

**winner** 稳健医疗

Purcotton 全棉时代



*Caring Health*

*Cherishing Life, And*

*Protecting The Environment*

---

**For A Better World!**



**2025**

**Semi-annual Report**

Winner Medical Co., Ltd.





## **Brand Vision**

Caring Health, Cherishing Life, and Protecting the Environment for A Better World.

## **Core Business Principles**

Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value

## **Brand Ethics**

Integrity in Operation, Respect for Consumers, Fair Competition, Social Responsibility,  
Intellectual Property Rights, Continuous Improvement



An aerial photograph of a desert landscape. On the left, there are vibrant green agricultural fields. A winding river or canal flows through the center, bordered by a dense line of tall, thin trees. To the right of the river is a vast, arid desert with sandy dunes and sparse, low-lying vegetation. In the far background, a range of blue mountains is visible under a clear sky.

# Section I Important Notes, Contents, and Definitions

Cotton Thrives, Deserts Retreat.

## Section I Important Notes, Contents, and Definitions

### Important Notes

The Board of Directors, the Supervisory Committee, and the Directors, Supervisors, and senior management of the Company guarantee that this semi-annual report is truthful, accurate, and complete; it contains no false records, misleading statements, or significant omissions; and they bear individual and joint legal liabilities.

Li Jianquan, the Company's principal executive officer, Fang Xiuyuan, financial controller and Zhao Yan, accounting supervisor (chief accounting officer) declare that they guarantee the truthfulness, accuracy, and completeness of the financial report in this semi-annual report.

All Directors have attended the Board of Directors meeting to review this semi-annual report.

The forward-looking statements contained in this semi-annual report, regarding future development strategies, performance plans, and other similar matters, represent the Company's goals and are of a planning nature. Their realization depends on various factors, including changes in market conditions, and therefore involves uncertainties. These statements do not constitute a forecast of the Company's future profitability nor do they represent a substantive commitment to investors or other stakeholders. Both investors and other stakeholders should maintain sufficient awareness of the risks involved and understand the differences between plans, forecasts, and commitments. Investors are advised to exercise caution and be aware of investment risks.

The profit distribution plan approved at this Board of Directors meeting is as follows: based on 582,329,808 shares, a cash dividend of RMB4.50 (tax inclusive) for every 10 shares will be distributed to all shareholders. No bonus shares (tax inclusive) will be distributed, and no shares will be converted from capital reserves.



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## List of Documents Available for Inspection

(I) Financial statements signed and sealed by the Company's principal executive officer, financial controller, and accounting supervisor (chief accounting officer).

(II) Originals of all documents and announcements of the Company publicly disclosed during the Reporting Period.

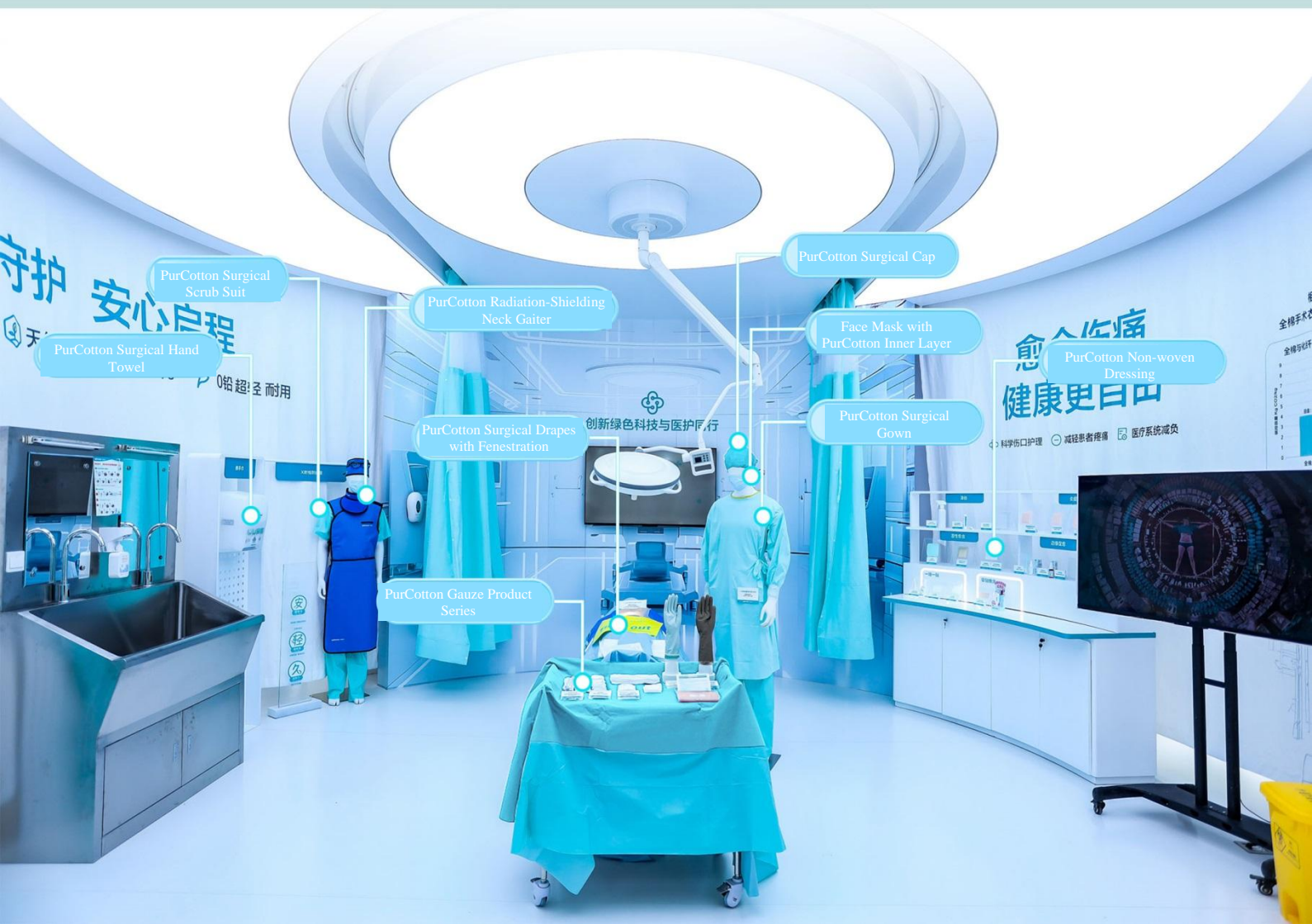
# Definitions

Term	Refers to	Definition
Winner Group, Company	Refers to	Winner Medical Co., Ltd.
Reporting period	Refers to	From 1 January 2025 to 30 June 2025
Winner Medical	Refers to	Serious medical care under the medical sector and consumer medical care sector
Purcotton	Refers to	Shenzhen Purcotton Technology Co., Ltd., a wholly-owned subsidiary of the Company
Longterm Medical	Refers to	Zhejiang Longterm Medical Technology Co., Ltd., a company in which the Company acquired a 55% stake in 2022
Winner Medical (Hunan)	Refers to	Winner Medical (Hunan) Co., Ltd., a company in which the Company acquired a 68.70% stake after acquisition and capital increase in 2022
Winner Guilin	Refers to	Winner Guilin Latex Co., Ltd., a company in which the Company acquired a 91.74% stake in 2022
Junjian Medical	Refers to	Shenzhen Junjian Medical Device Co., Ltd., a company in which the Company acquired a 100% stake in 2022
GRI	Refers to	Global Resources International, Inc., a company in which the Company acquired a 75.20% stake in September 2024
Winner (Huanggang)	Medical	Refers to Winner Medical (Huanggang) Co., Ltd., a wholly-owned subsidiary of the Company
Winner Medical (Jiayu)		Refers to Winner Medical (Jiayu) Co., Ltd., a wholly-owned subsidiary of the Company
Winner (Chongyang)	Medical	Refers to Winner Medical (Chongyang) Co., Ltd., a wholly-owned subsidiary of the Company
Winner (Jingmen)	Medical	Refers to Winner Medical (Jingmen) Co., Ltd., a wholly-owned subsidiary of the Company
Yuan	Refers to	Renminbi (RMB)





# Company Profile and Key Financial Indicators



## Section II Company Profile and Key Financial Indicators

### Company Overview

Founded in 1991, Winner Group (300888.SZ) went public on the Shenzhen Stock Exchange in September 2020. Through 34 years of exploration and practice, it has evolved into a holistic health enterprise, synergistically converging medical innovation and consumer wellness ecosystems. Winner Group, driven by the vision of “Caring Health, Cherishing Life, and Protecting the Environment for A Better World”, owns two major brands: “Winner Medical” and “Purcotton”. Its products cover a wide range of segments including wound care, infection prevention, operating room consumables, personal care, home care, maternity and baby care, and home textiles and apparel. The Company follows the core business principles of “Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value”, guided by a development strategy focused on “Product leadership, Operational excellence, Global vision”. Winner Group is committed to pursuing dual-track advancement in medical and consumer goods sectors; driving collaborative expansion across domestic and global markets; enabling convergent growth of online and offline channels; upholding altruism and long-termism — committed to delivering safe, premium, cost-effective, and experience-driven products and services for global users





## Section II Company Profile and Key Financial Indicators

### Product Portfolio



## Section II Company Profile and Key Financial Indicators

### Global Production Capacity

#### Establishing a Leading Global Product Supply Chain System

Unit	Location of Facilities
• Winner	Wuhan, Huanggang, Yichang, Tianmen, Jingmen, Jiayu, Chongyang in Hubei Province; Shenzhen, Guangdong Province
• Longterm	Deqing County, Huzhou City, Zhejiang Province; Monterrey, Nuevo León, Mexico
• Winner Medical (Hunan)	Changde City, Hunan Province
• Winner Guilin	Guilin City, Guangxi Zhuang Autonomous Region; Jingzhou, Hubei Province
• GRI	Tennessee, USA; Alabama, USA; Dominican; Hai Phong, Vietnam; Jiaxing, Zhejiang Province; Wuhu, Anhui Province





Section II Company Profile and Key Financial Indicators

I. Company Information

Stock Abbreviation	Winner Medical	Stock Code	300888
Stock Exchange	Shenzhen Stock Exchange		
Chinese Name	稳健医疗用品股份有限公司		
Abbreviated Chinese Name (if any)	稳健集团		
English Name (if any)	Winner Medical Co., Ltd.		
Abbreviated English Name (if any)	Winner Medical		
Legal Representative	Li Jianquan		

II. Contact Information

	Board Secretary	Securities Representatives
Name	Chen Huixuan	Xu Jia, Liu Yanxiang
Address	F42, Building 2, Huilong Business Center, Beizhan Community, Minzhi Subdistrict, Longhua District, Shenzhen	F42, Building 2, Huilong Business Center, Beizhan Community, Minzhi Subdistrict, Longhua District, Shenzhen
Tel.	0755-28066858	0755-28066858
Email	investor@winnermedical.com	investor@winnermedical.com

III. Other Information

1. Contact Information

Whether the Company’s registered address, office address and postal code, company website and email were changed during the reporting period  
☐Applicable √N/A

There is no change in the Company’s registered address, office address and postal code, Company website and email during the reporting period, as shown in 2024 annual report.

2. Designated Locations for Information Disclosure and for Keeping Records

Whether information disclosure and the place where the semi-annual report is kept were changed during the reporting period  
☐Applicable √N/A

The name and URL of the stock exchange website and media for publishing the semi-annual report, and the place where the semi-annual report is kept were not changed during the reporting period. See the 2024 Annual Report for details.

## Section II Company Profile and Key Financial Indicators

### 3. Change of Registration

Whether the registration status was changed during the reporting period

☐ Applicable ☒ N/A

There were no changes in the Company's registration during the reporting period. See the 2024 Annual Report for details.

### IV. Key Accounting Data and Financial Indicators

Does the Company need to retrospectively adjust or restate accounting data of previous year

☐ Yes ☒ No

	Current reporting period	Same period last year	Increase/decrease in this reporting period compared with the same period of the previous year
Operating revenue (RMB)	5,296,211,956.92	4,033,505,104.33	31.31% <sup>Note 1</sup>
Net profit attributable to shareholders of the listed company (RMB)	491,998,009.07	384,150,379.21	28.07%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	460,623,731.26	326,915,114.82	40.90% <sup>Note 2</sup>
Net cash flow from operating activities (RMB)	339,925,774.07	193,333,516.76	75.82% <sup>Note 3</sup>
Basic earnings per share (RMB/share)	0.8449	0.6568	28.64%
Diluted earnings per share (RMB/share)	0.8449	0.6568	28.64%
Weighted average return on net assets	4.32%	3.31%	1.01%

	End of the reporting period	End of the previous year	Change from the end of last year
Total assets (RMB)	18,017,761,901.94	18,391,855,961.52	-2.03%
Net assets attributable to shareholders of the listed company (RMB)	11,523,008,936.94	11,151,279,644.56	3.33%

Note 1: Driven by both endogenous and exogenous growth, operating revenue grew by 31.31% compared with the same period last year. The medical segment achieved operating revenue of RMB 2.52 billion, representing a year-on-year increase of 46.4% (or 13.2% like-for-like growth excluding GRI contributions). Meanwhile, the consumer goods segment recorded a year-on-year increase of 20.3%.

Note 2: Net profit attributable to the parent company, excluding non-recurring items, increased by 40.9% year-over-year. This was primarily driven by revenue growth during the period and an increase in net profit attributable to the parent company. As non-recurring gains and losses were lower compared with the same period last year, the growth rate of net profit attributable to shareholders after deducting non-recurring items was higher than the growth rate before such deductions.

Note 3: Net cash flow from operating activities increased by 75.82% compared to the same period last year, mainly due to the continuous improvement of the Company's working capital management

### V. Differences in Accounting Data under Domestic and Overseas Accounting Standards

#### 1. Differences in net profit and net assets between financial reports prepared under International Accounting Standards and Chinese Accounting Standards

☐ Applicable ☒ N/A

The Company had no difference in net profit and net assets between financial reports prepared under International Accounting Standards and Chinese Accounting Standards during the Reporting Period.



