notes | 2,504,373.92 |
| Total | 2,504,373.92 |

#### (3) Outstanding endorsed or discounted notes unmatured at the end of the reporting period

Unit: RMB

| Item | Amount derecognized at the end of the period | Amount not derecognized at end of period |
|---|---|---|
| Bank acceptance notes | | 20,311,583.48 |
| Total | | 20,311,583.48 |

## 4. Accounts receivable

### (1)Ageing analysis of accounts receivable

Unit: RMB

| Ageing | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Within 1 year | 1,592,022,750.11 | 1,148,461,716.82 |
| 1-2 years | 270,786,500.60 | 275,301,222.87 |
| 2-3 years | 135,099,433.07 | 112,682,264.88 |
| Over 3 years | 187,773,484.86 | 180,387,896.66 |
| 3-4 years | 43,532,882.06 | 58,645,194.62 |
| 4-5 years | 50,829,071.26 | 39,857,785.36 |
| Over 5 years | 93,411,531.54 | 81,884,916.68 |
| Total | 2,185,682,168.64 | 1,716,833,101.23 |

### (2) Accounts receivable by method of bad debt provision

Unit: RMB

| Type | 2025.6.30 | | | | | 2024.12.31 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 0.09% | 2,027,715.40 | 100.00% | | 2,027,715.40 | 0.12% | 2,027,715.40 | 100.00% | |
| Including: | | | | | | | | | | |
| Provision for bad debts made on a grouping basis | 2,183,654,453.24 | 99.91% | 204,125,685.36 | 9.35% | 1,979,528,767.88 | 1,714,805,385.83 | 99.88% | 184,148,154.35 | 10.74% | 1,530,657,231.48 |
| Including: | | | | | | | | | | |
| Expected credit loss of grouping basis 1 | 2,062,632,917.22 | 94.37% | 186,759,938.89 | 9.05% | 1,875,872,978.33 | 1,633,439,149.84 | 95.14% | 169,207,636.71 | 10.36% | 1,464,231,513.13 |
| Expected credit loss of grouping basis 2 | 121,021,536.02 | 5.54% | 17,365,746.47 | 14.35% | 103,655,789.55 | 81,366,235.99 | 4.74% | 14,940,517.64 | 18.36% | 66,425,718.35 |
| Total | 2,185,682,168.64 | 100.00% | 206,153,400.76 | | 1,979,528,767.88 | 1,716,833,101.23 | 100.00% | 186,175,869.75 | | 1,530,657,231.48 |

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

Unit: RMB

| Name | 2025.6.30 |
|---|---|

| | Accounts receivable | Provision for bad debts | Percentage(%) |
|---|---|---|---|
| Within 1 year | 1,480,624,396.44 | 7,403,121.98 | 0.50% |
| 1-2 years | 265,491,652.55 | 26,549,165.26 | 10.00% |
| 2-3 years | 135,099,433.07 | 27,019,886.61 | 20.00% |
| 3-4 years | 43,210,356.41 | 12,963,106.92 | 30.00% |
| 4-5 years | 50,764,841.26 | 25,382,420.63 | 50.00% |
| Over 5 years | 87,442,237.49 | 87,442,237.49 | 100.00% |
| Total | 2,062,632,917.22 | 186,759,938.89 | |

Unit: RMB

| Name | 2025.6.30 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | Percentage(%) |
| Expected credit loss of grouping basis 2 | 121,021,536.02 | 17,365,746.47 | 14.35% |
| Total | 121,021,536.02 | 17,365,746.47 | |

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

Unit: RMB

| Type | 2024.12.31 | Change in the year | | | | 2025.6.30 |
|---|---|---|---|---|---|---|
| | | Provision accrued and reversed | Increase in business combinations | Offset or written off | Other Movements | |
| Expected credit loss of grouping basis | 184,148,154.35 | 21,225,246.13 | | 570,625.71 | -677,089.41 | 204,125,685.36 |
| Provision for bad debts | 2,027,715.40 | | | | | 2,027,715.40 |
| Total | 186,175,869.75 | 21,225,246.13 | | 570,625.71 | -677,089.41 | 206,153,400.76 |

### (4)Accounts receivable written off during the reporting periods

Unit: RMB

| Item | Amount |
|---|---|
| Written-off | 570,625.71 |

## 5. Receivable financing

### (1) Presentation of receivables financing classification

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Notes receivable | 205,555,108.68 | 159,509,608.70 |
| Total | 205,555,108.68 | 159,509,608.70 |

### (2) Receivable financing pledged by the Company at the end of the period

Unit: RMB

| Item | Amount pledged at the end of the period |
|---|---|

| | |
|---|---|
| Notes receivable | 57,739,214.34 |
| Total | 57,739,214.34 |

### (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

Unit: RMB

| Item | Amounts derecognized at the end of the period | Amounts not derecognized at the end of the period |
|---|---|---|
| Notes receivable | 89,611,058.14 | |
| Total | 89,611,058.14 | |

### 6. Other receivables

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Other receivables | 135,201,763.86 | 114,401,883.63 |
| Total | 135,201,763.86 | 114,401,883.63 |

### (1) Other receivables

### 1) Ageing analysis:

Unit: RMB

| Aging | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Within 1 year | 90,053,838.90 | 75,624,723.61 |
| 1-2 years | 16,451,344.99 | 9,370,427.77 |
| 2-3 years | 5,581,375.10 | 7,257,339.15 |
| Over 3 years | 203,696,778.48 | 201,533,509.55 |
| 3-4 years | 11,702,133.29 | 10,098,997.46 |
| 4-5 years | 34,623,726.39 | 34,296,233.73 |
| Over 5 years | 157,370,918.80 | 157,138,278.36 |
| Total | 315,783,337.47 | 293,786,000.08 |

### 3) Other receivables by method of bad debt provision

Unit: RMB

| Type | 2025.6.30 | | | | | 2024.12.31 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 individu | 129,805,890.71 | 41.11% | 129,805,890.71 | 100.00% | 0.00 | 129,805,890.71 | 44.18% | 129,805,890.71 | 100.00% | 0.00 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| al basis | | | | | | | | | | |
| Including: | | | | | | | | | | |
| Provision for bad debts made on a grouping basis | 185,977,446.77 | 58.89% | 50,775,682.91 | 27.30% | 135,201,763.86 | 163,980,109.37 | 55.82% | 49,578,225.74 | 30.23% | 114,401,883.63 |
| Including: | | | | | | | | | | |
| Expected credit loss of grouping basis1 | 179,057,400.92 | 56.70% | 50,549,680.31 | 28.23% | 128,507,720.61 | 162,060,165.42 | 55.16% | 49,566,234.39 | 30.59% | 112,493,931.03 |
| Expected credit loss of grouping basis 2 | 6,920,045.85 | 2.19% | 226,002.60 | 3.27% | 6,694,043.25 | 1,919,943.95 | 0.65% | 11,991.35 | 0.62% | 1,907,952.60 |
| Total | 315,783,337.48 | 100.00% | 180,581,573.62 | | 135,201,763.86 | 293,786,000.08 | 100.00% | 179,384,116.45 | | 114,401,883.63 |

receivables with provision for bad debts on a grouping basis:

The project 1 of collective assessment:

Unit: RMB

| Name | 2025.6.30 | | |
|---|---|---|---|
| | Other receivables | Provision for bad debts | Percentage(%) |
| Within 1 year | 85,017,015.98 | 420,935.49 | 0.50% |
| 1-2 years | 16,319,887.65 | 1,631,988.76 | 10.00% |
| 2-3 years | 5,278,592.46 | 1,055,718.49 | 20.00% |
| 3-4 years | 11,002,917.98 | 3,300,875.39 | 30.00% |
| 4-5 years | 34,597,649.39 | 17,298,824.70 | 50.00% |
| Over 5 years | 26,841,337.47 | 26,841,337.47 | 100.00% |
| Total | 179,057,400.92 | 50,549,680.31 | |

The project 2 of collective assessment:

Unit: RMB

| Name | 2025.6.30 | | |
|---|---|---|---|
| | Other receivables | Provision for bad debts | Percentage(%) |
| The project 2 of collective assessment: | 6,920,045.85 | 226,002.60 | 3.27% |
| Total | 6,920,045.85 | 226,002.60 | |

Provision for bad debt

Unit: RMB

| 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 (2025.1.1 ) | 49,578,225.74 | | 129,805,890.71 | 179,384,116.45 |

| | | | | |
|---|---|---|---|---|
| Beginning balance for the current year 2025.1.1) | | | | |
| Provision made during the year | 1,257,714.80 | | | 1,257,714.80 |
| Written off during off the year | 16,666.96 | | | 16,666.96 |
| Other changes | -43,590.67 | | | -43,590.67 |
| Closing Balance(2025.6.30) | 50,775,682.91 | | 129,805,890.71 | 180,581,573.62 |

### 4) Provision, recovery, or reversal of bad debt reserves during the period.

Unit: RMB

| Type | 2024.12.31 | Change in the year | | | | 2025.6.30 |
|---|---|---|---|---|---|---|
| | | Accrued | Increased form consolidation | Offset or written off | Others | |
| Expected credit loss of grouping basis | 49,578,225.74 | 1,257,714.80 | | 16,666.96 | -43,590.67 | 50,775,682.91 |
| Provision for bad debts made on an individual basis | 129,805,890.71 | | | | | 129,805,890.71 |
| Total | 179,384,116.45 | 1,257,714.80 | | 16,666.96 | -43,590.67 | 180,581,573.62 |

### 5) Other receivables actually written off during the reporting period

Unit: RMB

| Item | Amount |
|---|---|
| Written-off | 16,666.96 |

### 7. repayments

### (1) Prepayments by aging

Unit: RMB

| Aging | 2025.6.30 | | 2024.12.31 | |
|---|---|---|---|---|
| | Amount | Percentage(%) | Amount | Percentage(%) |
| Within 1 year | 186,371,274.65 | 68.46% | 125,065,214.24 | 55.16% |
| 1-2 years | 20,906,874.93 | 7.68% | 26,471,222.36 | 11.67% |
| 2-3 years | 36,956,420.10 | 13.58% | 45,163,946.89 | 19.92% |
| Over 3 years | 27,971,538.17 | 10.28% | 30,037,310.99 | 13.25% |
| Total | 272,206,107.85 | | 226,737,694.48 | |