## Section II Company Profile and Key Financial Indicators

### 2. Differences in net profit and net assets between financial reports prepared under overseas accounting standards and Chinese Accounting Standards

☐ Applicable ☒ N/A

The Company had no difference in net profit and net assets between financial reports prepared under overseas accounting standards and Chinese Accounting Standards during the Reporting Period.

### VI. Items and Amounts of Non-recurring Gains and Losses

☒ Applicable ☐ N/A

Unit: RMB		
Items	Amount	Explanation
Gains and losses on disposal of non-current assets (including reversal of previously recognized impairment losses)	-6,664,001.60	
Government grants recognized in profit or loss (excluding those related to the company's normal operating activities, consistent with national policy, granted based on established criteria, and having a continuing impact on the Company's profit and loss)	19,741,844.15	
Changes in fair value and gains and losses from the disposal of financial assets and financial liabilities held by non-financial enterprises (excluding effective hedging transactions directly related to the Company's normal operating activities)	31,133,359.39	
Other non-operating income and expenses, excluding the items above	-5,436,207.80	
Less: Income tax effect	6,117,613.09	
Effect on non-controlling interests (after tax)	1,283,103.24	
Total	31,374,277.81	

Details of other items classified as non-recurring gains and losses:

☐ Applicable ☒ N/A

The Company had no details of other items classified as non-recurring gains and losses.

Explanation on circumstances under which items specifically identified as non-recurring gains and losses in the Information Disclosure Interpretative Announcement No. 1 for Companies Publicly Issuing Securities – Non-recurring Gains and Losses are classified as items of recurring gains and losses

☒ Applicable ☐ N/A

Items	Reason
Cotton transportation subsidies	Complies with national policy regulations, meets established standards, and has a continuing impact on profit or loss
Interest income from large-denomination certificates of deposit	The Company's routine cash management practices, with a continuing impact on profit or loss

Section III  
Management  
Discussion and  
Analysis

  
Purcotton  
全棉时代





## Section III Management Discussion and Analysis

### I. Main Operations

The company shall comply with the disclosure requirements of the “Medical Device Business” in the Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 4 – Industry Information Disclosure of the Growth Enterprise Market.:

The Company is subject to the disclosure requirements for “Textile and Apparel Related Business” in the Shenzhen Stock Exchange Listed Company Self-Regulation Guidelines No. 3 – Industry Information Disclosure.

#### (I) Main operations of the Company

Winner Group, driven by the vision of “Caring Health, Cherishing Life, and Protecting the Environment for A Better World”, owns two major brands: “Winner Medical” and “Purcotton”, specializing in medical and consumer segments, respectively. With continuous innovation and expansion of our business scope, our products cover a wide range of segments, including wound care, infection prevention, operating room consumables, personal care, home care, maternity and baby care, and home textiles and apparel. Adhering to the core business principles of “Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value”, and guided by the development strategy of “Product Leadership, Operational Excellence, Global Vision”, the Company dedicates itself to providing safe, high-quality, cost-effective products and services with a strong user experience for customers worldwide.





## Section III Management Discussion and Analysis



### 1. Medical consumables

In the 1990s, the international medical dressing market was dominated by European and American companies in terms of technical standards and market share. Domestic Chinese products lacked competitiveness due to lagging production standards and inconsistent quality. Against this backdrop, driven by the vision of “Bringing Chinese Medical Dressings to the World”, Mr. Li Jianquan, the founder of Winner Group, established the Winner Medical brand in 1991. Over three decades of development, Winner Medical has built a complete industrial chain encompassing “raw material procurement – core material R&D – product manufacturing – terminal sales”. Through continuous R&D and upgrades, the Company’s product portfolio has been optimized and now includes traditional wound care and bandaging, advanced wound dressings, operating room consumables, infection prevention, and healthcare & personal care products. Winner Medical has maintained stringent quality standards throughout its development, establishing an international level quality management system early on in the industry. Its products have received authoritative international certifications, including the EU CE marking, US FDA clearance, and Japanese Ministry of Health, Labour and Welfare approval. With production capacity in China, the United States, Vietnam, and the Dominican Republic, Winner Medical has established global credibility and supply capabilities as a professional medical brand. In terms of distribution, Winner Medical pursues a three-pronged strategy—overseas business + domestic critical healthcare + daily consumer healthcare. Through OEM, ODM, and its own brand, Winner Medical exports to over 110 countries and regions. This brand’s high quality has earned widespread recognition from hospitals and trust from consumers in the domestic market, resulting in higher brand awareness and a stronger reputation. Looking ahead, Winner Medical will accelerate R&D in biomedical and tissue engineering, adhering to the innovation philosophy of technology-driven development and product upgrades, prioritizing product leadership and advancements in basic materials. By integrating Chinese manufacturing with the global supply chain and expanding into global markets, Winner Medical continues to advance towards its strategic goal of becoming a “one-stop solution for medical consumables”.



### 2. Consumer goods

To address the global industry challenge of cotton gauze shedding lint and fluff, the Winner Medical team conducted thousands of experiments and developed a patented pure cotton spunlace non-woven fabric technology. Capitalizing on the natural, soft, breathable, biodegradable, and eco-friendly properties of cotton fiber, the Group launched the brand Purcotton in 2009, innovatively applying medical-grade production standards to daily pure cotton consumer goods. From its inception, Purcotton has insisted on using high-quality cotton from around the world, maintaining strict quality control, and aiming to build a nationally trusted brand. Driven by the vision of “Pure Cotton Changes the World”, Purcotton continuously promotes the benefits of cotton and has pioneered over ten new product categories, including cotton tissues, pure cotton top sheet sanitary napkins, and pure cotton top sheet diapers. Currently, Purcotton operates hundreds of brand stores in over 100 cities across China and has established an omni-channel sales network across major e-commerce platforms, social commerce platforms, and nationally renowned supermarket chains. Leveraging its core competitive edges of “Medical Heritage, Cotton-Centric Philosophy, Quality DNA”, Purcotton has cultivated a brand image of “Comfort Commitment, Health Assurance, Eco-Consciousness”, earning the favor of a broad consumer base. In the future, Purcotton will remain committed to its brand initial aspiration of “We focus on 100% cotton and unlock its full potential to develop the high standard with the best quality of cotton products”, creating and leading a “Reassurance, Wellbeing, Sustainability” pure cotton lifestyle.

## Section III Management Discussion and Analysis

### (II) Main products and applications

The Company's products in the medical segment include traditional wound care and bandaging, advanced wound dressings, operating room consumables, infection prevention, healthcare & personal care, and other products. The products in the consumer segment include dry and wet cotton tissues, sanitary napkins, other non-woven products, baby and child apparel and products, adult apparel, and other woven products.

The main product categories and illustrations of some products in the Company's medical segment are shown below:



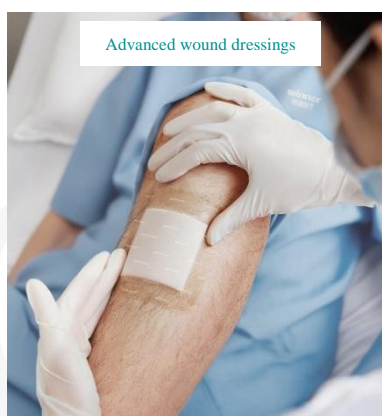
Traditional wound care and bandaging

#### Main Applications

Applied in wound exudate absorbing, wound dressing, and sports protection

#### Specic Products

Medical cotton, gauze, bandage



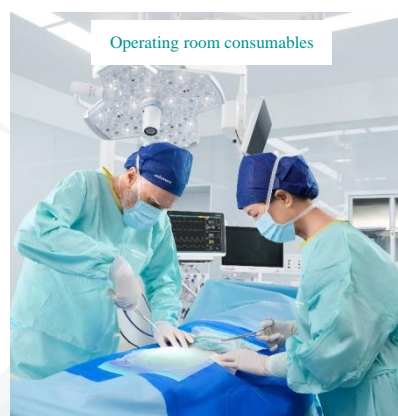
Advanced wound dressings

#### Main Applications

Applied in wound care to provide a moist wound healing environment, reduce dressing change frequency, and minimize further trauma

#### Specic Products

Silicone dressings, alginate dressings, super absorbent dressings, etc.



Operating room consumables

#### Main Applications

Applied in prevention of surgical site infections

#### Specic Products

Surgical gloves, surgical packs, surgical gowns, etc.



Infection prevention

#### Main Applications

Applied in occupational protection for medical personnel and patient isolation

#### Specic Products

Face masks, protective clothing, isolation gowns, gloves, shoe covers, caps, etc.



Healthcare & personal care

#### Main Applications

Applied in wound cleaning and disinfection, daily healthcare

#### Specic Products

Wound disinfectant, iodophor disinfectant tablets, oral and nasal care, medical-aesthetic personal care, nursing aids, etc.



Other products

#### Main Applications

Applied in health management to meet medical needs

#### Specic Products

Injection and puncture products, test kits, etc.

## Section III Management Discussion and Analysis

The main product categories and illustrations of some products in the Company's consumer segment are shown below:



Dry and wet cotton tissues

### Specic Products

Cotton tissues, wet wipes, etc.



Sanitary napkins

### Specic Products

Sanitary napkins, overnight pads, etc.



Other non-woven products

### Specic Products

Facial masks, cotton pads, diapers, disposable underwear, etc.



Baby and child apparel and products

### Specic Products

Baby and children's sleepwear, outerwear, underwear, bath towels, handkerchiefs, swaddles, etc.



Adult apparel

### Specic Products

Adult sleepwear, outerwear, underwear, socks, etc.



Other woven products

### Specic Products

Bedding, bath products, etc.



## Section III Management Discussion and Analysis

### (III) Main business model

Over the three decades of continuous exploration and development, Winner Group's business model has undergone significant transformation and upgrading. Our business scope has expanded from medical products to consumer goods; our business model has shifted from OEM to proprietary brand building, from B2B to B2C, from a sole focus on overseas markets to a balanced approach between domestic and international markets; and our listing status has transitioned from voluntary de-listing on the US Nasdaq to listing on China's A-share market. We have evolved from "Made in China" to "Created in China", from product export to brand empowerment, and ultimately to thought leadership.

Currently, based on digitalization and intelligent technologies, Winner Group has established an integrated operating system encompassing R&D, procurement, production, and sales. In R&D, we focus on independent development of core basic materials and continuous iteration and upgrading of key product categories. Our medical sector actively pursues global patent and product registration strategies, while our consumer goods business leads the development of several national standards. Simultaneously, we actively promote smart manufacturing and green manufacturing technologies to enhance production efficiency and energy management.

In procurement, we utilize diverse strategies, including strategic sourcing and centralized purchasing, combined with mechanisms such as supplier qualification, tiered classification management, and performance evaluation, to build a sustainable supply chain ecosystem. We leverage digital systems like SRM and SCM to achieve transparent, full-process control and strengthen cost and risk management. In production, aligned with the Company's strategic objectives, we use Sales & Operations Planning (S&OP) to guide the development of medium – and long-term strategic plans and short-term production and procurement plans. This process involves all relevant upstream and downstream departments, balancing inventory and lead times based on dynamic customer demand to ensure flexible production and efficient responsiveness. In sales, Winner Medical has established a professional sales network within the medical industry, covering a vast number of medical institutions and retail pharmacies, and exporting medical consumables to numerous countries and regions worldwide. Purcotton employs an omni-channel sales strategy in the consumer goods market, covering major e-commerce and social media platforms online, while operating brand stores in key cities and entering various supermarkets, baby stores, and other retail outlets offline. This online-offline integration enhances consumer experience and strengthens brand influence.





## Section III Management Discussion and Analysis

### (IV) Key performance drivers

#### 1. Alignment with industry trends: medical and consumer sectors in rapid development

In recent years, improvements in global healthcare standards and increasing demand for daily healthcare have driven a steady growth in the medical industry. Globally, the aging population and rising healthcare needs are expanding the medical device market, providing ample room for industry development. Domestically, increasing government support for the medical device industry and accelerated import substitution are creating a favorable environment for medical consumables. Furthermore, the implementation of policies such as centralized procurement, volume-based procurement, SPD, and DRG is continuously optimizing the medical consumables industry towards stricter quality standards, transparent competition, and higher requirements for comprehensive capabilities in R&D, service, and distribution. These industry changes benefit large, integrated companies and are expected to increase industry concentration.

In the consumer goods industry, steady macroeconomic recovery and stable income growth are contributing to a positive trend of recovery and growth. The consumer market is diversifying and becoming more personalized, with notable trends including quality consumption, environmentally sustainable consumption, Guochao economy, and brand trust. Consumers' pursuit of a better life increases their willingness to pay premium prices for high-quality products and services, creating significant market opportunities for companies focused on quality enhancement and emotional value. The growing consumer preference for green and environmentally friendly products is driving companies to increase investment and innovation in sustainable development. The increasing popularity of Guochao economy favors products with cultural significance and national characteristics. Brand trust is becoming a competitive barrier, with consumers increasingly choosing brands that consistently deliver reliable quality and excellent service. Additionally, niche segments such as healthfocused consumption, self-care consumption, and aesthetically driven consumption are expanding rapidly. The current consumer market offers substantial growth potential and opportunities for companies that can effectively identify and adapt to trends.

#### 2. Differentiated competitive advantages accelerating business growth

Driven by the brand vision of "Caring Health, Cherishing Life, and Protecting the Environment for A Better World", Winner Group is pursuing dual-track advancement in medical and consumer goods sectors; driving collaborative expansion across domestic and global markets; enabling convergent growth of online and offline channels; upholding altruism and long-termism, and continues to strive towards Centennial Visionary Winner, guided by the development strategy of "Product Leadership, Operational Excellence, Global Vision".