## 8. Inventories

### (1) Breakdown of inventories

Unit: RMB

| Type | 2025.6.30 | | | 2024.12.31 | | |
|---|---|---|---|---|---|---|
| | 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 | 754,548,346.92 | 1,407,997.06 | 753,140,349.86 | 753,507,540.96 | 5,394,156.40 | 748,113,384.56 |
| Work in progress | 353,938,897.37 | | 353,938,897.37 | 323,212,426.52 | | 323,212,426.52 |
| Finished goods | 961,838,209.89 | 47,876,010.03 | 913,962,199.86 | 1,008,457,865.42 | 49,547,734.32 | 958,910,131.10 |
| Total | 2,070,325,454.18 | 49,284,007.09 | 2,021,041,447.09 | 2,085,177,832.90 | 54,941,890.72 | 2,030,235,942.18 |

### (2) Provision for impairment of inventories and provision for impairment of contract performance cost

Unit: RMB

| Item | 2024.12.31 | Increase for the year | | Decrease for the year | | 2025.6.30 |
|---|---|---|---|---|---|---|
| | | Provision made | Others | Reversal or writing-off | Others | |
| Raw materials | 5,394,156.40 | 62,811.76 | | 4,048,971.10 | | 1,407,997.06 |
| Finished goods | 49,547,734.32 | 5,802,531.73 | | 7,315,760.35 | 158,495.67 | 47,876,010.03 |
| Total | 54,941,890.72 | 5,865,343.49 | | 11,364,731.45 | 158,495.67 | 49,284,007.09 |

## 9. Non-current assets due within one year

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Long-term receivables due within one year | 1,010,490.23 | 2,286,758.62 |
| Other Non-current Assets Due within One Year. | 512,822,948.13 | 30,723,386.47 |
| Total | 513,833,438.36 | 33,010,145.09 |

## 10. Other current assets

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Insurance | 1,071,782.28 | 844,260.00 |
| Advance Payment of Income Tax | 218,169,184.33 | 228,143,607.67 |
| Others | 2,339,106.80 | 3,113,736.22 |
| Total | 221,580,073.41 | 232,101,603.89 |

其他说明：

## 11. Investments in other equity instruments

Unit: RMB

| Item | 2024.12.31 | 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 | 2025.6.30 | Reasons for designation as at fair value through other comprehensive income |
|---|---|---|---|---|---|---|---|---|
| Changzhou Shanlan Medical Investment Partnership (Limited Partnership) | 29,910,079.03 | 6,067,321.40 | | | | | 25,536,981.48 | 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 | | | | | | 43,071,780.16 | Based on management's judgment |
| Shenzhen Hechuang Intelligent & Health Venture Capital Investment Fund (Limited Partnership) | 38,080,417.76 | | | | | | 38,080,417.76 | 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 | 45,000,000.00 | | | | | | 45,000,000.00 | Based on management's judgment |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Technology Co., Ltd. | | | | | | | | |
| Suzhou Danqing Phase II Innovative Pharmaceutical Industry Investment Partnership (Limited Partnership) | 29,993,642.64 | | | | | | 8,099,332.03 | Based on management's judgment |
| Shanghai Motang Medical Technology Co., Ltd. | 200,000.00 | | | | | | 200,000.00 | Based on management's judgment |
| Shanghai Shujia Medical Management Co., Ltd. | 10,000,000.00 | | | | | | 10,000,000.00 | Based on management's judgment |
| Chengdu Shengnuo Biotech Co., Ltd. | 135,332,240.00 | 98,509,425.04 | | 127,513,470.47 | | 580,720.00 | 195,412,280.00 | Based on management's judgment |
| Beijing Jingfeng Pharmaceutical (Shandong) Co., Ltd. | 39,000,000.00 | | | | | | 39,000,000.00 | Based on management's judgment |
| Beijing Ruiying Medical Technology Co., Ltd. | 20,000,000.00 | | | | | | 20,000,000.00 | Based on management's judgment |
| Hong Kong Profit Capital Holdings Limited | 109,982,520.00 | | 463,920.00 | 1,865,100.00 | | | 113,284,845.00 | Based on management's judgment |
| Inspirna,Inc("Inspirna") | 43,503,132.92 | | 180,345.17 | | 50,103,136.58 | | 43,322,787.75 | Based on management's judgment |
| CG Oncology,Inc.("CG") | 109,348,595.72 | 3,768,639.72 | | 934,691.19 | | | 105,064,043.13 | Based on management's judgment |
| Ikena Oncology,Inc("Ikena") | 1,542,363.52 | | 287,364.01 | | 5,458,969.28 | | 1,254,999.51 | Based on management's judgment |
| MeiraGTx, LLC("MeiraGTx") | 12,153,688.67 | 3,391,931.83 | | | | | | Based on management's judgment |
| Beam Therapeutics,Inc("Beam") | 19,877,363.68 | | 6,300,255.53 | 1,997,336.55 | | | 13,577,108.15 | Based on management's judgment |
| Oric Pharmaceuticals,Inc(" | 20,423,485.26 | 5,157,556.38 | | | 2,016,959.46 | | 25,581,041.64 | Based on management's |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Oric") | | | | | | | | judgment |
| Celero Systems, Inc("Celero") | 7,188,400.00 | | 29,800.00 | | 21,200.00 | | 7,158,600.00 | Based on management's judgment |
| Archimedes Vascular, Inc("Archimedes") | 1,797,100.00 | | 7,450.00 | | 4,825.00 | | 1,789,650.00 | 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 |
| BioLineRx, Ltd("BioLineRx") | 10,382,655.25 | | 4,968,413.36 | | 99,290,050.99 | | 5,414,241.88 | Based on management's judgment |
| Total | 1,086,887,464.61 | 116,894,874.37 | 12,237,548.07 | 132,310,598.21 | 156,895,141.31 | 580,720.00 | 1,100,948,108.49 | |

Termination was recognized in the current period.

Unit: RMB

| Item | Accumulated gains transferred to retained earnings | Accumulated losses transferred to retained earnings | Reasons for derecognition |
|---|---|---|---|
| Chengdu Shengnuo Biotech Co., Ltd. | 15,945,335.30 | | Disposal |
| Changzhou Shanlan Medical Investment Partnership (Limited Partnership) | 5,157,223.20 | | Disposal |
| MeiraGTx | | 3,344,729.76 | Disposal |
| CG | 4,256,052.01 | | Disposal |

## 12. Long-term receivables

### (1) Information on long-term receivables

Unit: RMB

| Item | 2025.6.30 | | | 2024.12.31 | | | 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 | 0.00 | | 0.00 | 189,453.63 | | 189,453.63 | 4.75%-4.90% |
| Total | 0.00 | | 0.00 | 189,453.63 | | 189,453.63 | |

## 13. Long-term equity investments

Unit: RMB

| Investee | 2024.12.31 | Impairment provision | Change for the year | | | | | | | | 2025.6.30 | Impairment provision |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Increase in invest | Decrease in invest | Investment gain or | Adjustment to | Other changes in | Declaration and | Provision of impair | Others | | |

| | | 2024.12.31 | ment | ment | loss recognized using equity method | other comprehensive income | equity | payment of cash dividend or profit | ment | | | 2025.6.30 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Affiliated enterprises | | | | | | | | | | | | |
| Beijing Bound-Assegai Technical and Trade Co., Ltd. | | 138,024,410.41 | | | | | | | | | | 138,024,410.41 |
| Beijing QS Medical Technology Co., Ltd. | 50,162,889.01 | | | | -2,356,000.77 | | 2,240,798.32 | | | | 50,047,686.56 | |
| Ruijian Medical | 170,755,778.15 | | | | 12,478,226.11 | | 2,655,530.11 | | | | 185,889,534.37 | |
| Ningbo Kaisheng Investment Management Center (Limited Partnership) | 260,228.11 | | | | | | | | | | 260,228.11 | |
| Ningbo Hengsheng Hengrui Investment Management Center (Limited Partnership) | 186,026.64 | | | | | | | | | | 186,026.64 | |
| Ningbo Jinyi Investment Management Center | 99,330.67 | | | | | | | | | | 99,330.67 | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (Limited Partnership) | | | | | | | | | | | | |
| Ningbo Meiunicom Investment Management Center (Limited Partnership) | 49,311.86 | | | | | | | | | | 49,311.86 | |
| StarCombo Pharma Limited | 18,779,313.74 | | | | 1,805,981.16 | | | | | 799,921.91 | 21,385,216.81 | |
| Lepu Biopharma Co., Ltd. | 92,561,961.49 | | | | 5,497,832.56 | 12,866.54 | 78,013.91 | | | | 98,150,674.50 | |
| Beijing Anpuer Technology Co., Ltd. | 450,154.69 | | | | -1,000.00 | | | | | | 449,154.69 | |
| Beijing Yuhengjia Technology Co., Ltd. | 47,613,270.70 | | | | -180,017.95 | | | | | | 47,433,252.75 | |
| Sino-US Huashitong Biomedical Technology (Wuhan) Co., Ltd. | 81,696,867.73 | | | | -7,760,406.09 | | 1,459,313.17 | | | | 75,395,774.81 | |
| Beijing Zhong'an Yisheng Medical Technology Co., Ltd. | 16,829,036.55 | | | | -313,620.65 | | | | | | 16,515,415.90 | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beijing Yuding Additive Manufacturing Research Institute Co., Ltd. | 93,985,883.79 | | | | -1,444,584.44 | | 356,298.41 | | | | 92,897,597.76 | |
| Xi'an Chaoqian Intelligent Technology Co., Ltd. | 34,280,094.87 | | | | -659,582.91 | | | | | | 33,620,511.96 | |
| Beijing Haijinge Medicine Technology Co., Ltd. | 137,688,910.43 | | | | 6,014,808.79 | | 53,487.25 | | | | 143,757,206.47 | |
| Tianjin Walkman Biomaterial Co., Ltd. | 250,457,717.95 | | | | -2,881,274.28 | | | | | | 247,576,443.67 | |
| Shenzhen Bone Medical Devices Co., Ltd. | 34,968,644.16 | | | | -779,919.22 | | | | | | 34,188,724.94 | |
| Xinyu Baiaotongda Biotechnology Co., Ltd. | 49,991,262.90 | | | 3,152,463.54 | 95,618.31 | | | 78,392.96 | | | 46,856,024.71 | |
| Hunan Pinxin Bioengineering Co., Ltd. | 79,463,103.34 | | | | -1,201,001.03 | | | | | | 78,262,102.31 | |
| Beijing Yuewei Medical Techn | 9,491,402.65 | | 6,000,000.00 | | -2,181,661.37 | | | | | | 13,309,741.28 | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ology Co., Ltd. | | | | | | | | | | | | |
| Zhongji Emergency Industry Co., Ltd. | 20,000,000.00 | | | | | | | | | | 20,000,000.00 | |
| Sub-total | 1,189,771,189.43 | 138,024,410.41 | 6,000,000.00 | 3,152,463.54 | 6,133,398.22 | 12,866.54 | 6,843,441.17 | 78,392.96 | | 799,921.91 | 1,206,329,960.77 | 138,024,410.41 |
| Total | 1,189,771,189.43 | 138,024,410.41 | 6,000,000.00 | 3,152,463.54 | 6,133,398.22 | 12,866.54 | 6,843,441.17 | 78,392.96 | | 799,921.91 | 1,206,329,960.77 | 138,024,410.41 |