Winner Group began with its medical consumables business, cultivating the industry for over three decades. It is one of the first domestic companies to establish a fully integrated industrial chain encompassing "raw material procurement – core material R&D – product manufacturing – terminal sales". Winner Medical maintains stringent quality standards throughout its history and established an international-level quality management system at the initial stage of its engagement in the industry. Its products have received authoritative international certifications, including the EU CE marking, US FDA clearance, and Japanese Ministry of Health, Labour and Welfare approval, establishing global credibility for the brand. Through strategic acquisitions of leading companies in niche segments, such as Longterm Medical, Winner Medical (Hunan), and Winner Guilin, Winner Medical rapidly entered the injection and puncture consumables and latex gloves markets, laying the foundation for a one-stop medical consumables solution. Furthermore, the Company continuously invests in R&D, optimizes its product portfolio, and upgrades its advanced wound dressings, operating room consumables, and healthcare & personal care products, increasing the proportion of high-value-added products. Winner Medical pursues a three-pronged strategy—overseas business + domestic critical healthcare + daily consumer healthcare. In particular, the Company's rapid provision of high-quality products of recent years significantly enhanced brand awareness and reputation, leading to the rapid development of its distribution channels. While strengthening its core business, Winner Medical also accelerates its global expansion through mergers and acquisitions. The acquisition of a controlling interest in the US-based medical company GRI strengthens its overseas production capacity, sales channels, and localized operations. In the future, Winner Medical will continue to advance towards its strategic goal of becoming a "one-stop solution for medical consumables".

Purcotton, the Winner Group's consumer goods brand, was established in 2009 with the vision of "Pure Cotton Changes the World". Adhering to the principle of "We focus on 100% cotton and unlock its full potential to develop the high standard with the best quality of cotton products", Purcotton continuously promotes the benefits of cotton and has built a unique business model focused on "pure cotton, all categories, all people". In terms of products, Purcotton insists on using high-quality cotton from around the world, applies medical-grade management standards to consumer goods production, actively implements a popular product strategy, continuously leverages technology and innovation to meet consumer needs, and has developed popular product categories such as cotton tissues, sanitary napkins, newborn products, and intimate wear. Many of these categories hold leading market positions, driving overall sales growth. In terms of distribution, Purcotton employs an omnichannel strategy covering major e-commerce platforms, social commerce platforms, and brand supermarkets. It also operates its own brand stores offline, serving as platforms for brand promotion, product experience, and customer service. This online-offline synergy drives overall quality and growth. In brand building, Purcotton leverages celebrity endorsements, original IP, and cotton field runway shows to expand brand influence. With its core competitive edges of "Medical Heritage, Cotton-Centric Philosophy, Quality DNA", Purcotton has cultivated a brand image of "Comfort Commitment, Health Assurance, Eco-Consciousness" and has become a nationally trusted brand.



## Section III Management Discussion and Analysis

## II. Core Competitiveness Analysis

## 1. Dual-Engine growth: medical and consumer synergies for enhanced risk resilience

Winner Group operates as a holistic health enterprise, synergistically converging medical innovation and consumer wellness ecosystems through its Winner Medical and Purcotton brands. The Company's business scope has expanded from solely medical consumables manufacturing to footprint in diverse fields, including wound care, infection prevention, personal care, home care, maternity and baby care, and home textiles and apparel. Winner Medical's emphasis on product quality and innovative R&D forms the foundation of the Group's development. Simultaneously, the medical heritage in quality control provides a solid foundation of quality for Purcotton's safety and trust, enhancing Purcotton's professional credibility, brand reputation, and customer loyalty. The synergistic and balanced development of these two business segments creates complementary growth engines, strengthens the Company's resilience against economic cycles, effectively balances short-term industry fluctuations with long-term performance growth, and establishes a solid foundation for high-quality development.

## 2. Long-termism: the cultural core for development

Winner Group embraces the long-termism and altruism philosophy, prioritizing brand ethics and adhering to compliant operations and sustainable development. We uphold the core business principles of "Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value" to ensure high-quality products and services. Guided by the values of "Relentless Endeavor, Pioneering Innovation, Self-Critique, Long-Termism", we remain committed to our entrepreneurial spirit and brand-building mission. Throughout our development, we adhere to the brand ethics of "Integrity in Operation, Respect for Consumers, Fair Competition, Social Responsibility (ESG), Intellectual Property Rights, Continuous Improvement", integrating compliant operations and social responsibility into our corporate development, earning widespread recognition and fueling brand building and long-term growth.

## 3. Brand advancement towards Centennial Visionary Winner

With a Centennial Visionary Winner, Winner Group is committed to brand advancement. In the medical field, Winner Medical has established a sound reputation for professionalism, innovation, and high quality over 30 years, becoming an industry benchmark. In the consumer goods field, Purcotton, centering on cotton and leveraging its core competitive edges of "Medical Heritage, Cotton-Centric Philosophy, Quality DNA", has cultivated a brand image of "Comfort Commitment, Health Assurance, Eco-Consciousness", creating differentiated brand advantages. Through continuous brand building and marketing, both business segments enhance brand awareness and reputation, establishing themselves as preferred choices for consumers. This strong brand recognition supports product sales and market expansion, with the synergy between professional medical products and quality consumer goods, forming a unique brand moat.

## 4. Product leadership: innovation-driven quality development

Winner Group upholds a "Product Leadership" strategy, driving development through innovation and consistently delivering high-quality products. In the medical field, we focus on independent R&D of core basic materials and continuous iteration and upgrading of key product categories, ensuring market-leading product performance and quality. In the consumer goods field, driven by the vision of "Pure Cotton Changes the World", we select premium cotton from around the globe as raw materials and apply medical-grade quality standards to create differentiated consumer products. We leverage market insights to rapidly launch new products that meet consumer needs and lead market trends. Furthermore, the Company promotes the transformation of research outcome, through industry-academia collaboration and actively explores cutting-edge fields like life sciences. Through continuous R&D investment, the Company leads and participates in the development of numerous national standards and maintains a leading position in patent and product registration numbers, solidifying its industry leadership through "Product Leadership".

## 5. Operational excellence: advanced technologies for lean management

Winner Group continuously promotes the implementation of its Groupwide "Operational Excellence" strategy. In smart manufacturing, we actively advance the automation and intelligent upgrading of our production processes, achieving automated equipment operation throughout the entire process from raw materials to finished products. We also integrate digital and AI technologies to improve production efficiency and precision in product quality control. In digital transformation, we are committed to integrating internal data links, ensuring data consistency and integrated management. By connecting with external data, we are building a CDP & MA digital marketing system to enhance interaction and connection with consumers and customers. In terms of refined channel operations, we prioritize both online and offline channels. Physical stores enhance the consumer experience through optimized layouts and improved services, while online channels leverage precise management and targeted marketing to improve conversion and repurchase rates. Simultaneously, we utilize membership systems and community operations to deepen customer relationships, achieving synergistic development and efficient operation across all channels.

## 6. Organization and talent: building an international professional team

Winner Group is dedicated to establishing a systematic organization and talent development program encompassing talent acquisition, training, assessment, and incentives. The Company actively promotes the Four-High Talent Philosophy – "High Personal Quality, High Academic Qualifications, High Performance, High Compensation" – with the goal of developing Winner career partners and continuously providing a nurturing environment for talent growth. In terms of organization, the Company is building professional teams that support integrated business operations, focusing on "Organizational Capability, Strategic Goal Enablement", and continuously improving organizational efficiency through various methods. In terms of incentives, we actively implement performance-based sharing systems to foster a results-oriented corporate culture. We also utilize tools such as equity incentives and employee stock ownership plans to enhance talent cohesion and centripetal force, providing a solid talent foundation for the Company's sustainable development and building a stable and internationally oriented professional team.

## Section III Management Discussion and Analysis

### III. Analysis of Main Business

#### (I) Overview

##### 1. Financial performance analysis

In the first half of 2025, despite a challenging external environment, Winner Group positioned itself as a comprehensive health enterprise, driving synergistic development across the medical and consumer sectors. Guided by its principle of “Brand Advancement”, the Company pursued innovation and breakthroughs with determination. During the period, the Company achieved cumulative operating revenue of RMB5.30 billion, a year-on-year increase of 31.30%. Net profit attributable to shareholders of the listed Company reached RMB490 million, while net profit after deducting non-recurring gains and losses was RMB460 million, representing year-on-year growth of 28.1% and 40.9%, respectively.

##### (1) Medical consumables

In the first half of 2025, supported by “accelerated internal growth, mergers and acquisitions integration”, the medical sector maintained steady and positive overall development. During the reporting period, the medical sector achieved total revenue of RMB2.52 billion, a year-on-year increase of 46.4%. In the second quarter, revenue reached RMB 1.26 billion, up 46.5% year-on-year. Excluding contributions from the newly acquired company GRI, the medical sector generated RMB1.95 billion in the first half of the year, a 13.2% increase year-on-year, with quarterly growth accelerating (Q2 revenue, excluding GRI, grew 15.3% year-on-year, compared to 11.1% in Q1).

By category, high-end wound dressings strengthened R&D starting from foundational materials, gradually building competitive advantages. Operating room consumables leveraged the advantages of intelligent manufacturing and supply chain in overseas markets, while domestically focused on Green Operating Room solutions, centering on clinical value as the anchor point, accelerated the penetration of disposable surgical kits. In healthcare & personal care, rapid growth in medical aesthetic products contributed additional incremental revenue. Driven by these initiatives, the operating room consumables, advanced wound dressings, and healthcare & personal care categories achieved revenues of RMB740 million, RMB480 million, and RMB230 million, respectively, in the first half of the year—year-on-year growth of 193.5% (Excluding GRI, operating room consumables sales in the first half of the year increased by 18% year-on-year), 25.7%, and 26.9%—maintaining strong momentum. By the end of the reporting period, the medical consumables segment held a total of 1,109 R&D patents and 701 medical product registrations, including 28 Class III registrations and 340 overseas registrations.

On the distribution front, in the first half of 2025, the Company pursued a three-pronged strategy—overseas business + domestic critical healthcare + daily consumer healthcare—continuously deepening efforts to expand marketing channels. During the period, international sales reached RMB1.43 billion, up 81.3% year-on-year (Excluding GRI, overseas sales in the first half of the year increased by 10.4% year-on-year). Domestic hospital channels continued to expand steadily, generating RMB410 million in revenue in the first half of the year, a 16.2% increase year-on-year. The daily consumer C-end business grew rapidly, with e-commerce and domestic pharmacies together contributing RMB450 million in revenue, up 33.2% year-on-year. By the end of the reporting period, domestic e-commerce platforms had amassed 17.44 million followers—adding more than 340,000 in the first half—while healthcare-related products cover nearly 230,000 domestic top-level chain pharmacies through the O2O instant retail platform of Meituan Pharmacy, actively strengthening the medical brand’s influence, making professional medical care accessible to the public’s health.

##### (2) Consumer goods

In the consumer goods sector, Purcotton leverages its three core strengths — “Medical Heritage, Cotton-Centric Philosophy, Quality DNA” — to continuously enhance its internal capabilities. In recent years, the brand has actively improved its performance in category development, channel operations, and profitability. In the first half of 2025, Purcotton achieved revenue of RMB2.75 billion, up 20.3% year-on-year. Both gross and operating margins showed steady improvement, reflecting strong overall growth momentum.

In terms of product categories, the Company has strengthened communication with consumers, actively promoting the benefits of all-cotton materials. Through factory traceability videos, it has showcased the quality assurance of consumer goods produced in medical-grade environments. Core products, such as dry and wet cotton towels, maintained strong sales, generating RMB810 million in revenue in the first half of the year, up 19.5% year-on-year. In the sanitary napkin segment, Nice Princess earned recognition from both consumers and retailers for its “Five Ultra” all-cotton comfort technology—Ultra-Clean Absorption, Ultra-Breathable, Ultra-Soft, Ultra-Eco-Friendly, Ultra-Convenient—and the clean production standards of Winner Medical. Amid rising consumer demand for safety at the end of last year, the product’s long-standing quality advantage stood out, driving a significant rise in industry rankings during the first half. Revenue from sanitary napkins reached RMB530 million, up 67.6% year-on-year, underscoring the growth potential of this key strategic category. In adult apparel, the Company strategically focused on intimate categories such as underwear and sleepwear, deepening its expertise in all-cotton fabric technology while enhancing comfort through improved fit and design. Revenue in this segment reached RMB520 million, a 19.4% increase year-on-year. Purcotton continues to drive innovation through R&D, expanding its product portfolio and strengthening competitiveness. By the end of the reporting period, the brand had accumulated a total of 530 patents.

## Section III Management Discussion and Analysis

In channel development, the first half of 2025 saw continued deepening of online channels, with an emphasis on new products and key hit items to build competitive advantages for strategic offerings. Online sales reached RMB1.71 billion, up 23.6% year-on-year, with interest-based e-commerce platforms such as Douyin achieving breakthrough growth, nearly 100% year-on-year. As key platforms for brand promotion, product experience, and customer service, Purcotton's physical stores maintained steady growth. By the end of the first half of 2025, the Company operated 484 stores—380 directly owned and 104 franchised—with 16 new openings during the period (8 direct and 8 franchised). Physical store revenue reached RMB720 million, up 2.8% year-on-year. The supermarket channel also showed strong development, contributing RMB240 million in revenue, a 63.2% increase year-on-year. By the end of the reporting period, Purcotton's total membership across all platforms reached nearly 67 million, up 7.7% from the previous year, reflecting continued expansion in brand reach and consumer engagement.

### (3) Profitability

During the reporting period, the profitability of the Company's two main businesses showed overall stability and an upward trend. In the medical consumables segment, for the past two years, the Company actively restored profitability through a range of measures. In the first half of 2025, the segment carried out comprehensive integration and efficiency improvements across product structure, iteration of new technologies and products, and improvement of organizational operational efficiency and channel development, driving the operating profit margin to 8.6%, a 0.9-percentage-point increase year-on-year. In the consumer goods segment, benefiting from lower cotton prices and optimized product structure, Purcotton achieved a gross margin of 58.6%, up 1.7 percentage points compared with the same period last year. The brand continued advancing initiatives such as new product iterations, product mix optimization, discount management, cost reduction, efficiency improvements, and refined operational management. As a result, the operating profit margin for the consumer goods business reached 14.0%, a 1.2-percentage-point increase from same period last year.