## 14. Other non-current financial assets

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Suzhou Lepu Suyi Equity Investment Partnership (Limited Partnership) | 18,000,000.00 | |
| 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 | 44,500,000.00 | 26,500,000.00 |

## 15. Investment properties

### (1) Investment properties at cost method

Unit: RMB

| Item | Buildings | Land use rights | construction in progress | Total |
|---|---|---|---|---|
| 1.Original carrying amount | | | | |
| (1)2024.12.31 | 582,069,419.63 | 2,929,797.60 | | 584,999,217.23 |
| (2) Increase during the year | 73,215,608.84 | | | 73,215,608.84 |
| —Purchase | | | | |
| —Transfers from inventories/fixed assets/construction in progress | 73,215,608.84 | | | 73,215,608.84 |
| —Increase from business consolidations | | | | |
| | | | | |
| (3) Decrease during the year | | | | |
| —Disposals | | | | |

| | | | | |
|---|---|---|---|---|
| —Transfer to fixed assets | | | | |
| | | | | |
| (4) 2025.6.30 | 655,285,028.47 | 2,929,797.60 | | 658,214,826.07 |
| 2.Accumulated depreciation or amortization | | | | |
| (1) 2024.12.31 | 120,306,413.59 | 739,764.87 | | 121,046,178.46 |
| (2) Increase during the year | 10,808,765.17 | 39,139.48 | | 10,847,904.65 |
| —Provision made or amortization | 9,473,737.44 | 39,139.48 | | 9,512,876.92 |
| —Transfers from inventories/fixed assets/construction in progress | 1,335,027.73 | | | 1,335,027.73 |
| (3) Decrease during the year | | | | |
| —Disposals | | | | |
| —Transfer to fixed assets | | | | |
| | | | | |
| (4) 2025.6.30 | 131,115,178.76 | 778,904.35 | | 131,894,083.11 |
| 3.Provision for impairment | | | | |
| (1) 2024.12.31 | | | | |
| (2) Increase during the year | | | | |
| —Provision made | | | | |
| | | | | |
| (3) Decrease during the year | | | | |
| —Disposals | | | | |
| | | | | |
| (4) 2025.6.30 | | | | |
| 4.Carrying value | | | | |
| (1) Closing carrying value | 524,169,849.71 | 2,150,893.25 | | 526,320,742.96 |
| (2) Opening carrying value | 461,763,006.04 | 2,190,032.73 | | 463,953,038.77 |

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 30 June 2025, the investment real estate with a net value of RMB 257,531,701.65, the fixed assets of RMB 1,160,590,306.34 and the intangible assets of RMB 552,842,922.15 are still in mortgage status.

## 16. Fixed assets

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Fixed assets | 3,784,447,192.17 | 3,991,276,420.92 |
| Total | 3,784,447,192.17 | 3,991,276,420.92 |

### (1) Breakdown of fixed assets

Unit: RMB

| Item | Buildings | Machinery and equipment | Transportation equipment | Office & other equipment | 合计 |
|---|---|---|---|---|---|
| 1.Original carrying amount | | | | | |
| (1) 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) Increase during the year | 1,258,688.91 | 32,801,326.26 | 687,631.81 | 11,762,263.81 | 46,509,910.79 |
| —Purchases | 589,719.19 | 22,008,855.07 | 512,410.57 | 6,730,548.76 | 29,841,533.59 |
| —Transfers from construction in progress | 668,969.72 | 2,938,830.26 | 175,221.24 | 106,356.84 | 3,889,378.06 |
| —Additions due to business combinations involving entities not under common control | | | | | |
| —Transfers from inventories | | 7,853,640.93 | | 4,925,358.21 | 12,778,999.14 |
| (3) Decrease during the year | 73,215,608.84 | 16,445,067.40 | 3,085,119.67 | 4,641,935.59 | 97,387,731.50 |
| —Disposal or retirement | | 16,445,067.40 | 3,085,119.67 | 4,641,935.59 | 24,172,122.66 |
| —Transfers to investment properties | 73,215,608.84 | | | | 73,215,608.84 |
| (4) 2025.6.3 | 3,275,483,835.58 | 2,260,508,021.82 | 46,210,995.53 | 594,354,387.11 | 6,176,557,240.04 |
| 2.Accumulated depreciation | | | | | |
| (1) 2024.12.31 | 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 | 47,488,305.82 | 101,623,097.01 | 1,868,357.00 | 21,655,978.32 | 172,635,738.15 |
| —Provision made | 47,488,305.82 | 101,623,097.01 | 1,868,357.00 | 21,655,978.32 | 172,635,738.15 |
| | | | | | |
| (3) Decrease during the year | 1,335,027.73 | 9,610,294.15 | 2,757,133.83 | 2,981,874.40 | 16,684,330.11 |
| —Disposal or retirement | | 9,610,294.15 | 2,757,133.83 | 2,981,874.40 | 15,349,302.38 |
| —Transfers to investment | 1,335,027.73 | | | | 1,335,027.73 |

| | | | | | |
|---|---|---|---|---|---|
| properties | | | | | |
| (4) 2025.6.30 | 625,817,607.67 | 1,230,387,502.78 | 38,289,169.83 | 484,252,377.37 | 2,378,746,657.65 |
| 3.Provision for impairment | | | | | |
| (1) 2024.12.31 | 13,275,844.55 | 56,592.37 | | 30,953.30 | 13,363,390.22 |
| (2) Increase during the year | | | | | |
| — Provision made | | | | | |
| | | | | | |
| (3) Decrease during the year | | | | | |
| — Disposal or retirement | | | | | |
| | | | | | |
| (4) 2025.6.30 | 13,275,844.55 | 56,592.37 | | 30,953.30 | 13,363,390.22 |
| 4.Carrying value | | | | | |
| (1)Closing carrying value | 2,636,390,383.36 | 1,030,063,926.67 | 7,921,825.70 | 110,071,056.44 | 3,784,447,192.17 |
| (2)Opening carrying value | 2,754,500,581.38 | 1,105,720,470.67 | 9,430,536.73 | 121,624,832.14 | 3,991,276,420.92 |

## 17. Construction in progress

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Construction in progress | 647,153,149.11 | 533,097,328.96 |
| Total | 647,153,149.11 | 533,097,328.96 |

### (1) Breakdown of construction in progress

Unit: RMB

| Item | 2025.6.30 | | | 2024.12.31 | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for impairment | Carrying value | Book balance | Provision for impairment | Carrying value |
| Other engineering projects of Zhejiang Lepu Pharmaceutical Industry | 172,556,511.43 | | 172,556,511.43 | 166,717,392.91 | | 166,717,392.91 |
| Lepu Pharmaceutica20 billion tablets of solid pharmaceutical preparation workshop | 213,617,318.66 | | 213,617,318.66 | 195,588,714.39 | | 195,588,714.39 |
| Others | 260,979,319.02 | | 260,979,319.02 | 170,791,221.66 | | 170,791,221.66 |
| Total | 647,153,149.11 | | 647,153,149.11 | 533,097,328.96 | | 533,097,328.96 |

## 18. Right-of-use assets

### (1) Breakdown of right-of-use assets

Unit: RMB

| Item | Buildings and structures | Total |
|---|---|---|
| 1.Original carrying amount | | |
| (1) 2024.12.31 | 450,749,068.87 | 450,749,068.87 |
| (2) Increase for the year | 4,336,878.49 | 4,336,878.49 |
| —Increase in leases | 4,336,878.49 | 4,336,878.49 |
| (3) Decrease for the year | 14,315,424.89 | 14,315,424.89 |
| —Termination | 14,315,424.89 | 14,315,424.89 |
| (4) 2025.6.30 | 440,770,522.47 | 440,770,522.47 |
| 2.Accumulated depreciation | | |
| (1) 2024.12.31 | 112,276,720.41 | 112,276,720.41 |
| (2) Increase for the year | 32,183,543.97 | 32,183,543.97 |
| —Provision made | 32,183,543.97 | 32,183,543.97 |
| | | |
| (3) Decrease for the year | 11,694,306.91 | 11,694,306.91 |
| —Disposal | 11,694,306.91 | 11,694,306.91 |
| | | |
| (4) 2025.6.30 | 132,765,957.47 | 132,765,957.47 |
| 3.Provision for impairment | | |
| (1) 2024.12.31 | | |
| (2) Increase for the year | | |
| —Provision made | | |
| | | |
| (3) Decrease for the year | | |
| —Termination | | |
| | | |
| (4) 2025.6.30 | | |
| 4.Carrying value | | |
| (1)Closing carrying value | 308,004,565.00 | 308,004,565.00 |
| (2)Opening carrying value | 338,472,348.46 | 338,472,348.46 |