### (4) Future Development Outlook

Throughout its development, Winner Group has successfully navigated five economic cycles, remaining true to its founding aspirations while continuously building, preserving, and advancing its legacy. The Company follows the core business principles of "Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value", guided by a development strategy focused on "Product leadership, Operational excellence, Global vision". Winner Group is committed to pursuing dual-track advancement in medical and consumer goods sectors; driving collaborative expansion across domestic and global markets; enabling convergent growth of online and offline channels; upholding altruism and long-termism — committed to delivering safe, premium, cost-effective, and experience-driven products and services for global users.

## 2. Operational management

### (1) Brand building

Winner Medical focuses on Brand Advancement by fully consolidating the synergistic ecosystem of "professional healthcare + public wellness". In the critical healthcare sector, the Company strengthens hospital-end brand building through several initiatives: ① Launching the "Green Operating Room" integrated solution to help hospitals improve operational management, reduce surgical infections, enhance staff comfort, and minimize environmental impact from medical waste. ② Engaging in international dialogues on wound care and medical innovation by participating in major exhibitions, including the 91st China International Medical Equipment Fair (CMEF Spring). ③ Actively participating in workshops and conferences on vascular disease, wound treatment, operating room nursing management, infection control, and surgical innovations to deepen hospital-level brand presence. In the consumer healthcare sector, Winner Medical collaborated with authoritative media CCTV.com to release documentaries such as *Why Professional Medical-Grade Products Are Increasingly Favored*, *Nurturing Health While Protecting the Environment: The Development Journey of Cotton-Lined Masks*, and *Have You Washed Your Sunscreen Mask?* These films highlighted cotton-lined masks and daily disposable sunscreen masks, closely aligning with consumer trends.

Purcotton continued to strengthen emotional connections and engagement with consumers, reinforcing its brand values of Comfort Commitment, Health Assurance, Eco-Consciousness, as well as its warm and empowering image. In consumer communications, the brand launched the 100 Homes of Cotton TVC to evoke feelings of security and happiness. For Children's Day, it released *Listen to the Kids 2.0*, creatively answering adult questions through children's perspectives, expanding touchpoints and enhancing its child-understanding brand image. The *Comfort, One Step Further* TVC demonstrated the comfort standards of cotton underwear, while *Designer's Notes* shared the stories behind the products, giving consumers an intuitive understanding of the brand's dedication. In product promotion, Ding Yuxi starred in *Purcotton Comfort with You*, highlighting the brand's focus on comfort. The campaign was integrated with Tmall Super Brand Day and Li Jiaqi's exclusive livestreams, achieving unified branding and sales impact. The *Comfort Trilogy* offline fan meetups with Ding Yuxi allowed young consumers to experience the full comfort of 100% cotton. Guo Jingjing's *[A Home with Purcotton, More at Ease]* TVC emphasized the freshness brought by Cotton Tech and was paired with a factory traceability campaign in collaboration with CCTV Finance. Zhao Liying's *[more comfortable life with Purcotton at home]* TVC and brand livestream showcased Purcotton sleepwear, effectively communicating both the product quality and the brand story.



## Section III Management Discussion and Analysis

### (2) Product R&D

Driven by functionalization of pure cotton spunlace non-woven materials, advanced wound care technologies, and cutting-edge biomaterials, Winner Medical maintains a sharp focus on upgrading core material formulations and iterating product technologies. In operating room consumables, Winner Medical prioritizes cotton over synthetic fibers, optimizing the performance of high-use clinical supplies such as surgical gowns. The Green Operating Room concept integrates safety, reliability, and sustainability throughout surgical procedures, reinforcing the brand's market positioning. Functional dressings focus on domestic sourcing of core raw materials. By overcoming technical barriers in adhesives and absorbent materials, Winner Medical has built an industrial platform for locally sourced materials, ensuring supply chain security. Its patent portfolio and product registrations further strengthen technological and regulatory advantages. The bioactive dressing segment has also reached mass production and expanded applications of collagen technology. Medical aesthetic products now include in-house production of Class II medical device dressings, using steam sterilization to guarantee sterility and ingredient efficacy, while innovations in membrane fabrics enhance the user experience. In industry-academia collaboration, Winner Medical partnered with academicians from the Chinese Academy of Engineering to apply lead-free radiation shielding technology across its product line, achieving full control from material development through mass production.

Purcotton consistently follows the development philosophy of "Low-count yarn with high-grade cotton blending, and high-count yarn with premium cotton blending" cotton and custom-spun yarns. Through continuous technological innovation, the brand has advanced Cotton Tech, enhancing cotton soft, cotton breathable, cotton warm, cotton cool, cotton anti-uv, cotton anti-bacterial properties. Functional breakthroughs include odor elimination, quick-drying, and fluorine-free waterproofing for cotton materials. Upgraded self-softening technology for spunlace nonwoven cotton fabric improves comfort in disposable travel products, directly addressing consumer pain points. Clinical studies on cotton and non-cotton wet wipes have been conducted in collaboration with top-tier hospitals. Focusing on core cotton gauze materials, Purcotton has developed elastic gauze, organic cotton gauze, and cooling quick-dry gauze, expanding its premium wrinkled gauze series and establishing a distinctive cotton wrinkle aesthetic. The Wind-Soft Cotton material has undergone continuous enhancement, with the Wind-Soft Cotton 4.0 warmth series offering breathability, insulation, far-infrared heating, and anti-static properties to deliver superior comfort for wearers. Purcotton is advancing lightweight, sports-oriented functional materials, exploring cotton's athletic properties to deliver quick-drying fabrics that don't stick to the skin, highly elastic materials without static, and breathable fabrics that prevent sweat retention. Its self-developed cotton core filling balances fluffiness with washability, achieving breakthroughs in outdoor apparel insulation. Guided by the "materials leadership, seeds first" innovation philosophy, Purcotton collaborates with research institutions on Cotton 135 breeding conversions and specialized cotton for spunlacing. Deep partnerships with universities have led to pioneering sleepwear "scenario-based comfort" evaluation systems, shifting industry standards from single-parameter assessments to scenario-driven evaluations. Thermal comfort research for cotton thermal underwear has established a multidimensional evaluation model. Through these advances in material science and scenario-driven applications, Purcotton achieves a dual-value upgrade of "health and comfort" alongside "functional sustainability", offering consumers healthier, more comfortable, and higher-quality product experiences.

### (3) Digital transformation

By 2025, Winner Group will continue to advance its digital and intelligent transformation strategy, customer-centered and guided by the principle of "business management process-oriented, process management digitalized, and digital management intelligent", comprehensively empowering business development.

The Medical division has upgraded its CRM system, streamlining the end-to-end LTC process to enable fully closed-loop online management across five hospital sales categories. This improvement enhances sales visibility, process control, and cross-department collaboration efficiency by 30%, providing a solid, data-driven foundation for decision-making.

Purcotton, focused on consumer needs, upgraded its Marketing Cloud to version 4.0, creating a full-chain marketing closed loop. The system integrates data from over 50 million users, products, and scenarios, establishing a 400+ user tag system and an omnichannel touchpoint matrix. Its intelligent content platform links mainstream media channels and incorporates AI-assisted content generation. The Unified Commerce initiative optimizes business processes to support efficient decision-making, while Unified Data launches a centralized data platform that enables visualized and actionable operational analytics.

In manufacturing, the self-developed WIN+ intelligent manufacturing platform, alongside WMS and TMS systems, integrates AI, IoT, and big data to build a flexible, efficient, green, and secure smart production and logistics system. This ensures precise production decisions, optimal resource allocation, and continuous efficiency improvements, strengthening competitiveness and promoting high-quality manufacturing development.

The Group's functional sharing sector promotes the transformation of financial functions, launches the tax system, and advances the construction of a digital sharing platform for finance and economics. In May, the Group rolled out the Feishu collaborative office platform, covering all employees with a daily active usage rate exceeding 95%. Efficiency across China's nearly 500 stores improved by 50%, while the development cycle for digital systems was shortened by 30%. Over 100 "Efficiency Pioneers" led the organization-wide adoption of AI, establishing a "Four Online" framework to create intelligent, front-end application experiences.

## Section III Management Discussion and Analysis

## (II) YoY changes in key financial data

Unit: RMB

	Current reporting period	Same period last year	Year-on-year increase/decrease	Reasons for changes
Operating revenue	5,296,211,956.92	4,033,505,104.33	31.31%	Primarily driven by growth in both organic and acquired business sales.
Operating cost	2,736,394,780.72	2,068,470,442.58	32.29%	Mainly due to higher revenue, which led to corresponding increases in costs.
Selling expenses	1,254,903,652.81	1,055,741,084.22	18.86%	No significant change observed
Administrative expenses	436,173,126.72	309,446,026.40	40.95%	Primarily attributable to additional expenses arising from the GRI acquisition.
Finance expenses	-11,332,380.95	-37,442,539.84	69.73%	Mainly caused by: 1) a decline in interest income during the period; 2) higher interest expenses related to GRI.
Income tax expenses	127,441,441.90	67,151,050.24	89.78%	Primarily due to: 1) increased total annual profit; 2) higher corporate income tax rates resulting from subsidiary relocations.
R&D expenses	194,377,566.90	143,142,952.33	35.79%	Primarily driven by increased R&D investment by the Company.
Net cash flows from operating activities	339,925,774.07	193,333,516.76	75.82%	Mainly attributable to higher cash inflows from sales receipts.
Net cash flows from investing activities	524,259,605.55	-423,873,353.55	223.68%	Primarily due to a reduction in purchases of financial products during the period.
Net cash flows from financing activities	-741,438,610.09	-560,896,220.86	-32.19%	Mainly driven by increased cash outflows for debt repayments during the period.
Net increase in cash and cash equivalents	129,989,002.56	-783,341,536.49	116.59%	Primarily resulting from higher net operating cash flow during the period.

Significant changes in the profit composition or profit source of the Company during the reporting period

☐ Applicable ☒ N/A

There was no significant change occurred in the profit composition or profit source of the Company during the reporting period.

## Section III Management Discussion and Analysis

Products or services accounting for more than 10%

√Applicable □N/A

Unit: RMB

	Operating revenue	Operating cost	Gross margin	Change in operating revenue compared to the same period last year	Change in operating costs compared to the same period last year	Change in gross margin compared to the same period last year
By products or services						
By sector						
Medical consumables	2,515,255,012.76	1,574,862,261.71	37.39%	46.39%	48.07%	-0.71%
Consumer goods	2,745,307,551.87	1,135,736,241.22	58.63%	20.29%	15.44%	1.74%
By product						
Medical consumables – traditional wound care and bandaging	568,161,295.98	387,676,930.53	31.77%	-2.45%	-3.73%	0.91%
Medical consumables – operating room consumables	742,877,069.01	519,370,820.08	30.09%	193.52%	225.65%	-6.90%
Consumer goods – dry and wet cotton tissues	812,925,165.93	404,412,224.48	50.25%	19.46%	18.03%	0.60%
Consumer goods – sanitary napkins	532,686,851.69	168,858,107.49	68.30%	67.64%	61.59%	1.19%
By region						
Domestic	3,724,025,574.19	1,746,782,440.76	53.09%	19.03%	15.10%	1.60%
Overseas	1,536,536,990.44	963,816,062.16	37.27%	76.27%	81.91%	-1.94%



## Section III Management Discussion and Analysis

The Company is subject to the disclosure requirements for “Textile and Apparel Related Business” in the Shenzhen Stock Exchange Listed Company Self-Regulation Guidelines No. 3 – Industry Information Disclosure.

Unit: RMB						
	Operating revenue	Operating cost	Gross margin	Change in operating revenue compared to the same period last year	Change in operating costs compared to the same period last year	Change in gross margin compared to the same period last year
By sector						
Consumer goods	2,745,307,551.87	1,135,736,241.22	58.63%	20.29%	15.44%	1.74%
By product						
Consumer goods – dry and wet cotton tissues	812,925,165.93	404,412,224.48	50.25%	19.46%	18.03%	0.60%
Consumer goods – sanitary napkins	532,686,851.69	168,858,107.49	68.30%	67.64%	61.59%	1.19%
Consumer goods – other non-woven products	199,524,730.93	119,242,458.66	40.24%	2.23%	1.93%	0.17%
Consumer goods – baby and child apparel and products	464,885,311.87	182,211,475.74	60.81%	3.63%	0.85%	1.08%
Consumer goods – adult apparel	520,819,945.59	168,886,726.88	67.57%	19.41%	13.03%	1.83%
Consumer goods – other woven products	214,465,545.86	92,125,247.97	57.04%	5.11%	2.76%	0.98%

In cases where the statistical criteria for the Company’s main business data has been revised during the Reporting Period, the Company’s main business figures for the most recent one-year period, restated in accordance with the criteria applied as of the end of the Reporting Period

☐ Applicable ☒ N/A

## Section III Management Discussion and Analysis

Does the Company have physical store sales terminals?

√Yes ☐No

Physical store distribution

Store type	Number of stores	Store area (Square meter)	Number of new stores opened during the Reporting Period	Number of stores closed as of the end of the Reporting Period	Reason for closure	Brands involved
Directly operated	380	110,018	8	13	Store closure due to contract expiration, adjustment	Purcotton
Franchised	104	23,092	8	6	Store closure due to contract expiration, adjustment	Purcotton

Note: During the reporting period, certain stores were converted between direct-operated and franchised formats. These conversions are not counted as new openings or closures, and the store opening figures have been adjusted accordingly.

Total area of directly-operated stores and store efficiency

Area range	Number of stores	Total area (Square meter)	Operating revenue from January to June 2025 (RMB0'000)	Operating revenue in the same period last year	Average store efficiency Year- on-year change	Reason
Less than 300 square meters	188	40,388.69	28,615.90	30,661.46	-6.67%	
300-500 square meters	96	35,252.50	20,110.81	21,148.95	-4.91%	
500-800 square meters	20	12,526.79	5,535.07	5,953.34	-7.03%	
More than 800 square meters	6	5,538.82	1,687.68	1,868.85	-9.69%	
Total	310	93,706.80	55,949.46	59,632.60	-6.18%	

Explanation: The above data is for a year-over-year comparison of Purcotton stores that have been open for more than 12 months as of 30 June 2025.

The top five stores in terms of operating revenue

Serial number	Store name	Opening date	Operating revenue (RMB)	Store efficiency per square meter
1	Ranking first	25 October 2017	6,190,318.82	15,311.20
2	Ranking second	6 August 2012	5,139,438.73	19,321.20
3	Ranking third	11 November 2017	5,084,259.10	4,584.54
4	Ranking fourth	18 January 2018	5,042,726.76	12,092.87
5	Ranking fifth	20 July 2016	5,001,700.66	12,293.72
Total	--	--	26,458,444.07	10,164.01

## Section III Management Discussion and Analysis

New stores of listed companies

√Yes ☐No

Store name	Store address	Opening date	Area in contract (Square meter)	Investment amount (RMB0'000)	Product category	Business format	Business model	Property ownership status	Number of stores
Purcotton directly operated store	Central China	2025	305.00	144.11	Consumer goods	Retail	Directly operated store	Leased by Purcotton	1
Purcotton directly operated store	North China	2025	830.29	488.51	Consumer goods	Retail	Directly operated store	Leased by Purcotton	3
Purcotton directly operated store	West China	2025	255.00	124.17	Consumer goods	Retail	Directly operated store	Leased by Purcotton	1
Purcotton directly operated store	South China	2025	373.20	210.53	Consumer goods	Retail	Directly operated store	Leased by Purcotton	1
Purcotton directly operated store	East China	2025	402.00	287.26	Consumer goods	Retail	Directly operated store	Leased by Purcotton	2
Purcotton franchised store	North China	2025	160.00	23.13	Consumer goods	Retail	Franchised store	Franchised by Purcotton	1
Purcotton franchised store	South China	2025	290.00	39.72	Consumer goods	Retail	Franchised store	Franchised by Purcotton	1
Purcotton franchised store	West China	2025	331.31	76.22	Consumer goods	Retail	Franchised store	Franchised by Purcotton	2
Purcotton franchised store	Central China	2025	1,130.76	132.25	Consumer goods	Retail	Franchised store	Franchised by Purcotton	4
Total			4,077.56	1,525.90					16

Does the Company disclose information about its top five franchised stores?

☐Yes ☒No



Section III Management Discussion and Analysis

IV. Other Information Required by the Industry Information Disclosure Guidelines for Textile and Apparel-Related Sectors

1. Capacity

Self-owned capacity

Capacity utilization changed by more than 10% year on year

☒Yes ☐No

Business category	Product category	Unit	January-June 2025			January-June 2024			Change in capacity utilization as percentage point	Explanation of change reason
			Capacity	Output	Capacity utilization	Capacity	Output	Capacity utilization		
Consumer goods	Cotton tissues	10,000 packages	20,975	12,847	61.25%	18,196	9,087	49.94%	11.31%	Higher volume; production line added.
	Sanitary napkins	10,000 pieces	72,986	72,695	99.60%	39,836	29,406	73.82%	25.78%	New production line added, increase in market demand leads to increase in orders.

Is there overseas capacity?

☐Yes ☒No

2. Sales model and channel

Sales channels and actual operation methods of the products

Companies involved in textiles and apparel are in the consumer goods sector. The main sales channels for the consumer goods sector include online sales and physical stores.

Marketing channel	Operating revenue	Operating cost	Gross margin	Unit: RMB		
				Change in operating revenue compared to the same period last year (%)	Change in operating costs compared to the same period last year (%)	Change in gross margin compared to the same period last year
Online sales	1,707,576,957.84	760,191,251.98	55.48%	23.65	17.45	2.35%
Physical store	724,218,153.41	234,557,543.97	67.61%	2.75	-5.05	2.66%

Reason for change

## Section III Management Discussion and Analysis

## 3. Selling expenses and composition

Unit: RMB

Items	Amount for the current period	Amount for the last period	Year-on-year increase/decrease	Reasons for changes
Employee benefits	351,756,153.04	308,895,689.06	13.88%	No significant change observed
Travel expenses	15,038,995.11	11,089,494.35	35.61%	Primarily due to additional travel expenses related to GRI.
Office communication expenses	8,503,507.92	6,712,347.78	26.68%	No significant change observed
Sales commissions and charges by E-commerce platform	144,526,632.13	150,321,611.77	-3.86%	No significant change observed
Depreciation and amortisation	121,179,518.36	117,958,551.43	2.73%	No significant change observed
Advertising and promotion expenses	501,245,493.81	339,609,578.47	47.59%	Mainly attributable to increased advertising and promotional investments in core product categories.
Lease and property management fees	68,438,212.02	76,942,306.30	-11.05%	No significant change observed
Others	44,215,140.42	44,211,505.06	0.01%	No significant change observed
Total	1,254,903,652.81	1,055,741,084.22	18.86%	

## 4. Franchise and distribution

Franchisees and distributors achieved a sales revenue as a percentage over 30%

☐ Yes ☒ No

Top five franchisees

Serial number	Franchisee name	Date of start for cooperation	Is it a related party	Total sales amount (RMB)	Franchisee's level
1	Ranking first	9 November 2020	No	8,362,814.98	the first level
2	Ranking second	28 December 2022	No	7,347,323.01	the first level
3	Ranking third	26 June 2022	No	6,622,418.92	the first level
4	Ranking fourth	01 June 2021	No	5,103,901.09	the first level
5	Ranking fifth	31 March 2023	No	4,972,464.39	the first level
Total	--	--	--	32,408,922.39	--

Top five distributors

Serial number	Franchisee name	Date of start for cooperation	Is it a related party	Total sales amount (RMB)
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## Section III Management Discussion and Analysis

### 5. Online sales

Online sales achieved a revenue as a percentage over 30%

☒Yes ☐No

The Company's primary operation model involves setting up online stores on third-party e-commerce platforms such as Tmall, JD.com, and Douyin to sell products directly to end consumers. Under the direct sales model of e-commerce, the goods are delivered and control is transferred to the consumer. The revenue is recognized when the consumer confirms receipt of the goods.

Were self-owned sales platforms built?

☒Yes ☐No

Date of start for operation	06 January 2014
Number of registered users	16,411,645
Average number of monthly active users	1,591,899

Was there cooperation with third-party sales platforms?

☒Yes ☐No

		Unit: RMB
Platform name	Transaction amount during the Reporting Period	Return rate
Consumer goods sold at Taobao/Tmall	823,969,315.12	3.08%

Opening or closing of online sales channels by the Company

☐Applicable ☒N/A

Explain the impact on the Company's current and future development

### 6. Outsourced operation model

Does it involve an outsourced operation model?

☐Yes ☒No



## Section III Management Discussion and Analysis

## 7. Inventory

## Inventory

Main products	Inventory turnover days	Inventory amount (RMB)	Inventory age	Change in inventory balance compared to the end of the previous year	Reason
Raw materials and materials consigned for processing		503,435,346		90,944,720	
Work in process		202,764,222		-33,409,746	
Goods on hand		1,183,541,549		-60,698,281	
Goods in transit		42,525,097		-5,718,921	
Low-value consumables		14,140,341		-2,525,826	
Total	142	1,946,406,555		-11,408,053	

Provision for inventory decline

Unit: RMB

Category	Closing balance of the previous year	Increase in current period	Decrease in current period	Closing balance
		Provision	Reversal or write-off	
Raw materials and materials consigned for processing	9,769,459.08	17,831,051.86	3,649,437.95	23,951,072.99
Work in process	29,252,698.59	5,020,955.94	21,278,715.87	12,994,938.66
Goods on hand	167,669,713.69	77,259,423.04	65,207,090.95	179,722,045.77
Goods in transit		1,415,065.71	547,360.00	867,705.71
Low-value consumables	2,290,807.36	353,081.07	864,755.88	1,779,132.55
Total	208,982,678.72	101,879,577.61	91,547,360.65	219,314,895.68

Inventory information of terminal channels such as franchisees or distributors

Purcotton has 104 franchised stores in operation. The business model for the franchised stores is that the franchisees are responsible for the construction and daily operation of the stores, while Purcotton provides goods, training, and supply chain support. Revenues generated from franchised stores sales are shared between Purcotton and the franchisees. Purcotton retains ownership of inventory held in franchised stores. As of 30 June 2025, the inventory balance was RMB42.87 million, averaging RMB410,000 per store.

## Section III Management Discussion and Analysis

### 8. Brand building

Does the Company engage in the production and sale of branded garments, apparel, and home textile products?

√Yes ☐No

Proprietary brand

Brand name	Trademark name	Main product type	Characteristics	Target customer group	Price range of main products	Main sales area	City tier
Purcotton	Purcotton	Cotton tissues	Made of 100% high-quality natural cotton, free of fluorescent brighteners, gentle and non-irritating, meeting consumers' daily needs.	All age groups	RMB5-30/pack (100 pieces)	Nationwide	Second-tier, third-tier and above cities nationwide
Purcotton	Nice Princess	Sanitary napkins	Pure cotton surface layer (surface layer, partition edge, wing surface layer)	Ageappropriate female population	RMB1.5-4.99/pad	Nationwide	Second-tier, third-tier and above cities nationwide
Purcotton	Nice Baby	Diapers	Pure cotton surface layer, unique in the market, care from natural cotton; with ultra-thin 2mm super-absorbent core that holds up to 28 times its weight in liquid	Caregivers of infants	RMB2.45-5.45/pad	Nationwide	Second-tier, third-tier and above cities nationwide
Purcotton	Purcotton	Wet wipe	Made from pure cotton, soft but not greasy, gentle and harmless to skin	All age groups	RMB20-40/pack	Nationwide	Second-tier, third-tier and above cities nationwide
Purcotton	Purcotton	Baby and child products/aparel	Made from pure cotton, no fluorescence, no formaldehyde added, the unique gauze fabric offering more comfortable care	Expecting mothers, newborns, infants and toddlers	RMB100-500/piece	Nationwide	Second-tier, third-tier and above cities nationwide
Purcotton	Purcotton	Adult apparel/intimate wear	Made from pure premium cotton, no fluorescence, no formaldehyde added, soft to the touch, the unique gauze fabric offering more comfortable care	Adult apparel: ageappropriate adult men and women; Intimate wear: all age groups of customers	Outerwear: RMB150-800/piece; Sleepwear: RMB200-800/piece; Thermal underwear: RMB200-600/piece; Underpants: RMB58-108/piece (pack); Socks: RMB20-40/pair	Nationwide	Second-tier, third-tier and above cities nationwide
Purcotton	Purcotton	Bedding, bath products	Made from pure premium cotton, no fluorescence, no formaldehyde added, soft to the touch, the unique gauze fabric offering more comfortable care	Expecting mothers, newborns, infants, toddlers and adults	Children's bedding: RMB268-1,698/set; Toddler's bedding: RMB198-1,098/set; Adult's bedding: RMB268-3,198/set; Bath products: RMB38-398/piece	Nationwide	Second-tier, third-tier and above cities nationwide

## Section III Management Discussion and Analysis

## Partner brands

Brand name	Trademark name	Main product type	Characteristics	Target customer group	Price of products	range of main	Main area	sales	City tier	Brand trademark ownership	Partner name	Cooperation method	Cooperation period
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## Authorized brand

Brand name	Trademark name	Main product type	Characteristics	Target customer group	Price of products	range of main	Main area	sales	City tier	Authorizing party	Authorization period	Is it an exclusive authorization?
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## Marketing and operations of each brand during the Reporting Period

For detailed information, please refer to “III. Analysis of Main Business” in Section III, Management Discussion and Analysis.

## Disputes related to trademark ownership

☐ Applicable ☒ N/A

## 9. Others

## Does the Company engage in apparel design-related business?

☒ Yes ☐ No

Number of in-house fashion designers	29	Number of contracted fashion designers	0
Operation of established designer platform PLM system, 3D design platform, and digital color tools			

## Does the Company hold order meetings?

☐ Yes ☒ No



## Section III Management Discussion and Analysis

## V. Non-Core Business Activities

√Applicable □N/A

Unit: RMB

	Amount	Percentage of total prot	Reason	Sustainability
Investment income	10,250,616.45	1.59%	Primarily due to matured returns on wealth management products and recognized gains from associates	Associate income is sustainable; others are not
Gains and losses from changes in fair value	8,043,719.46	1.25%	Primarily due to changes in the fair value of wealth management products	No
Asset impairment	-32,261,264.96	-5.00%	Primarily due to provision for inventory write-down, goodwill impairment, and fixed asset impairment	No
Non-operating revenue	2,981,866.13	0.46%	Primarily due to gains from the disposal of non-current assets and other non-operating revenue	No
Non-operating expense	16,418,323.58	2.54%	Primarily due to losses from the disposal of non-current assets	No
Credit impairment loss	-11,497,804.05	-1.78%	Primarily due to expected credit loss provisions for accounts receivable and other receivables	No
Gains on disposal of assets	1,518,248.05	0.24%	Primarily due to disposal of non-current assets	No
Other revenue	44,523,302.06	6.90%	Primarily due to receipt of government grants related to business operations	Tax relief and reductions and cotton transport subsidies are sustainable; others are not

## Section III Management Discussion and Analysis

## VI. Analysis of Assets and Liabilities

## 1. Significant changes in asset composition

Unit: RMB

	End of the reporting period		End of the previous year		Change in percentage	Explanation of changes	of significant
	Amount	Percentage of total assets	Amount	Percentage of total assets			
Currency fund	1,532,405,558.47	8.50%	1,412,088,898.63	7.68%	0.82%	No observed	change
Accounts receivable	1,204,624,419.81	6.69%	980,617,641.38	5.33%	1.36%	No observed	change
Inventories	1,946,406,554.83	10.80%	1,957,814,608.25	10.65%	0.15%	No observed	change
Investment properties	1,910,690.44	0.01%	2,360,346.25	0.01%	0.00%	No observed	change
Long-term equity investments	426,186,435.73	2.37%	445,355,778.00	2.42%	-0.05%	No observed	change
Fixed assets	3,945,978,042.78	21.90%	3,354,304,108.81	18.24%	3.66%	No observed	change
Construction in progress	599,316,255.96	3.33%	1,074,955,450.40	5.84%	-2.51%	Primarily due to the completion and transfer of construction-in-progress to fixed assets during the period.	
Right-of-use assets	588,511,186.31	3.27%	595,222,623.66	3.24%	0.03%	No observed	change
Short-term borrowings	1,800,844,655.00	9.99%	1,969,044,164.65	10.71%	-0.72%	No observed	change
Contract liabilities	168,112,166.85	0.93%	182,755,504.60	0.99%	-0.06%	No observed	change
Long-term borrowings	50,000,000.00	0.28%	53,000,000.00	0.29%	-0.01%	No observed	change
Lease liabilities	412,913,690.20	2.29%	440,876,652.33	2.40%	-0.11%	No observed	change
Notes receivable	23,468,822.98	0.13%	34,319,961.81	0.19%	-0.06%	Primarily due to the decrease in payments for goods using bank acceptance bills during the current period	
Receivables financing	44,592,896.78	0.25%	68,349,926.24	0.37%	-0.12%	Primarily due to the decrease in payments for goods using bank acceptance bills during the current period	
Prepayments	152,802,786.22	0.85%	107,051,901.68	0.58%	0.27%	Primarily due to increased advance payments for cotton and other goods.	
Non-current liabilities due within one year	206,174,504.07	1.14%	396,768,243.67	2.16%	-1.02%	Primarily due to the repayment of borrowings during the period.	
Long-term payables	26,483,360.45	0.15%	48,544,431.64	0.26%	-0.11%	Primarily due to the repayment of long-term payables in the current period.	