## 19. Intangible assets

### (1) Breakdown of intangible assets

Unit: RMB

| Item | Land use rights | Patent rights | Non-patent rights | Others | Total |
|---|---|---|---|---|---|
| 1.Original carrying amount | | | | | |
| (1) 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) Increase for the year | | 93,120,883.15 | 30,440,179.03 | 8,778,954.10 | 132,340,016.28 |
| —Purchase | | 11,500,000.00 | | 4,445,990.77 | 15,945,990.77 |
| — | | 81,620,883.15 | 30,440,179.03 | 4,332,963.33 | 116,394,025.51 |

| | | | | | |
|---|---|---|---|---|---|
| Internal research & development | | | | | |
| —Additions due to business combinations involving entities not under common control | | | | | |
| | | | | | |
| (3) Decrease for the year | | 44,557,540.32 | 3,200,000.00 | 12,393.16 | 47,769,933.48 |
| —Disposal | | 38,834.95 | | | 38,834.95 |
| —Lapsed and derecognised parts | | 44,518,705.37 | 3,200,000.00 | 12,393.16 | 47,731,098.53 |
| (4) 2025.6.30 | 1,178,260,965.75 | 948,729,056.92 | 1,002,626,544.05 | 267,250,233.18 | 3,396,866,799.90 |
| 2.Accumulated amortization | | | | | |
| (1) 2024.12.31 | 323,564,029.42 | 527,916,799.53 | 292,977,831.21 | 132,780,695.07 | 1,277,239,355.23 |
| (2) Increase for the year | 19,337,227.42 | 33,603,725.28 | 39,766,533.10 | 13,921,920.60 | 106,629,406.40 |
| —Provision made | 19,337,227.42 | 33,603,725.28 | 39,766,533.10 | 13,921,920.60 | 106,629,406.40 |
| | | | | | |
| (3) Decrease for the year | | 44,542,653.25 | 3,200,000.00 | 12,393.16 | 47,755,046.41 |
| —Disposal | | 23,947.88 | | | 23,947.88 |
| —Lapsed and derecognised parts | | 44,518,705.37 | 3,200,000.00 | 12,393.16 | 47,731,098.53 |
| (4) 2025.6.30 | 342,901,256.84 | 516,977,871.56 | 329,544,364.31 | 146,690,222.51 | 1,336,113,715.22 |
| 3.Provision for impairment | | | | | |
| (1) 2024.12.31 | | 650,811.61 | 15,789,656.35 | | 16,440,467.96 |
| (2) Increase for the year | | | | | |
| —Provision made | | | | | |
| | | | | | |
| (3) Decrease for the year | | | | | |
| —Disposal | | | | | |
| | | | | | |
| (4) 2025.6.30 | | 650,811.61 | 15,789,656.35 | | 16,440,467.96 |
| 4.Carrying value | | | | | |
| (1)Closing carrying value | 835,359,708.91 | 431,100,373.75 | 657,292,523.39 | 120,560,010.67 | 2,044,312,616.72 |
| (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 |

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 47.84%.

## 20. Goodwill

### (1) Book value of goodwill

Unit: RMB

| Investee Companies or matters forming goodwill | 2024.12.31 | Increase during the reporting period | | Decrease during the reporting period | | 2025.6.30 |
|---|---|---|---|---|---|---|
| | | Business combinations | Other increase | Disposal | Other decrease | |
| 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 Lepu Gene Technology Co., Ltd. | 41,946,887.47 | | | | | 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 |
| 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 |
| Liaoning Bo'ao Bio-pharmaceutical Co., Ltd. | 258,946,517.73 | | | | | 258,946,517.73 |
| 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 |
| 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 | 122,553,625.20 | | | | | 122,553,625.20 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Technology Co., Ltd. | | | | | | |
| 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 |
| Total | 3,878,764,994.17 | | | | | 3,878,764,994.17 |

## (2) Goodwill impairment provision

Unit: RMB

| Investee Companies or matters forming goodwill | 2024.12.31 | Increase during the reporting period | | Decrease during the reporting period | | 2025.6.30 |
|---|---|---|---|---|---|---|
| | | Provision | | Disposal | | |
| ComedB.V. | 18,585,245.77 | | | | | 18,585,245.77 |
| Lepu Pharmaceutical (Beijing) Co., Ltd | 35,889,505.24 | | | | | 35,889,505.24 |
| Beijing Star GK Medical Device Co., Ltd. | 60,186,381.16 | | | | | 60,186,381.16 |
| Lepu Medical Electronics | 47,855,359.94 | | | | | 47,855,359.94 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Technology Co., Ltd. | | | | | | |
| Suzhou Bonsmile Medical Technology Co., Ltd. | 92,734,119.69 | | | | | 92,734,119.69 |
| Lepu Medical Equipment(Beijing) Co., Ltd. | 3,665,580.05 | | | | | 3,665,580.05 |
| Total | 258,916,191.85 | | | | | 258,916,191.85 |

### 21. Long-term deferred expenses

Unit: RMB

| Item | 2024.12.31 | Additions during the period | Amortization for the period | Other decreases | 2025.6.30 |
|---|---|---|---|---|---|
| Renovation costs | 203,823,924.60 | 22,081,716.53 | 23,544,586.99 | 8,036.93 | 202,353,017.21 |
| Financing consulting fee | 14,511,066.50 | | 2,869,137.71 | | 11,641,928.79 |
| Mould | 23,712,687.70 | 7,241,851.02 | 5,305,690.89 | | 25,648,847.83 |
| Others | 48,687,240.31 | 6,219,275.60 | 9,737,362.81 | | 45,169,153.10 |
| Total | 290,734,919.11 | 35,542,843.15 | 41,456,778.40 | 8,036.93 | 284,812,946.93 |

### 22. Deferred income tax assets and deferred income tax liabilities

#### (1) Deferred income tax assets not offset

Unit: RMB

| Item | 2025.6.30 | | 2024.12.31 | |
|---|---|---|---|---|
| | Deductible temporary difference | Deferred income tax assets | Deductible temporary difference | Deferred income tax assets |
| Provision for impairment of assets | 587,969,382.23 | 95,089,014.24 | 607,731,313.75 | 98,040,316.54 |
| Unrealized Internal Income | 163,906,992.65 | 27,956,604.80 | 216,512,665.82 | 39,616,280.47 |
| Deductible tax loss | 1,407,187,364.42 | 226,161,042.97 | 1,262,266,757.76 | 198,187,561.45 |
| Deferred income | 70,260,344.33 | 10,539,051.63 | 76,391,453.04 | 11,458,717.96 |
| 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 | 64,641,905.93 | 9,696,285.89 |
| Lease liabilities | 327,905,914.21 | 68,628,269.64 | 334,569,925.20 | 69,619,107.79 |
| Others | 57,136,346.94 | 7,787,157.41 | 70,182,164.11 | 9,799,717.62 |
| Total | 2,679,008,250.71 | 445,857,426.58 | 2,632,296,185.61 | 436,417,987.72 |

#### (2) Deferred income tax liabilities not offset

Unit: RMB

| Item | 2025.6.30 | | 2024.12.31 | |
|---|---|---|---|---|
| | 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 | 930,095,825.67 | 166,524,577.97 | 966,940,020.07 | 172,954,064.48 |
| Changes in the fair value of financial assets | 127,145,348.60 | 19,104,015.99 | 53,117,638.07 | 7,999,993.51 |
| 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 | 324,022,778.08 | 68,289,978.30 | 332,028,124.39 | 69,486,031.23 |
| Others | 296,512,191.54 | 44,669,197.96 | 297,683,497.04 | 44,844,893.77 |
| Total | 1,891,504,526.69 | 330,647,027.64 | 1,863,497,662.37 | 327,344,240.41 |

### (3)Deferred income tax assets or liabilities presented as net of offsetting

Unit: RMB

| Item | 2025.6.30 | | 2024.12.31 | |
|---|---|---|---|---|
| | Reciprocal amount | Balance after offsetting | Reciprocal amount | Balance after offsetting |
| Deferred Tax Asset | 131,471,404.01 | 314,386,022.57 | 121,551,227.41 | 314,866,760.31 |
| Deferred Tax Liability | 131,471,404.01 | 199,175,623.63 | 121,551,227.41 | 205,793,013.00 |

## 23. Other non-current assets

Unit: RMB

| Item | 2025.6.30 | | | 2024.12.31 | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision of impairment | Carrying value | Book balance | Provision of impairment | Carrying value |
| Prepaid project payment and equipment payment | 194,599,964.00 | | 194,599,964.00 | 235,922,032.34 | | 235,922,032.34 |
| Equity investment preparation funds | 18,442,281.00 | | 18,442,281.00 | 18,442,281.00 | | 18,442,281.00 |
| Large certificate of deposit | 636,040,637.48 | | 636,040,637.48 | 651,391,235.09 | | 651,391,235.09 |
| Other licensing and authorization of cooperation | 225,640,425.38 | 6,309,793.28 | 219,330,632.10 | 206,231,617.53 | 6,309,793.28 | 199,921,824.25 |
| Other licensing and authorization of cooperation | 121,181,369.17 | | 121,181,369.17 | 121,326,406.01 | | 121,326,406.01 |
| Others | 22,326,159.70 | | 22,326,159.70 | 14,714,593.78 | | 14,714,593.78 |
| Total | 1,218,230,836.73 | 6,309,793.28 | 1,211,921,043.45 | 1,248,028,165.75 | 6,309,793.28 | 1,241,718,372.47 |

### 24. Assets subject to restrictions in ownership or use right

Unit: RMB

| Item | 2025.6.30 | | | | 2024.12.31 | | | |
|---|---|---|---|---|---|---|---|---|
| | Book balance | Carrying value | Type of restriction | 受限情况 | Book balance | Carrying value | Type of restriction | 受限情况 |
| Cash at bank and on hand | 60,250,136.12 | 60,250,136.12 | Acceptance deposit ,fixed deposit and frozen funds | | 56,179,929.70 | 56,179,929.70 | Acceptance deposit ,fixed deposit and frozen funds | |
| Receivable financing | 2,504,373.92 | 2,504,373.92 | Pledge billing | | 6,841,861.56 | 6,841,861.56 | Pledge billing | |
| Fixed assets | 1,188,824,897.54 | 1,160,590,306.34 | Mortage, financing | | 1,350,123,616.38 | 1,299,304,582.65 | Mortage, financing | |
| Intangible assets | 804,465,610.93 | 585,045,541.46 | Long-term loan collateral for | | 804,465,610.93 | 598,250,855.00 | Long-term loan collateral for | |
| 应收款项融资 | 57,739,214.34 | 57,739,214.34 | 质押开票 | | 32,907,393.79 | 32,907,393.79 | 质押开票 | |
| Long-term equity investments | 395,863,799.00 | 395,863,799.00 | M&A loan corresponding to the pledge of the target company's equity | | 1,153,363,085.26 | 1,153,363,085.26 | M&A loan corresponding to the pledge of the target company's equity | |
| 投资性房地产 | 263,796,877.65 | 257,531,701.65 | 抵押借款.融资 | | 190,581,268.81 | 188,318,116.15 | 抵押借款.融资 | |
| Total | 2,773,444,909.50 | 2,519,525,072.83 | | | 3,594,462,766.43 | 3,335,165,824.11 | | |

### 25. Short-term borrowings

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Credit loan | 334,637,425.17 | 301,656,435.95 |
| Total | 334,637,425.17 | 301,656,435.95 |

### 26. Trading Financial Liabilities

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Trading Financial Liabilities | 596,109.36 | 93,983.38 |
| Including: Others | 596,109.36 | 93,983.38 |
| Total | 596,109.36 | 93,983.38 |

### 27. Notes Payable

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|

| | | |
|---|---|---|
| Bank acceptance bills | 68,514,141.06 | 87,698,748.88 |
| Total | 68,514,141.06 | 87,698,748.88 |

## 28. Accounts payable

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Within one year (inclusive) | 575,482,049.70 | 517,204,160.03 |
| 1-2 years | 80,345,815.55 | 127,067,037.12 |
| 2-3 years | 59,663,680.41 | 43,870,740.45 |
| Over 3 years | 30,278,992.46 | 21,313,056.92 |
| Total | 745,770,538.12 | 709,454,994.52 |

## 29. Other payables

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Interest payable | 34,784,043.66 | 3,071,231.31 |
| Dividends payable | 418,212,362.44 | 394,892,569.43 |
| Other payable | 452,996,406.10 | 397,963,800.74 |

### (1) Dividends payable

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Dividends for ordinary shares | 1,626,800.00 | 1,626,800.00 |
| Dividends payable by subsidiaries to minority shareholders | 33,157,243.66 | 1,444,431.31 |
| Total | 34,784,043.66 | 3,071,231.31 |

### (2) Other payable

#### 1) Other payable by nature

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Guarantee deposit | 73,977,930.00 | 74,447,869.05 |
| Current payments | 94,408,541.03 | 80,616,202.74 |
| Equity payments | 40,455,195.73 | 40,458,447.43 |
| Land and project funds | 179,834,601.57 | 173,361,109.19 |
| Others | 29,536,094.11 | 26,008,941.02 |
| Total | 418,212,362.44 | 394,892,569.43 |

## 30. Contract liabilities

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Within one year (inclusive) | 157,899,923.10 | 160,249,307.25 |

| | | |
|---|---|---|
| 1-2 years | 15,488,401.91 | 30,023,196.60 |
| 2-3 years | 14,995,569.04 | 30,926,313.26 |
| Over 3 years | 19,106,225.69 | 20,844,641.16 |
| Total | 207,490,119.74 | 242,043,458.27 |

## 31. Employee benefits payable

### (1)Breakdown of employee benefits payable

Unit: RMB

| Item | 2024.12.31 | Increase during the period | Decrease during the period | 2025.6.30 |
|---|---|---|---|---|
| Short-term remuneration | 83,751,104.48 | 709,505,004.14 | 744,393,005.06 | 48,863,103.56 |
| Post-employment benefits – defined contribution plans | 1,797,060.71 | 78,001,242.16 | 77,655,921.93 | 2,142,380.94 |
| Termination benefits | | 10,863,397.40 | 10,863,397.40 | |
| Total | 85,548,165.19 | 798,369,643.70 | 832,912,324.39 | 51,005,484.50 |

### (2) Breakdown of short-term employee benefits payable

Unit: RMB

| Item | 2024.12.31 | Increase during the period | Decrease during the period | 2025.6.30 |
|---|---|---|---|---|
| (1) Salaries, bonuses, allowances and subsidies | 78,153,042.90 | 618,336,029.04 | 652,861,600.69 | 43,627,471.25 |
| (2) Employee benefits | | 17,405,929.31 | 17,405,929.31 | |
| (3) Social insurance contribution | 1,624,556.70 | 44,331,492.33 | 44,848,930.75 | 1,107,118.28 |
| Including: Medical insurance contribution | 1,531,178.33 | 41,037,444.56 | 41,538,075.19 | 1,030,547.70 |
| Work-related injury insurance contribution | 92,900.20 | 2,892,402.02 | 2,912,694.40 | 72,607.82 |
| Maternity insurance contribution | 478.17 | 401,645.75 | 398,161.16 | 3,962.76 |
| (4) Housing Provident Fund | 716,929.20 | 23,327,410.01 | 23,102,398.81 | 941,940.40 |
| (5) Labour union & employee education funds | 3,256,575.68 | 6,104,143.45 | 6,174,145.50 | 3,186,573.63 |
| Total | 83,751,104.48 | 709,505,004.14 | 744,393,005.06 | 48,863,103.56 |

### (3) Breakdown of defined contribution plans

Unit: RMB

| Item | 2024.12.31 | Increase during the period | Decrease during the period | 2025.6.30 |
|---|---|---|---|---|
| Basic pension | 1,737,152.18 | 75,420,023.16 | 75,082,479.57 | 2,074,695.77 |

| | | | | |
|---|---|---|---|---|
| insurance | | | | |
| Unemployment insurance contribution | 59,908.53 | 2,581,219.00 | 2,573,442.36 | 67,685.17 |
| Total | 1,797,060.71 | 78,001,242.16 | 77,655,921.93 | 2,142,380.94 |

## 32. Tax payable

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Value-added tax | 54,138,774.15 | 42,665,935.53 |
| Enterprise income tax | 72,735,191.61 | 73,098,152.89 |
| Individual income tax | 3,144,777.38 | 5,015,233.54 |
| City maintenance and construction tax | 4,735,567.85 | 2,816,709.29 |
| Educational surcharge | 3,645,873.60 | 2,054,147.30 |
| Others | 4,741,008.00 | 10,005,119.10 |
| Total | 143,141,192.59 | 135,655,297.65 |

## 33. Non-current liabilities due within one year

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Long-term borrowings due within one year | 1,433,300,000.00 | 1,539,800,000.00 |
| Bonds payable due within one year | 1,617,261,261.84 | |
| Lease liabilities due within one year | 48,065,678.56 | 51,897,242.05 |
| Total | 3,098,626,940.40 | 1,591,697,242.05 |

## 34. Other current liabilities

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Output value-added tax payable | 14,483,797.70 | 19,860,330.04 |
| Endorsed outstanding notes | 26,122,031.43 | 40,879,487.98 |
| Total | 40,605,829.13 | 60,739,818.02 |

## 35. Long-term borrowings

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Pledge loans | 187,155,249.99 | 197,183,455.54 |
| Mortgage borrowings | 979,107,542.52 | 1,015,639,981.32 |
| Credit loans | 1,094,723,878.24 | 802,759,735.46 |
| Total | 2,260,986,670.75 | 2,015,583,172.32 |

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 June 30, 2025, the outstanding balance of this loan was RMB 207 million, of which RMB 20 million in long-term borrowings due within one year has been reclassified to non-current liabilities due within one year.

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 June 30, 2025, the outstanding balance of this loan was RMB 130 million, of which RMB 2 million in long-term borrowings due within one year has been reclassified to non-current liabilities due within one year.

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 June 30, 2025, the outstanding balance of this loan was RMB 950 million, of which RMB 100 million in long-term borrowings due within one year has been reclassified to non-current liabilities due within one year.

## 36. Bonds payable

### (1) Breakdown of bonds payable

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Convertible bonds | | 1,608,915,230.87 |
| Total | 0.00 | 1,608,915,230.87 |

### (2) Changes in bonds payable (excluding preferred shares, perpetual bonds, and other financial instruments classified as financial liabilities)

Unit: RMB

| Name of bond | Book value | Rate | Date of issuance | Bond term | Amount issued | 2024.12.31 | Accrued interest at par value | Amortization of premium or discount | Repayment in current period | Debt-to-equity conversion in current period | Put option exercised in current period | Reclassified as non-current liabilities due within one year | 2025.6.30 | Whether or not in breach of contract |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Convertible | 100.00 | 1.80% | 2021年03 | 5年 | 1,638,000,0 | 1,608,915,23 | 13,433,205.0 | 19,485,582.8 | 24,565,029.0 | 6,856.58 | 871.29 | 1,617,261,26 | | No |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| bonds | | | 月30日 | | 0.00 | 0.87 | 0 | 4 | 0 | | | 1.84 | | |
| Total | | | | | 1,638,000,000.00 | 1,608,915,230.87 | 13,433,205.00 | 19,485,582.84 | 24,565,029.00 | 6,856.58 | 871.29 | 1,617,261,261.84 | | |

### (3) Explanation of Convertible Corporate Bonds

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, i.e., from March 30, 2021 to March 29, 2026. The conversion period runs from the first trading day after six months from the issuance date until the maturity date of the convertible bonds, i.e., from October 8, 2021 to March 29, 2026. The initial conversion price of the convertible bonds was RMB 29.73 per share. After the issuance, if the company's shares undergo changes due to stock dividends, capital reserve transfers, new share issuances, rights offerings or cash dividends (excluding any increase in share capital resulting from the conversion of these convertible bonds), the conversion price will be adjusted accordingly. In 2021, the company implemented the 2020 annual profit distribution plan, adjusting the conversion price from RMB 29.73 per share to RMB 29.50 per share. In 2022, the company implemented the 2021 annual profit distribution plan, adjusting the conversion price from RMB 29.50 per share to RMB 29.23 per share; successfully issued global depositary receipts (GDRs), adjusting the conversion price from RMB 29.23 per share to RMB 28.68 per share; and cancelled part of the repurchased treasury shares, adjusting 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, adjusting the conversion price from RMB 28.73 per share to RMB 28.39 per share. In 2024, the company implemented the 2023 annual profit distribution plan, adjusting the conversion price from RMB 28.39 per share to RMB 28.06 per share; implemented the 2024 interim profit distribution plan, adjusting the conversion price from RMB 28.06 per share to RMB 27.92 per share. During the reporting period, the company implemented the 2024 annual equity distribution plan, adjusting the conversion price from RMB 27.92 per share to RMB 27.79 per share.