## 2. Major Overseas Assets

□ Applicable √N/A

## Section III Management Discussion and Analysis

### 3. Assets and liabilities measured at fair value

√Applicable ☐N/A

Unit: RMB

Items	Opening balance	Fair value changes recognized in profit or loss for the current period	Cumulative fair value changes recognized in equity	Impairment provision for the current period	Purchases during the current period	Sales during the current period	Other changes	Closing balance
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	2,921,341,484.39	8,043,719.46			456,139,517.21	1,261,000,000.00	-200.35	2,124,524,520.71
2. Other non-current financial assets	107,906,716.86	0			0	0	-487,573.74	107,419,143.12
Subtotal of financial assets	3,029,248,201.25	8,043,719.46			456,139,517.21	1,261,000,000.00	-487,774.09	2,231,943,663.83
Total of the above	3,029,248,201.25	8,043,719.46			456,139,517.21	1,261,000,000.00	-487,774.09	2,231,943,663.83
Financial liabilities	0.00							0.00

#### Other changes

Others primarily due to the exchange rate fluctuations

Has there been any significant change in the measurement attributes of the Company's major assets during the Reporting Period?

☐Yes ☒No

### 4. Restrictions on asset rights as of the end of the Reporting Period

For details, please refer to Section VIII Financial Report – VII. Notes to Items in the Consolidated Financial Statements – 31. Assets with restricted ownership or use rights.

## VII. Investment Analysis

### 1. Overall situation

√Applicable ☐N/A

Investment amount during the Reporting Period (RMB)	Investment amount for the same period last year (RMB)	Change rate
456,139,517.21	1,213,190,997.98	-62.40%

Note: Primarily due to a decrease in purchases of wealth management products during the period.

### 2. Significant equity investments acquired during the Reporting Period

☐Applicable ☒N/A

## Section III Management Discussion and Analysis

## 3. Significant non-equity investments in progress during the Reporting Period

□Applicable √N/A

## 4. Financial Assets Measured at Fair Value

√Applicable □N/A

Unit: RMB

Asset classes	Initial investment cost	Fair value changes recognized in profit or loss for the period	Cumulative value changes recognized in equity	Purchases during the current period	Sales during the current period	Accumulated investment income	Other changes	Closing balance	Source of funds
Others	1,465,625,979.18	-1,859,979.18		356,139,517.21	911,000,000.00	13,484,170.32	-487,774.09	932,873,828.20	Self-owned funds
Trust products	1,520,000,000.00	9,903,698.64		100,000,000.00	350,000,000.00	9,605,469.61		1,299,069,835.63	Self-owned funds
Total	2,985,625,979.18	8,043,719.46	0.00	456,139,517.21	1,261,000,000.00	23,089,639.93	-487,774.09	2,231,943,663.83	--

Note 1: For other asset categories, the gains and losses from changes in fair value for the current period are negative, mainly because the income from wealth management products due for this period has been reclassified to the investment income account.

Note 2: Trust products primarily consist of risk-rated R2/R3 products and do not involve investments in stocks and real estate.

## 5. Use of raised funds

□Applicable √N/A

The Company does not use any raised funds during the reporting period.

## 6. Entrusted financial management, derivatives investment and entrusted loans

## (1) Information of entrusted financial management

√Applicable □N/A

Overview of entrusted financial management during the reporting period

Unit: '0,000 yuan

Specific type	Source of funds for entrusted financial management	Amount incurred in entrusted financial management	Outstanding balance	Overdue amount not recovered	The amount of impairment for overdue financial management
Wealth management products issued by banks	Self-owned funds	91,100	80,867.1	0	0
Trust products	financial Self-owned funds	127,000	127,000	0	0
Total		218,100	207,867.1	0	0

Note: The amount of entrusted wealth management for trust products here is the balance of unexpired wealth management products.

Specific circumstance of high-risk entrusted financing with significant single amount or with low security and poor liquidity

□Applicable √N/A

The entrusted financing is expected not to recover the principal or has other circumstances that may cause impairment

□Applicable √N/A



## Section III Management Discussion and Analysis

### (2) Derivatives investment

☐ Applicable ☒ N/A

No derivative investment in the Company during the reporting period

### (3) Information of entrusted loans

☐ Applicable ☒ N/A

The Company had no entrusted loan during the reporting period.

## VIII. Disposal of Major Assets and Equity

### 1. Disposal of major assets

☐ Applicable ☒ N/A

The Company had no disposal of major assets during the Reporting Period.

### 2. Disposal of major equity

☐ Applicable ☒ N/A

## IX. Analysis of Principal Subsidiaries and Affiliates

☒ Applicable ☐ N/A

Information on major subsidiaries and affiliates contributing over 10% to the Company's net profit

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Winner Medical (Huanggan g) Co., Ltd.	Subsidiary	Primarily responsible for pure cotton jumbo rolls, cotton tissues and other products	259,459,200.00	1,256,154,171.79	1,057,790,587.79	633,973,213.33	83,495,634.20	68,915,433.02

Acquisition and disposal of subsidiaries during the Reporting Period

☐ Applicable ☒ N/A

Explanation of principal subsidiaries and affiliates

## Section III Management Discussion and Analysis

### X. Structured Entities Controlled by the Company

☐ Applicable ☒ N/A

### XI. Risks Faced by the Company and Countermeasures

#### 1. Risk of changes in industry policies and standards

The medical device industry, due to its direct connection to human health and safety, is subject to stringent government oversight. In recent years, with the continuous deepening of reforms in the pharmaceutical and healthcare systems, relevant government departments have introduced a series of regulations and policies in areas such as industry standards, bidding rules, pricing mechanisms, and distribution systems. The implementation of these policies has had a broad and profound impact on the development of the medical device industry. Should the Company fail to adapt swiftly to these policy changes, it could face operational challenges. As a result, the Company remains vigilant of regulatory developments and actively adjusts its strategy to ensure both compliance and market competitiveness.

#### 2. Risk of raw material price fluctuations and countermeasures

The Company's core raw materials consist primarily of cotton and cotton-derived products, including cotton yarn and medical greige fabrics. Cotton prices are subject to a wide array of influencing factors, such as acreage under cultivation, climate conditions, inventory cycles, government pricing policies, market demand, futures market dynamics, international trade regulations, and currency exchange rate fluctuations. Should raw material costs continue to rise while product pricing fails to adjust in parallel, the resulting inability to pass on costs may exert pressure on profit margins and adversely affect the Company's profitability. To mitigate this risk, the Company has implemented a proactive cotton procurement strategy. This includes increasing strategic inventory when prices are low, and deploying a price linkage mechanism during high-price periods to adjust retail pricing and optimize discount policies. In parallel, the Company opportunistically invests in cotton derivatives as a hedging tool to manage price volatility, thereby reducing its potential impact on financial performance.

#### 3. Risk from shifts in the international trade environment

Currently, the global trade landscape remains volatile and complex, shaped by geopolitical tensions, rising tariff barriers, policy adjustments affecting imports and exports, and fluctuations in international logistics costs. These dynamics present growing challenges and operational costs for the Company's overseas business, particularly with regard to the U.S. market. For the medical consumables segment, divergent regulatory standards across jurisdictions can result in burdensome product certification and market entry requirements, increasing both operational complexity and time-to-market. Failure to adapt swiftly to such changes may lead to order reductions, higher costs, and delayed deliveries. As of the end of the Reporting Period, the Company's consumer goods segment does not involve sales to the United States. Its medical sector exports are concentrated in Europe and Japan, with only a limited share attributable to the U.S. market. In addition, the Company's subsidiary GRI maintains production capacity in the U.S., which helps partially offset related risks. Going forward, the Company will closely monitor global trade developments, adjust its market deployment strategies with agility, and enhance supply chain resilience to minimize the potential operational impact of external uncertainties.

#### 4. Risk of exchange rate fluctuations and countermeasures

The Company's cross-border transactions are settled primarily in U.S. dollars and other major foreign currencies, notably involving the export of medical consumables and the international procurement of cotton. Exchange rate fluctuations have a dual impact – affecting both the competitiveness of product pricing in overseas markets and the cost structure of imported raw materials, as well as creating potential foreign exchange gains or losses. A substantial appreciation of the Renminbi could erode the Company's pricing power abroad and result in negative currency translation effects, adversely impacting financial performance. To counter this, the Company has established a multi-tiered hedging framework. Key measures include: incorporating exchange rate adjustment clauses in contracts with long-term clients; shortening quotation cycles for new orders to improve responsiveness to currency fluctuations; executing forward foreign exchange contracts for hedging purposes, thereby locking in future settlement rates, and enhancing its foreign exchange monitoring and analytical capabilities to track currency market trends in real time and mitigate the impact of exchange rate volatility on profitability.

## Section III Management Discussion and Analysis

### 5. Competition risks in the consumer goods business

Each segment of the Company's consumer goods business operates in highly competitive markets, facing rivals from both established domestic and international brands, as well as new entrants. Competitors may engage in price wars, increase marketing spend, launch innovative products, or expand distribution channels to capture market share. Such actions could put pressure on the Company's market share, slow revenue growth, and compress profit margins. Rapid shifts in consumer preferences also pose risks if emerging trends are not promptly identified or if product development and innovation fail to keep pace. To mitigate these risks, the Company maintains a stable management team and efficient decision-making processes. It regularly develops rigorous business plans, closely monitors market trends, drives continuous R&D innovation, and consistently upholds its principles of product leadership and operational excellence to meet consumer needs and strengthen brand recognition.

### 6. Risks of cross-border acquisitions

During the Reporting Period, the Company successfully completed the acquisition projects of overseas equity, accelerating Winner Group's global expansion. However, this also introduces various risks, including: fluctuations in international political and economic conditions; changes in the target country's policies and regulations (such as legal systems, tariff policies, labor policies, and regulatory frameworks); exchange rate volatility; differences in cultures and business practices; and challenges related to the integration of management systems, personnel coordination, and technology transfer. These risks may hinder the integration process, result in lower-than-expected business synergies, and negatively impact the Company's financial condition and operating results. To mitigate these risks, the Company will enhance communication and exchange with the acquired companies, deepen understanding of local culture, market environment, and regulatory systems, rigorously implement integration plans, continuously improve its risk assessment mechanisms, and strengthen compliance management and training to reduce the risks of cross-border acquisitions.

### 7. Risk of goodwill impairment and countermeasures

To build a one-stop solution for medical consumables, Winner Medical has, in recent years, executed a series of strategic acquisitions to extend and strengthen its industrial value chain. As a result, a material amount of goodwill has accumulated. In accordance with accounting standards, goodwill must undergo annual impairment testing at the end of each fiscal year. If the operational performance of an acquired entity fails to meet expectations, a goodwill impairment may be triggered – resulting in a direct hit to current-period earnings and potentially impacting shareholder equity and market valuation. To address this risk, the Company has further enhanced its postacquisition management system. Through strategic business integration, resource consolidation, and targeted management incentives, the Company aims to improve the operational performance of acquired entities. Additionally, the Company exercises prudence in evaluating the valuation rationale of new acquisition targets, striving to minimize the risk of goodwill impairment and its downstream effects on financial statements.

### 8. Risk of inability to recover the remaining compensation from the Winner investment project in Heyuan and countermeasures

Due to planning adjustments to the Heyuan Station forecourt and the High-Speed Rail New Town associated with the Ganzhou-Shenzhen high-speed railway, the Agreement on the Investment and Construction of Medical Kit and Cotton-Based Daily Necessities Production Project signed between the Company and the People's Government of Zijin County, Heyuan City in 2016 could not be executed. In November 2019, the Ganjiang New Area International Arbitration Court ruled to terminate the agreement, ordering the Zijin County Government to compensate the Company in the amount of RMB550 million, payable in two installments by 31 December 2019, and 29 February 2020 respectively. As of the end of the Reporting Period, the Company had received a refund of RMB3 million for the land transfer deposit and RMB330 million in compensation. However, the remaining balance of approximately RMB217 million is at risk of nonrecovery. Out of prudence, the Company has made a bad debt provision of RMB110 million for the outstanding amount. The Company is actively maintaining communication with the local government and continues to pursue the recovery of the remaining compensation.