The convertible bonds issued this time entered the conversion period starting from October 8, 2021. During this period, the number of shares converted was 246, and the cumulative number of shares converted as of June 30, 2025, was 10,935.

Since the convertible bonds were in the last two interest-bearing years, the closing price of the company's stock remained 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 March 30, 2024, to May 17, 2024. According to the terms of the **Prospectus**, the put option clause for the convertible bonds was triggered. During the put option period from May 21, 2024, to May 27, 2024, the number of convertible bonds decreased by 112 due to the put option.

Similarly, the closing price of the company's stock remained below 70% of the current conversion price of RMB 27.92 per share (i.e., RMB 19.54 per share) for 30 consecutive trading days from March 30, 2025, to May 15, 2025. As stipulated in the Prospectus, the put option clause was triggered again. During the put option period from May 19, 2025, to May 23, 2025, the number of convertible bonds decreased by 10 due to the put option.

As of June 30, 2025, the balance of bonds payable was RMB 1.617 billion, of which RMB 1.617 billion was due within one year and has been reclassified to non-current liabilities due within one year.

## 37. Lease liabilities

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Lease payment amount | 374,596,936.59 | 408,044,006.84 |
| Less: Unrecognized financing cost | -97,903,668.83 | -104,234,019.63 |
| Less: Lease liabilities due within one year | -48,065,678.56 | -51,897,242.05 |
| Total | 228,627,589.20 | 251,912,745.16 |

## 38. Deferred income

Unit: RMB

| Item | 2024.12.31 | Increase during the period | Decrease during the period | 2025.6.30 | Cause of formation |
|---|---|---|---|---|---|
| Government subsidy | 134,755,338.45 | 14,273,851.00 | 24,943,341.22 | 124,085,848.23 | |
| Others | 3,152,439.82 | 648,929.99 | 539,546.86 | 3,261,822.95 | |
| Total | 137,907,778.27 | 14,922,780.99 | 25,482,888.08 | 127,347,671.18 | |

## 39. Share capital

Unit: RMB

| | 2024.12.31 | Increase (+) or decrease (-) during the period | | | | | 2025.6.30 |
|---|---|---|---|---|---|---|---|
| | | Issuance of new shares | Bonus issuance | Conversion from reserve | Others | Sub-total | |
| Total number of shares | 1,880,611,005.00 | | | | 246.00 | 246.00 | 1,880,611,251.00 |

## 40. Other equity instruments

### (1) The changes of outstanding financial instruments such as preferred shares and perpetual bonds at the end of the period

Unit: RMB

| Financial instruments outstanding | 2024.12.31 | | Increase during the period | | Decrease during the period | | 2025.6.30 | |
|---|---|---|---|---|---|---|---|---|
| | Quantity | Carrying value | Quantity | Carrying value | Quantity | Carrying value | Quantity | Carrying value |
| Convertible corporate bonds | 16,376,708.00 | 214,747,153.96 | | | 80.00 | 1,049.04 | 16,376,628.00 | 214,746,104.92 |
| Total | 16,376,708.00 | 214,747,153.96 | | | 80.00 | 1,049.04 | 16,376,628.00 | 214,746,104.92 |

## 41. Capital reserve

Unit: RMB

| Item | 2024.12.31 | Increase during the period | Decrease during the period | 2025.6.30 |
|---|---|---|---|---|
| Capital premium (shares premium) | 2,773,137,596.37 | 19,478,472.65 | | 2,792,616,069.02 |
| Other capital reserve | 760,454,830.93 | 24,561,806.52 | | 785,016,637.45 |
| Total | 3,533,592,427.30 | 44,040,279.17 | | 3,577,632,706.47 |

## 42. Treasury shares

| Item | 2024.12.31 | Increase during the period | Decrease during the period | 2025.6.30 |
|---|---|---|---|---|
| Treasury shares | 608,492,292.32 | | | 608,492,292.32 |
| Total | 608,492,292.32 | | | 608,492,292.32 |

## 43. Other comprehensive income

Unit: RMB

| Item | 2024.12.31 | Current reporting period | | | | | | 2025.6.30 |
|---|---|---|---|---|---|---|---|---|
| | | 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 tabulable to the Company after tax | |
| 1.Other comprehensive income that may not be subsequently reclassified to profit or loss | -92,272,937.05 | 108,395,463.07 | | 27,009,219.19 | 15,547,696.61 | 67,545,566.55 | -1,707,019.28 | -24,727,370.50 |
| Including: remeasurement of changes in defined benefit plans | 503,001.06 | | | | | | | 503,001.06 |
| Other comprehensive | -92,775,938.11 | 108,395,463.07 | | 27,009,219.19 | 15,547,696.61 | 67,545,566.55 | -1,707,019.28 | -25,230,371.56 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| income not transferable to profit or loss under the equity method | | | | | | | | |
| 2.Other comprehensive income that will be subsequently reclassified to profit or loss | 50,925,142.43 | 19,437,017.43 | | | | 19,800,230.54 | -363,213.11 | 70,725,372.97 |
| Including: Other comprehensive income available for transfer to profit or loss under the equity method | 96,714.87 | 12,866.54 | | | | 12,866.54 | | 109,581.41 |
| Exchange differences arising from translation of foreign currency | 50,828,427.56 | 19,424,150.89 | | | | 19,787,364.00 | -363,213.11 | 70,615,791.56 |
| Total other comprehensive income | -41,347,794.62 | 127,832,480.50 | | 27,009,219.19 | 15,547,696.61 | 87,345,797.09 | -2,070,232.39 | 45,998,002.47 |

## 44. Surplus reserve

Unit: RMB

| Item | 2024.12.31 | Increase during the period | Decrease during the period | 2025.6.30 |
|---|---|---|---|---|
| Statutory surplus reserve | 787,909,316.71 | | | 787,909,316.71 |
| Total | 787,909,316.71 | | | 787,909,316.71 |

## 45. Retained earning

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Retained earnings as at the end of last | 9,434,401,562.79 | 10,195,491,193.93 |

| | | |
|---|---|---|
| year before adjustment | | |
| Retained earnings as at the beginning of the year after adjustment | 9,434,401,562.79 | 10,195,491,193.93 |
| Add: Net profit attributable to shareholders of the Company for the year | 690,925,899.89 | 697,242,271.91 |
| Dividend payable on ordinary shares | 248,858,390.26 | 612,692,232.68 |
| Plus: Other comprehensive income transferred to retained earnings | 22,013,880.75 | 2,038,769.51 |
| Retained earnings as at the end of the year | 9,898,482,953.17 | 10,282,080,002.67 |

## 46. Operating revenue and operating cost

Unit: RMB

| Item | Current reporting period | | The same period of last year | |
|---|---|---|---|---|
| | Revenue | Cost | Revenue | Cost |
| Principal business | 3,323,376,911.31 | 1,177,305,496.67 | 3,355,540,927.90 | 1,189,921,699.08 |
| Other businesses | 46,007,644.90 | 26,911,891.82 | 28,345,626.64 | 17,960,260.30 |
| Total | 3,369,384,556.21 | 1,204,217,388.49 | 3,383,886,554.54 | 1,207,881,959.38 |

Unit: RMB

| Item | Current reporting period | | The same period of last year | |
|---|---|---|---|---|
| | Revenue | Cost | Revenue | Cost |
| By business type: | | | | |
| Medical apparatus and instruments | 1,776,469,316.14 | 509,481,971.80 | 1,776,469,316.14 | 509,481,971.80 |
| Medicines | 1,117,443,103.25 | 416,209,441.72 | 1,117,443,103.25 | 416,209,441.72 |
| Medical services and health management | 475,472,136.82 | 278,525,974.97 | 475,472,136.82 | 278,525,974.97 |
| Total | 3,369,384,556.21 | 1,204,217,388.49 | 3,369,384,556.21 | 1,204,217,388.49 |

## 47. Taxes and surcharges

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| City maintenance and construction tax | 15,673,422.87 | 16,692,300.34 |
| Educational surcharge | 12,307,390.76 | 12,665,266.71 |
| Property tax | 9,367,050.30 | 8,011,744.62 |
| Land use tax | 2,705,013.66 | 3,968,999.73 |
| Vehicle and vessel usage tax | 40,409.26 | 42,631.56 |
| Stamp duty | 3,438,043.63 | 3,024,167.01 |
| Others | 168,123.48 | 87,883.69 |
| Total | 43,699,453.96 | 44,492,993.66 |

## 48. Administrative expense

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Employee benefit expense | 144,997,301.23 | 157,039,531.54 |
| Depreciation expense | 75,162,414.03 | 59,719,123.12 |
| Consult service fee | 27,565,228.59 | 29,608,699.49 |
| The amortization expenseof Long term deferred expense | 9,542,812.71 | 11,465,764.04 |
| Property rental fee | 9,324,912.66 | 10,012,714.85 |
| Water, electricity and steam | 6,834,019.03 | 6,485,336.08 |
| Business fee | 6,419,500.00 | 8,402,522.58 |
| Business entertainment expense | 4,547,130.14 | 5,889,432.17 |
| Traveling expense | 1,540,214.90 | 4,900,172.02 |
| Others | 25,756,888.59 | 20,710,823.77 |
| Total | 311,690,421.88 | 314,234,119.66 |

## 49. Selling expense

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Employee benefit expense | 245,909,637.25 | 316,826,388.34 |
| Market fee | 155,233,588.84 | 169,065,919.46 |
| Traveling expense | 39,710,231.55 | 40,723,499.27 |
| Depreciation expense | 33,976,255.25 | 29,756,871.81 |
| Business entertainment expenses | 21,636,786.31 | 23,487,844.35 |
| Exhibition fee | 18,281,157.45 | 22,930,811.57 |
| Advertising publicity fee | 8,873,286.65 | 15,465,296.86 |
| Business fee | 5,052,208.96 | 5,392,162.33 |
| Property rental fee | 2,494,975.27 | 2,556,239.58 |
| Others | 17,344,243.28 | 23,267,464.27 |
| Total | 548,512,370.81 | 649,472,497.84 |

## 50. Research and development expense

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Employee benefit expense | 140,769,425.81 | 144,837,372.94 |
| Materials consumed, energy expense, and testing expense | 88,283,633.79 | 84,760,363.94 |
| Depreciation and amortization expense | 50,433,553.87 | 43,817,083.52 |
| Design and clinical trial fee | 63,723,316.55 | 25,963,522.78 |
| Commissioned external research and development expense | 27,295,863.01 | 26,057,286.58 |
| Others | 24,415,746.50 | 30,714,573.95 |
| Total | 394,921,539.53 | 356,150,203.71 |

## 51. Financial expense

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Interest expenses | 88,577,130.33 | 87,167,026.14 |

| | | |
|---|---|---|
| Including: Interest expenses for lease liabilities | 5,613,370.97 | 2,955,503.31 |
| Less: Interest income | 42,478,848.04 | 58,107,580.30 |
| Net exchange losses/gains | 13,030,311.80 | -16,282,202.95 |
| Unrealized financing income | -59,337.25 | -91,853.42 |
| Service fee | 2,982,964.14 | 1,567,586.34 |
| Total | 62,052,220.98 | 14,252,975.81 |

## 52. Other income

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Government subsidies | 67,349,932.33 | 32,049,518.03 |
| Additional deductions for input VAT | 5,800,201.94 | 6,948,555.88 |
| Withholding individual income tax commission | 1,343,494.17 | 1,418,222.76 |
| Others | 29,868.82 | 39,663.86 |
| Total | 74,523,497.26 | 40,455,960.53 |

## 53. Gain/loss on change in fair value

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Financial assets held-for-trading | -2,099,606.60 | 7,178,523.94 |
| Other non-current financial assets | -191,857.20 | |
| Total | -2,291,463.80 | 7,178,523.94 |

## 54. Investment income

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Gain on long-term equity investments accounted for using equity method | 6,133,398.22 | -34,139,061.71 |
| Investment income from disposal of long-term equity investments | -17,586,001.48 | -386,788.86 |
| Investment income from disposal of financial assets held-for-trading | 3,403,165.61 | 2,132,398.91 |
| Dividend income earned on investments in other equity instruments during the holding period | 580,720.00 | 1,232,289.00 |
| Others | 103,983.38 | 11,570,265.87 |
| Total | -7,364,734.27 | -19,590,896.79 |

## 55. Loss on impairment of credit

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Loss on bad debts of accounts receivable | -21,225,246.13 | -26,013,997.84 |

| | | |
|---|---|---|
| Loss on bad debts of other receivables | -1,257,714.80 | 5,452,978.58 |
| Loss on bad debts of other non-current assetsdue within one year | | 3,637,312.00 |
| Total | -22,482,960.93 | -16,923,707.26 |

## 56. Loss on impairment of assets

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Loss on impairment of inventories and contract performance cost | -5,865,343.49 | -2,611,739.84 |
| Loss on impairmentof tangible assets | | -15,789,656.35 |
| Total | -5,865,343.49 | -18,401,396.19 |

## 57. Gains on impairment of assets

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Gain or loss from disposal of non-current assets | -635,110.56 | 11,847,502.27 |

## 58. Non-operating income

Unit: RMB

| Item | Current reporting period | The same period of last year | Amount included in non-recurring gains and losses for the year |
|---|---|---|---|
| Government subsidies | 1,700,315.19 | 6,761,121.10 | 1,700,315.19 |
| Others | 2,089,186.12 | 1,420,415.62 | 2,089,186.12 |
| Total | 3,789,501.31 | 8,181,536.72 | 3,789,501.31 |

## 59. Non-operating expenses

Unit: RMB

| Item | Current reporting period | The same period of last year | Amount included in non-recurring gains and losses for the year |
|---|---|---|---|
| Donation | 319,780.00 | 312,938.00 | 319,780.00 |
| Loss on retirement of damaged non-current assets | 521,085.83 | 3,728,150.33 | 521,085.83 |
| Others | 13,976,207.04 | 10,081,414.86 | 13,976,207.04 |
| Total | 14,817,072.87 | 14,122,503.19 | 14,817,072.87 |

## 60. Income tax expense

### (1) Breakdown of income tax expense

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Current income tax expenses | 147,075,412.94 | 135,861,622.53 |
| Deferred tax expenses | -17,295,473.92 | -29,842,942.21 |
| Total | 129,779,939.02 | 106,018,680.32 |

### (2) Accounting profit and income tax expense adjustment process

Unit: RMB

| Item | Current reporting period |
|---|---|
| Total profit | 829,147,473.21 |
| Income tax expenses calculated at statutory/applicable tax rate | 207,286,868.30 |
| Impact of different tax rates for subsidiaries | -87,097,394.97 |
| Impact of non-deductible costs, expenses and losses | 6,438,673.92 |
| Impact of utilisation of deductible loss for which no deferred tax assets were previously recognized | -11,710,949.40 |
| Impact of deductible temporary differences for which no deferred tax assets are recognized for the year or deductible losses | 32,619,165.69 |
| Other additional deductible expense under the tax regulations | -17,756,424.52 |
| Income tax expense | 129,779,939.02 |

## 61. Other comprehensive income

For details, please refer to Note VII.43.

## 62. Items of cash flow statements

### (1) Cash received relating to operating activities

Cash received relating to other operating activities

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Interest income | 28,823,385.68 | 48,632,788.70 |
| Government subsidies received | 65,153,500.66 | 21,561,866.11 |
| Transactions received | 43,275,016.95 | 22,320,084.86 |
| Total | 137,251,903.29 | 92,514,739.67 |

Cash paid relating to other operating activities

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Payments of selling, administrative and | 519, 779, 700. 29 | 556, 666, 315. 89 |

| | | |
|---|---|---|
| research expenses | | |
| Transactions paid | 26, 754, 691. 10 | 82, 537, 375. 03 |
| Total | 546, 534, 391. 39 | 639, 203, 690. 92 |

**(2) Cash received relating to investing activities**

Cash received relating to other investing activities

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Cash received for acquisition of subsidiaries | 7,500,000.00 | 3,045,223.75 |
| Loans and interest recovered | | 9,190,500.93 |
| Total | 7,500,000.00 | 12,235,724.68 |

Cash paid relating to other investing activities

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Lending funds | 54,937,323.33 | 187,664,066.12 |
| Disposal of reduced cash from subsidiaries | 10.79 | 5,056,132.18 |
| Large certificate of deposit | 2,000,000.00 | 6,385,507.15 |
| Others | 56,937,334.12 | 199,105,705.45 |

**(3) Cash received relating to financing activities**

Cash received relating to other financing activities

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Withdrawal of bill guarantee deposit | 17,664,617.64 | 33,404,358.37 |
| Others | | 1,000,000.00 |
| Total | 17,664,617.64 | 34,404,358.37 |

Cash paid relating to other financing activities

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Stock repurchase | 25,428,727.20 | 40,262,054.56 |
| Payment for the acquisition of minority interests | 15,100,480.49 | |
| Payment for rental fee | 6,042,208.09 | 96,248,764.49 |
| Payment for notes deposit | 6,000,000.00 | |
| Others | | 124,858,286.48 |
| Total | 52,571,415.78 | 261,369,105.53 |

Changes in liabilities arising from financing activities

Unit: RMB

| Item | 2024.12.31 | Increase for the period | | Decrease for the period | | 2025.6.30 |
|---|---|---|---|---|---|---|
| | | Cash movements | Non-cash movements | Cash movements | Non-cash movements | |
| Short-term loans | 301,656,435.95 | 307,492,592.07 | 1,470,800.16 | 275,982,403.01 | | 334,637,425.17 |
| Long-term loans (including long-term loans due within one year) | 3,555,383,172.32 | 972,525,301.32 | 47,973,924.46 | 881,595,727.35 | | 3,694,286,670.75 |
| Other payables (loans, other) | 78,162,834.36 | | 1,010,583.32 | 800,000.00 | | 78,373,417.68 |
| Other payables (amount for acquisition of minority interest) | | | 6,042,208.09 | 6,042,208.09 | | |
| Other accounts payable (dividends payable) | 3,071,231.31 | | 281,106,546.36 | 249,393,734.01 | | 34,784,043.66 |
| Bonds payable (including bonds payable due within one year) | 1,608,915,230.87 | | 32,918,787.84 | 24,565,900.29 | 6,856.58 | 1,617,261,261.84 |
| Lease liabilities (including those due within one year) | 303,809,987.21 | | 4,944,162.56 | 25,275,702.56 | 6,785,179.45 | 276,693,267.76 |
| Total | 5,850,998,892.02 | 1,280,017,893.39 | 375,467,012.79 | 1,463,655,675.31 | 6,792,036.03 | 6,036,036,086.86 |