## Section III Management Discussion and Analysis

## XII. Record of Investor Relations Activities Including Research Visits, Communications, and Interviews during the Reporting Period

√Applicable □N/A

Reception date	Reception location	Reception method	Type of visitor	Visitor	Main topics discussed and provided	Index of basic research visit
17 January 2025	Company Headquarters Meeting Room	Phone communication	Institutions	235 institutional investors, including ChinaAMC, Boshi Fund, BOCOM Schroders Fund, and Minsheng Royal Fund	Business and performance overview	Details are available on the interactive platform of Shenzhen Stock Exchange
19 February 2025	Company Headquarters Meeting Room	Field visit	Institutions	18 institutional investors including Caitong Fund and Oriental Alpha Fund	Business and performance overview	Details are available on the interactive platform of Shenzhen Stock Exchange
07 May 2025	Webcasting studio rs.p5w.net	at Others	Institutions	143 institutional investors including Fullgoal Fund, Dongfanghong Management, GF Fund, and Springs Capital	Business performance for FY2024 and Q1 2025	Details are available on the interactive platform of Shenzhen Stock Exchange
28 May 2025	Company Headquarters Meeting Room	Field visit	Institutions	23 institutional investors including China Merchants Fund and Guotai Haitong	Business and performance overview	Details are available on the interactive platform of Shenzhen Stock Exchange
24 June 2025	Online	Phone communication	Institutions	194 institutional investors including Harvest Fund, China Merchants Fund, Huatai-PineBridge, Caitong Securities Asset Management	Business and performance overview	Details are available on the interactive platform of Shenzhen Stock Exchange

## XIII. Establishment and Implementation of Market Capitalization Management Systems and Valuation Enhancement Plans

Has the Company established a market capitalization management system?

√Yes □No

Has the Company disclosed a valuation enhancement plan?

□Yes √No

For the further standardization of its market capitalization management practices, the Company has formulated the Market Capitalization Management System of Winner Medical Co., Ltd. to promote the enhancement of investment value, increase investor returns, and protect the legitimate rights and interests of the Company, investors, and other stakeholders. This system was developed in accordance with the relevant provisions of the Company Law, Securities Law, Opinions of the State Council on Strengthening Supervision to Prevent Risks and Promote High-Quality Development of the Capital Market, the Measures for the Administration of Information Disclosure by Listed Companies, and Guideline on the Supervision of Listed Companies No. 10 – Market Capitalization Management, and was reviewed and approved by the Board of Directors.



## Section III Management Discussion and Analysis

### XIV. Implementation of the “Dual Improvement of Quality and Return” Action Plan

Has the Company disclosed the “Dual Improvement of Quality and Return” action plan announcement?

☒Yes ☐No

Guided by the principles of “activating the capital market and boosting investor confidence” and “significantly improving the quality and investment value of listed companies through more effective measures to stabilize the market and confidence”, the plan aligns with the Company’s development strategy, operational realities, and financial position.

As a health enterprise integrating medical and consumer sectors, the Company upholds the vision of “Caring Health, Cherishing Life, and Protecting the Environment for A Better World”. It operates two major brands, Winner Medical and Purcotton, offering products spanning wound care, infection protection, operating room consumables, personal care, home care, maternal and infant care, home textiles, and apparel. Adhering to the core business principles of “Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value”, and guided by the development strategy of “Product Leadership, Operational Excellence, Global Vision”, the Company dedicates itself to providing safe, high-quality, cost-effective products and services with a strong user experience for customers worldwide.

The Company continues to optimize its corporate governance structure, strengthen internal controls, enhance risk management, and lay a solid foundation for high-quality, sustainable development. The Company has been honored with the Best Board Practices award by the China Listed Companies Association for three consecutive years. It has voluntarily published corporate social responsibility (CSR) and ESG reports for five consecutive years and has been recognized as an ESG Best Practice Case of Listed Companies by the same association for four consecutive years. As a participant in the United Nations Global Compact, the Company actively implements sustainable development strategies and was awarded the UN Global Compact China Best Practice Case in 2021.

The Company strictly adheres to information disclosure requirements under securities laws and regulations, proactively develops investor engagement platforms, and continuously enhances the breadth, depth, and timeliness of its disclosures. It has been selected for inclusion in the Shenzhen Stock Exchange Growth Enterprise Market Annual Report Outstanding Case Compilation for two consecutive years and has maintained an “A” rating in annual information disclosure assessments since listing.

Consistently prioritizing investors, the Company focuses on improving core business efficiency while rigorously implementing profit distribution policies. Since its 2020 listing, it has issued six cash dividends totaling RMB2.613 billion, with the 2025 interim dividend pending (dividend amount: RMB262 million), and conducted two share repurchases totaling RMB695 million. The combined total of dividends and share repurchases is RMB3.57 billion, representing 100.33% of net proceeds from the initial public offering.

## Section IV

# Corporate Governance, Environmental and Social Responsibilities



## Section IV Corporate Governance, Environmental and Social Responsibilities

### I. Change of Directors, Supervisors and Senior Management

☐ Applicable ☒ N/A

There were no changes in the directors, supervisors and senior management of the Company during the reporting period, which can be found in the Annual Report 2024.

### II. Profit Distribution and Share Capital Increase from Capital Surplus in the Reporting Period

☒ Applicable ☐ N/A

Number of bonus share to be distributed per 10 shares held (shares)	0
Amount of dividend to be distributed per 10 shares held (RMB) (tax inclusive)	4.50
Base of share capital for the distribution plan (shares)	582,329,808
Amount of cash dividend (RMB) (tax inclusive)	262,048,413.60
Amount of cash dividend in other forms (e.g. share repurchase) (RMB)	0.00
Total amount of cash dividend (including in other forms) (RMB)	262,048,413.60
Profit available for distribution (RMB)	4,839,485,604.01
Percentage of total amount of cash dividend (including in other forms) in the total amount of profit distributed	100.00%

#### Current Cash Dividend

Others

#### Detailed explanation on profit distribution plan and the proposal on share capital increase from capital surplus

The Company's profit distribution plan for 2025 is as follows: based on the current total share capital of 582,329,808 shares, a cash dividend of RMB4.50 (tax inclusive) will be distributed for every 10 shares held by shareholders, totaling RMB262,048,413.60 (tax inclusive) to be distributed. No share capital increase from capital surplus, and no distribution of bonus shares. The proportion of cash dividends for the first half of 2025 to the net profit attributable to shareholders of the listed company is 53.26%.

During the period from the disclosure to the implementation of the profit distribution plan, if the total amount of shares enjoying the right to profit distribution changes, the company will make corresponding adjustments in accordance with the principle that the cash dividend ratio remains unchanged while the total amount of cash dividends changes.

The company's 2024 annual shareholders' meeting has authorized the board of directors to, under the premise of meeting the profit distribution requirements, comprehensively consider the company's operating conditions, reasonable returns to shareholders, etc., to formulate the specific plan for the interim profit distribution in 2025 and handle the related matters of the interim profit distribution.

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

☒ Applicable ☐ N/A

#### 1. Equity incentive

On 25 October 2024, the Company held the Fourth Meeting of the Fourth Board of Directors and the Fourth Meeting of the Fourth Board of Supervisors. On 13 November 2024, it convened the 2024 Fourth Extraordinary General Meeting of Shareholders, during which the *Proposal on the Company's 2024 Restricted Stock Incentive Plan (Draft) and Its Summary* and related matters were reviewed and approved.

On 15 November 2024, the Company held the Fifth Meeting of the Fourth Board of Directors and the Fifth Meeting of the Fourth Board of Supervisors, approving the *Proposal on the Initial Grant of Restricted Stock to Incentive Targets under the 2024 Restricted Stock Incentive Plan*. The grant date was set as 15 November 2024, with RMB6.9763 million restricted shares awarded to 308 eligible incentive recipients.

## Section IV Corporate Governance, Environmental and Social Responsibilities

### 2. Implementation of employee stock ownership plan

√Applicable ☐N/A

All effective employee stock ownership plans implemented during the Reporting Period

Scope of Employee	Number of Employee	Total Shares Held (shares)	Change	Percentage of Total Share Capital of Listed Company	Sources of Funds for Implementing the Plan
Core employees at director level (inclusive) or above	12	353,500	None	0.06%	Incentive funds raised by employees and provided by the Company

Shares held by Directors, Supervisors and senior management under the employee stock ownership plan during the Reporting Period

Name	Position	Number of shares held at the beginning of the Reporting Period (shares)	Number of shares held at the end of the Reporting Period (shares)	Percentage of Total Share Capital of Listed Company
Liao Meizhen	Director	91,000	91,000	0.02%
Liao Guanlai	Deputy General Manager			
Zhao Xia	Supervisor			

Changes in asset management institutions during the Reporting Period

☐Applicable ☒N/A

Changes in equity caused by holders' disposal of shares during the Reporting Period

☐Applicable ☒N/A

Exercise of shareholders' rights during the Reporting Period N/A

Other pertinent circumstances and explanations regarding employee stock ownership plan during the Reporting Period

√Applicable ☐N/A

During the Reporting Period, one participant in the employee stock ownership plan left the Company. In accordance with the *First Phase Employee Stock Ownership Plan Management Measures*, the Management Committee calculated the vested portion based on the length of employment. The remaining unvested stock rights were repurchased by the Management Committee at the original investment cost. After the lock-up period, the repurchased stock rights will be sold at an appropriate time, with the proceeds accruing to the Company

Changes in the membership of the Employee Stock Ownership Plan Management Committee

☐Applicable ☒N/A

The financial impact of employee stock ownership plan on the listed company during the Reporting Period and the associated accounting treatment

√Applicable ☐N/A



Section IV Corporate Governance, Environmental and Social Responsibilities

According to the provisions of Accounting Standards for Business Enterprises No. 11 – Share-based Payment, on each balance sheet date during the vesting period, the relevant costs or expenses and capital reserves are determined based on the best estimate of the number of exercisable equity instruments and the fair value of the equity instrument on the grant date, reflecting the services obtained in the current period.

Termination of employee stock ownership plan during the Reporting Period  
☐Applicable ☒N/A

Other descriptions:  
None

3. Other employee incentive measures  
☐Applicable ☒N/A

IV. Environmental Information Disclosure

Whether the listed Company and its major subsidiaries are included in the list of enterprises legally required to disclose environmental information  
☒Yes ☐No

Number of enterprises included in the list legally required to disclose environmental information (units) 7

Serial number	Company Name	Query Index for Environmental Information Disclosure Report
1	Winner Medical (Tianmen) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=61ba529c-f6e8-43ee-aceb-5193454fe06d&amp;XH=1677750544908009244672&amp;year=2024">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=61ba529c-f6e8-43ee-aceb-5193454fe06d&amp;XH=1677750544908009244672&amp;year=2024</a>
2	Winner Medical (Huanggang) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=0f048ac8-07eb-45b7-9386-931ca39ed0ec&amp;XH=1677749938692009244672&amp;year=2024">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=0f048ac8-07eb-45b7-9386-931ca39ed0ec&amp;XH=1677749938692009244672&amp;year=2024</a>
3	Winner Medical (Jingmen) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=e8f4bc9a-dceb-4fc6-975f-004be2bba9f5&amp;XH=1677750239445009244672&amp;year=2024">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=e8f4bc9a-dceb-4fc6-975f-004be2bba9f5&amp;XH=1677750239445009244672&amp;year=2024</a>
4	Winner Medical (Wuhan) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=7bc72cf9-2929-4097-947c-000e9dd6c70a&amp;XH=1677751227336009244672&amp;year=2024">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=7bc72cf9-2929-4097-947c-000e9dd6c70a&amp;XH=1677751227336009244672&amp;year=2024</a>
5	Winner Medical (Jiayu) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=b92f1bb4-f2a4-4104-b178-77a43ade93ef&amp;XH=1677751203763009244672&amp;year=2024">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=b92f1bb4-f2a4-4104-b178-77a43ade93ef&amp;XH=1677751203763009244672&amp;year=2024</a>
6	Winner Medical (Chongyang) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=10c54f4c-b315-40ed-b692-361aeaa02ce3&amp;XH=1677751425806009244672&amp;year=2024">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=10c54f4c-b315-40ed-b692-361aeaa02ce3&amp;XH=1677751425806009244672&amp;year=2024</a>
7	Winner Medical (Hunan) Co., Ltd. (formerly: Hunan Pingan Medical Device Technology Co., Ltd.)	<a href="https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=2f6c6022-719c-4599-8658-d64971b612ee&amp;XH=1682729533355038391808&amp;year=2024&amp;reportType=1">https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=2f6c6022-719c-4599-8658-d64971b612ee&amp;XH=1682729533355038391808&amp;year=2024&amp;reportType=1</a>

## Section IV Corporate Governance, Environmental and Social Responsibilities

The Company is subject to the disclosure requirements for “Textile and Apparel Related Business” in the Shenzhen Stock Exchange Listed Company Self-Regulation Guidelines No. 3 – Industry Information Disclosure.

Information on environmental accidents of listed companies

None

### V. Performance of Social Responsibility

Guided by the vision of “Caring Health, Cherishing Life, and Protecting the Environment for A Better World”, the Company consistently upholds its core business principles of “Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value” across all aspects of its operations. During the reporting period, the Company delivered support and care through diverse initiatives, demonstrating corporate social responsibility through concrete actions.

#### (I) Rapid Disaster Relief, Protecting Hope in Times of Crisis

Following the 6.8-magnitude earthquake in Dingri County, Shigatse City, Tibet, the Company responded immediately, partnering with the China Women’s Development Foundation and the Red Cross Society of Tibet Autonomous Region to donate supplies. Winner Medical contributed in medical supplies, including protective masks, heating products, disinfectants, and wound care products, providing crucial support for medical relief efforts in the disaster area. Purcotton and Nice Princess provided winter supplies and daily necessities, including adult and children’s clothing, thermal underwear sets, cotton quilts, blankets, and Nice Princess sleep pants, helping to safeguard the livelihoods of affected residents.