## 63. Supplementary information on consolidated cash flow statement

### (1) Supplementary information on consolidated cash flow statement

Unit: RMB

| Supplementary information | Current reporting period | The same period of last year |
|---|---|---|
| 1. Reconciliation of net profit and cash flows from operating activities: | | |
| Net profit | 699,367,534.19 | 690,008,144.19 |
| Add: Loss on impairment of credit | 28,348,304.42 | 35,325,103.45 |
| Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets | 173,387,401.95 | 153,770,955.55 |
| Depreciation of right-of-use assets | 32,183,543.97 | 36,685,181.38 |
| Amortization of intangible assets | 106,161,775.41 | 84,679,864.82 |
| Amortization of long-term deferred expenses | 41,456,778.40 | 44,435,869.45 |
| Loss on disposal of fixed assets, intangible assets and other long-term assets (gain expressed with "-") | 635,110.56 | -11,847,502.27 |
| Loss on retirement of fixed assets | 521,085.83 | 3,728,150.33 |

| | | |
|---|---|---|
| (gain expressed with "-") | | |
| Loss on changes in fair value (gain expressed with "-") | 2,291,463.80 | -7,178,523.94 |
| Financial expenses (gain expressed with "-") | 88,577,130.33 | 87,167,026.14 |
| Loss on investments (gain expressed with "-") | 7,364,734.27 | 19,590,896.79 |
| Decrease in deferred income tax assets (increase expressed with "-") | -9,494,238.67 | -25,924,329.66 |
| Increase in deferred income tax liabilities (decrease expressed with "-") | -7,801,235.25 | -3,918,612.55 |
| Decrease in inventories (increase expressed with "-") | -43,201,727.28 | -30,405,831.75 |
| Decrease in operating receivables (increase expressed with "-") | -509,279,395.30 | -392,422,308.17 |
| Increase in operating payable (decrease expressed with "-") | 25,846,281.48 | -524,808,068.75 |
| Others | | |
| Net cash flows from operating activities | 636,364,548.11 | 158,886,015.01 |
| 2. Significant investing and financing activities not involving cash receipts or payments: | | |
| Conversion of debts into capital | | |
| Convertible corporate bonds due within one year | | |
| Finance-leased fixed assets | | |
| 3. Net changes in cash and cash equivalents | | |
| Ending balance of cash | 3,517,831,660.55 | 3,460,304,394.88 |
| Less: Beginning balance of cash | 3,614,399,635.42 | 4,099,954,989.87 |
| Add: Ending balance of cash equivalents | | |
| Less: Beginning balance of cash equivalents | | |
| Net increase in cash and cash equivalents | -96,567,974.87 | -639,650,594.99 |

## (2) Cash and cash equivalents

Unit: RMB

| Item | 2025.6.30 | 2024.12.31 |
|---|---|---|
| Cash | 3,517,831,660.55 | 3,614,399,635.42 |
| Including: Cash on hand | 1,020,877.43 | 684,399.93 |
| Bank deposits available for use on demand | 3,499,141,044.95 | 3,585,414,390.46 |
| Other cash at bank and on hand for use on demand | 17,669,738.17 | 28,300,845.03 |
| Cash and cash equivalents at the end of the year | 3,517,831,660.55 | 3,614,399,635.42 |

## 64. Foreign currency monetary items

### (1) Foreign currency monetary items

Unit: RMB

| Item | Ending balance of foreign currency | Exchange rate | Ending balance denominated in RMB |
|---|---|---|---|
| Cash at bank and on hand | | | 727,432,496.56 |
| Including: USD | 97,340,242.73 | 7.1586 | 696,819,861.60 |
| EUR | 2,594,757.14 | 8.4024 | 21,802,187.39 |
| HKD | 761,211.34 | 0.9120 | 694,224.74 |
| INR | 24,950,021.35 | 0.0838 | 2,090,811.79 |
| SGD | 7,876.41 | 5.6179 | 44,248.88 |
| MRY | 3,528,709.24 | 1.6950 | 5,981,162.16 |
| Accounts receivable | | | 231,626,538.56 |
| Including:： USD | 28,505,891.23 | 7.1586 | 204,062,272.96 |
| EUR | 729,409.33 | 8.4024 | 6,128,788.95 |
| HKD | | | |
| INR | 253,088,801.71 | 0.0838 | 21,208,841.58 |
| GBP | 23,055.45 | 9.8300 | 226,635.07 |
| | | | |
| Other receivables | | | 4,766,116.62 |
| Including:：USD | 517,921.70 | 7.1586 | 3,707,594.28 |
| EUR | 125,197.08 | 8.4024 | 1,051,955.94 |
| HKD | 7,200.00 | 0.9120 | 6,566.40 |
| Accounts payable | | | 32,234,089.35 |
| Including:：USD | 4,329,690.79 | 7.1884 | 31,123,549.27 |
| EUR | 147,566.35 | 7.5257 | 1,110,540.08 |
| Other payables | | | 1,487,184.06 |
| Including:：USD | 182,913.77 | 7.1586 | 1,309,406.51 |
| EUR | 11,008.26 | 8.4024 | 92,495.80 |
| INR | 1,017,682.00 | 0.0838 | 85,281.75 |

### (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

### 65. Leases

#### (1) The Company as a Lessee

For the period from January to June 2025, the Company recognized short-term lease expenses of RMB 15,047,882.45 and total cash outflows related to leases of RMB 40,476,609.65 for short-term leases or leases of low-value assets.。

## VIII. Research and development expenditures

Unit: RMB

| Item | Current reporting period | The same period of last year |
|---|---|---|
| Employee benefit expense | 172,464,659.27 | 197,947,544.94 |
| Materials consumed, energy expense, and testing expense | 133,689,620.69 | 112,270,686.16 |
| Depreciation and amortization expense | 59,194,766.99 | 52,336,053.86 |
| Design and clinical trial fee | 94,670,263.90 | 73,751,381.43 |
| Commissioned external research and development expense | 42,703,820.14 | 49,056,804.03 |
| Others | 30,110,600.28 | 32,674,482.74 |
| Total | 532,833,731.27 | 518,036,953.16 |
| Including: Expensed research and development expenditure | 394,921,539.53 | 356,150,203.71 |
| Capitalized research and development expenditure | 137,912,191.74 | 161,886,749.45 |

### 1. R&D projects meeting capitalization criteria

Unit: RMB

| Item | 2024.12.31 | Increase during the period | | | Decrease during the period | | | 2025.6.30 |
|---|---|---|---|---|---|---|---|---|
| | | Internal development expenditure | Others | | Recognized as intangible assets | Transferred to current period profit or loss | | |
| Diabetes-suitable preparations | 251,815,208.73 | 57,204,452.51 | | | 2,516,781.30 | | | 306,502,879.94 |
| Cardiac occluder | 101,867,530.83 | 10,921,996.97 | | | 467,630.99 | | | 112,321,896.81 |
| Catheter Project | 209,325,581.09 | 13,758,633.27 | | | 75,491,010.33 | | | 147,593,204.03 |
| Valve Project | 32,305,411.60 | 5,617,267.40 | | | | | | 37,922,679.00 |
| Digital project platform construction | 16,026,082.73 | 182,897.38 | | | | | | 16,208,980.11 |
| Surgical Auxiliary Instruments | 11,508,679.18 | 4,527,070.35 | | | 4,332,963.33 | | | 11,702,786.20 |
| Digital DSA Project | 10,587,238.32 | 1,527,006.64 | | | | | | 12,114,244.96 |
| Innovation drug | 186,216,100.00 | | | | | | | 186,216,100.00 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Project | | | | | | | | |
| Others | 242,202,538.48 | 44,172,867.22 | | | 33,585,639.56 | | | 252,789,766.14 |
| Total | 1,061,854,370.96 | 137,912,191.74 | | | 116,394,025.51 | | | 1,083,372,537.19 |

Provision for impairment of Capitalized expenditures

Unit: RMB

| Item | 2024.12.31 | Increase during the period | Decrease during the period | 2025.6.30 | Impairment test situation |
|---|---|---|---|---|---|
| Diabetes-suitable preparations | 22,641,510.20 | | | 22,641,510.20 | |
| Others | 18,327,358.09 | | | 18,327,358.09 | |
| Total | 40,968,868.29 | | | 40,968,868.29 | |

# IX. Changes in scope of consolidation

## 1. Disposal of subsidiary

Unit: RMB

| 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 Judgement 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Changzhou Reisuosi Medical Equipment Co., | 5,583,520.02 | 100.00% | Sold | 2025．3．11 | The rights and obligations related to the target equity | -362,935.81 | | | | | | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ltd. | | | | | have been transferred | | | | | | | |
| Changzhou Ewote Medical Devices Co., Ltd. | 21,556,536.40 | 100.00% | Sold | 2025.3.11 | The rights and obligations related to the target equity have been transferred | -694,709.03 | | | | | | |
| Wuxi Bokang Medical Devices Co., Ltd. | 5,620,646.40 | 100.00% | Sold | 2025.3.11 | The rights and obligations related to the target equity have been transferred | 180,253.36 | | | | | | |
| Beijing Guoyihui Health Technology Co., Ltd. | | 100.00% | Sold | 2025.5.12 | The rights and obligations related to the target equity have been transferred | -33,604.49 | | | | | | |
| Lepu (Shanghai) Medical Devices Co., Ltd. | | 100.00% | Diregister | 2025.3.13 | Diregister | -16,675,005.51 | | | | | | |

# X. Supplementary Information

## 1. Statement of Non-recurring Gains and Losses for the Current Period

Unit: RMB

| Item | Amount | Note |
|---|---|---|
| Gains/losses on disposal of non-current assets (including reversal of previously recognized impairment provisions) | -18,742,197.87 | |

| | | |
|---|---|---|
| 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.) | 66,979,826.27 | |
| 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 | 1,796,405.19 | |
| Non-operating income and expenses other than the said items | -10,833,437.93 | |
| Other profit or loss items complying with the definition of non-recurring profit or losses | -5,368,654.37 | |
| Less: impact amount of income tax | 5,645,840.55 | |
| Impact amount of minority equity (after tax) | -544,019.48 | |
| Total | 28,730,120.22 | |

## 2. Return on Net Assets and Earnings Per Share

| Profit for the Reporting Period | Weighted Average Return on Net Assets (%) | Earnings Per Share | |
|---|---|---|---|
| | | Basic EPS (RMB/share) | Diluted earnings per share (RMB/share) |
| Net profit attributable to ordinary shareholders of the Company | 4.38% | 0.3748 | 0.3748 |
| Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses | 4.19% | 0.3545 | 0.3545 |

## 3. Differences in Accounting Data under Domestic and International Accounting Standards

（1） Differences in net profit and net assets disclosed in financial reports prepared under both International Financial Reporting Standards (IFRS) and Chinese Accounting Standards (CAS)

□ Applicable ☑ Not Applicable

（2） Differences in net profit and net assets disclosed in financial reports prepared under both foreign accounting standards and Chinese Accounting Standards (CAS)

□ Applicable ☑ Not Applicable

（3） Explanation of the reasons for differences in accounting data under domestic and international accounting standards. If adjustments have been made to the data audited by a foreign audit firm, the name of the foreign audit firm shall be specified.

□ Applicable ☑ Not Applicable