#### (II) Actively Promoting Women’s Care Initiatives to Spread Mutual Warmth

Purcotton’s sanitary napkin brand, Nice Princess, launched the “Nice For Her” public welfare campaign in Lantian, Shaanxi. During the event, Purcotton donated supplies to the China Women’s Development Foundation and distributed “menstrual care packages” containing sanitary napkins and educational materials to female students, helping them develop scientific awareness of menstruation and navigate adolescence with confidence. The brand is also expanding its long-term initiative to create more female-friendly spaces. Through partnerships with over 200 shopping malls and nearly 500 Purcotton stores nationwide, it provides free emergency sanitary products—delivering meaningful change for women’s everyday needs.

#### (III) Caring for Diverse Groups to Extend Warmth to Every Corner

1. Festive Public Welfare Empowerment: During International Women’s Day, the Company’s Party Committee organized the “Blooming Guardians” campaign, offering select Purcotton star products for public welfare pricing. This initiative raised donation to support women and children in need, delivering warmth and hope.

2. Health Education in Schools: During May’s Health Month, the “Party-Building Public Welfare Classes” reached 11 schools, including two special education institutions, providing students and teachers with personal hygiene and wound care knowledge and fostering healthcare awareness among children with special needs.

3. Targeted Assistance Warms Hearts: The Party Committee partnered with Longhua Charity Association and Longhua People’s Hospital for the “Party-Building Guards Health · Love Fills Longhua” initiative, donating professional nasal care products to support rhinitis patients and underprivileged families. The committee also collaborated with Shenzhen Express Delivery Industry Association’s Party Committee for the “Care for Delivery Riders” campaign, donating cooling vests to Yunda and JD teams.

 Purcotton 全棉时代

# 家有全棉更舒适

秋天的第一份舒适



全棉时代家居服  
全球代言人 赵丽颖

Section V  
Important  
Matters

## Section V Important Matters

**I. Commitments Fulfilled within and not Fulfilled by the End of the Reporting Period by the Company's Actual Controller, Shareholders, Related Parties, Acquirer, the Company, and Other Committing Parties**

☐Applicable ☒N/A

No commitments fulfilled within and within and not fulfilled by the end of the reporting period by the Company's actual controller, shareholders, related parties, acquirers and other commitment parties.

**II. Non-operating Occupation of Funds of the Listed Company by the Controlling Shareholder and Other Related Parties**

☐Applicable ☒N/A

There was no non-operating occupation of funds of the listed company by the controlling shareholder and other related parties during the Reporting Period.

**III. Illegal External Guarantee**

☐Applicable ☒N/A

The Company had no illegal external guarantee during the Reporting Period.

**IV. Appointment of and Dismissal of Accounting Firms**

Whether the semi-annual financial report has been audited

☐Yes ☒No

The semi-annual report of the Company has not been audited.

**V. Explanation by the Board of Directors, the Board of Supervisors and the Audit Committee on the "Non-Standard Audit Report" Issued by the Accounting Firm for the Reporting Period**

☐Applicable ☒N/A

**VI. Explanation by the Board of Directors on the "Non-standard Audit Report" of the Previous Year**

☐Applicable ☒N/A

**VII. Matters Related to Bankruptcy Reorganization**

☐Applicable ☒N/A

The Company had no matters related to bankruptcy reorganization during the Reporting Period.



## Section V Important Matters

### VIII. Litigation Matters

Major litigation and arbitration matters

☐Applicable ☒N/A

The Company had no major litigation and arbitration matters in the year.

Other litigation matters

☐Applicable ☒N/A

### IX. Punishment and Rectification

☐Applicable ☒N/A

The Company had no punishment and rectification during the Reporting Period.

### X. Credit Status of the Company, Its Controlling Shareholders and Actual Controller

☐Applicable ☒N/A

### XI. Major Related-party Transactions

#### 1. Related-party transactions related to daily operation

☐Applicable ☒N/A

The Company had no related-party transactions related to daily operation during the Reporting Period.

#### 2. Related-party transactions involving the acquisition or sale of assets or equity

☐Applicable ☒N/A

The Company had no related-party transactions involving the acquisition or sale of assets or equity during the Reporting Period.

#### 3. Related-party transactions involving joint external investment

☐Applicable ☒N/A

The Company had no related-party transactions involving joint external investment during the Reporting Period.

#### 4. Related-party receivables and payables

☐Applicable ☒N/A

The Company had no related-party receivables and payables during the Reporting Period.

## 5. Transactions with related finance companies

☐Applicable ☒N/A

There was no deposit, loan, credit granting or other financial business between the Company and the finance company with which it is affiliated, the finance company controlled by the Company and the related parties.

## 6. Transactions between the Company's majority-owned finance companies and related parties

☐Applicable ☒N/A

There was no deposit, loan, credit granting, or other financial business between the Company's majority-owned finance companies and related parties.

## 7. Other major related-party transactions

☐Applicable ☒N/A

The Company had no other major related-party transactions during the Reporting Period.

# XII. Major Contracts and Their Performance

## 1. Trusteeship, contracting and lease

### (1) Trusteeship

☐Applicable ☒N/A

The Company had no trusteeship during the Reporting Period.

### (2) Contracting

☐Applicable ☒N/A

The Company had no contracting during the Reporting Period.

### (3) Lease

☐Applicable ☒N/A

The Company had no lease during the Reporting Period.

## 2. Major guarantee

☐Applicable ☒N/A

The Company had no major guarantee during the Reporting Period.

## 3. Major contracts for daily operation

☐Applicable ☒N/A

## Section V Important Matters

### 4. Other major contracts

☐ Applicable ☒ N/A

The Company had no other major contracts during the Reporting Period.

### XIII. Explanation on Other Significant Events

☒ Applicable ☐ N/A

In July 2023, the Company entered into a relocation compensation and resettlement agreement with Shenzhen Xingda Real Estate Development Co., Ltd. (hereafter referred to as "Xingda") for the urban renewal involving the land and above-ground buildings in the Winner Industrial Park in Longhua District, Shenzhen, which the Company holds. Due to the significant changes in the real estate market, the project was put on hold in January 2024. To smoothly advance the project, shorten the land idle time, and reduce uncertainties in the construction process, and in light of the market conditions for relocation compensation for urban renewal, the Company conducted multiple rounds of negotiations with its partner, and signed a supplementary agreement on August 19, 2024. According to the proposed supplementary agreement, the area of office space and commercial space obtained by the Company remains unchanged, while the area of residential space and the amount of compensation obtained by the Company will be linked to the actual average transaction price of the residential units obtained by Xingda Company. There is uncertainty in the area of residential space and the amount of indemnity obtained by the Company given the significant fluctuations in the real estate market. Currently, Xingda has obtained the implementation entity confirmation letter for this project and is proceeding with building demolition.

This project is subject to factors including urban renewal policy adjustments, urban planning changes, counterparty performance capabilities, market conditions, pricing, and force majeure, and has a relatively long execution period. The Company will actively promote the project, strengthen communication and process control, and strive to reduce uncertainties in the execution process.

### XIV. Significant Events of Subsidiaries

☐ Applicable ☒ N/A

**Section VI**  
**Changes in**  
**Shares and**  
**Information on**  
**Shareholders**





## Section VI Changes in Shares and Information on Shareholders

### I. Changes in Shares

#### 1. Changes in shares

Unit: share

	Before this change		Increase/decrease (+, -)					After this change	
	Number	Proportion	New issue of shares	Bonus issuance	Share conversion from capital reserves	Others	Sub-total	Number	Proportion
I. Shares with selling restrictions	406,824,127	69.86%	0	0	0	-95,950	-95,950	406,728,177	69.84%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned legal persons	0	0.00%	0	0	0	0	0	0	0.00%
3. Other shares held by domestic individuals and legal persons	209,740	0.04%	0	0	0	-95,950	-95,950	113,790	0.02%
Including: shares held by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	209,740	0.04%	0	0	0	-95,950	-95,950	113,790	0.02%
4. Shares held by overseas individuals and legal persons	406,614,387	69.83%	0	0	0	0	0	406,614,387	69.83%
Including: shares held by overseas legal persons	406,614,387	69.83%	0	0	0	0	0	406,614,387	69.83%
Shares held by overseas natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares without selling restrictions	175,505,681	30.14%	0	0	0	95,950	95,950	175,601,631	30.16%
1. RMB ordinary shares	175,505,681	30.14%	0	0	0	95,950	95,950	175,601,631	30.16%
2. Domestically listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	582,329,808	100.00%	0	0	0	0	0	582,329,808	100.00%

Reasons for changes in shares

☒Applicable ☐N/A

Shareholdings of Directors, Supervisors, and senior management are subject to lock-up periods, release of restrictions on sale in compliance with requirements of China Securities Regulatory Commission. Details are provided in “2. Changes in Restricted Shares” within this section.

Approval on changes in shares

☐Applicable ☒N/A

Transfer due to changes in shares

☐Applicable ☒N/A

## Section VI Changes in Shares and Information on Shareholders

Progress of share repurchase implementation

☐ Applicable ☒ N/A

Progress of reduction of repurchased shares via centralized bidding transactions

☐ Applicable ☒ N/A

The impact of changes in shares on financial indicators, such as basic earnings per share, diluted earnings per share, and net assets per share attributable to ordinary shareholders of the Company for the latest year and the latest period

☐ Applicable ☒ N/A

Other information deemed necessary by the Company or required by securities regulatory authorities to disclose

☐ Applicable ☒ N/A

### 2. Changes in restricted shares

☒ Applicable ☐ N/A

Unit: share

Name of shareholder	Opening number of restricted shares	Number of restricted shares released in current period	Increased number of restricted shares in current period	Closing number of restricted shares	Reason for restriction	Proposed restriction release date
Winner Group Limited	406,614,387	0	0	406,614,387	The controlling shareholder voluntarily extends the lock-up period	16 September 2025
Fang Xiuyuan	87,000	0	0	87,000	Locked shares held by Directors, Supervisors, and senior management	25% of the total shares held are unlocked at the beginning of each year
Zhang Yan	3,750	0	0	3,750	Locked shares held by Directors, Supervisors, and senior management	25% of the total shares held are unlocked at the beginning of each year
Chen Huixuan	23,040	0	0	23,040	Locked shares held by Directors, Supervisors, and senior management	25% of the total shares held are unlocked at the beginning of each year
Liu Hua	22,000	22,000	0	0	Locked shares held by Directors, Supervisors, and senior management	Subject to the relevant regulations on share lock-up for departing Directors, Supervisors, and senior management
Xu Xiaodan	22,800	22,800	0	0	Locked shares held by Directors, Supervisors, and senior management	Subject to the relevant regulations on share lock-up for departing Directors, Supervisors, and senior management
Zhang Li	15,000	15,000	0	0	Locked shares held by Directors, Supervisors, and senior management	Subject to the relevant regulations on share lock-up for departing Directors, Supervisors, and senior management
Wang Ying	36,150	36,150	0	0	Locked shares held by Directors, Supervisors, and senior management	Subject to the relevant regulations on share lock-up for departing Directors, Supervisors, and senior management
Total	406,824,127	95,950	0	406,728,177	--	--

## II. Securities Issuance and Listing

☐ Applicable ☒ N/A

Unit: share

Total number of ordinary shareholders as of the end of the Reporting Period	27,915	Total number of preference shareholders with restored voting rights at the end of the Reporting Period (if any) (see Note 8)				0	Total number of shareholders holding shares with special voting rights (if any)		0
Shareholding information of shareholders holding 5% or more, or the top 10 shareholders (excluding shares lent through margin financing and securities lending)									
Name of shareholder	Nature of shareholder	of	Proportion of ownership interest (%)	Number of shares held at the end of the Reporting Period	Change during the Reporting Period	Number of held shares with selling restrictions	Number of held shares without selling restrictions	Pledged, marked, or frozen Status	Number
Winner Group Limited	Overseas person	legal	69.83%	406,614,387	0	406,614,387	0	N/A	0
Bank of China Limited - Huabao CSI Healthcare ETF	Others		1.28%	7,434,660	/	0	7,434,660	N/A	0
Industrial and Commercial Bank of China Limited – E Fund ChiNext ETF	Others		0.78%	4,537,103	-480,410	0	4,537,103	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas person	legal	0.70%	4,076,658	-1,461,087	0	4,076,658	N/A	0
Xiamen Leyuan Investment Partnership (Limited Partnership)	Domestic state-owned person	non-legal	0.64%	3,710,944	-6,605,900	0	3,710,944	N/A	0
Agricultural Bank of China Limited – CSI 500 ETF	Others		0.59%	3,436,800	216,040	0	3,436,800	N/A	0
Guoshou Asset Management – China Life Insurance Company Limited – Participating Policy – Guoshou Asset Management China Life Balanced Equity Portfolio Single Asset Management Plan (Available-for-Sale)	Others		0.56%	3,259,788	1,001,720	0	3,259,788	N/A	0
China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai	Others		0.53%	3,088,000	-490,240	0	3,088,000	N/A	0
Agricultural Bank of China Limited – BOCOM Schroders Fund Domestic Demand Growth One-Year Holding Mixed Securities Investment Fund	Others		0.48%	2,774,008	1,432,908	0	2,774,008	N/A	0
China CITIC Bank Corporation Limited – BOCOM Schroders Fund Quality Growth One-Year Holding Mixed Securities Investment Fund	Others		0.45%	2,623,980	1,368,680	0	2,623,980	N/A	0
Strategic investors or general legal persons become top 10 shareholders due to the allotment of new shares (if any) (see note 3)			N/A						
Explanation of the related party relationships or concerted actions among the above-mentioned shareholders			N/A						
Explanation of the delegation/trust of voting rights or waiver of voting rights among the above-mentioned shareholders			N/A						
Special note on the repurchase account among the top 10 shareholders (see Note 11)			N/A						

## Section VI Changes in Shares and Information on Shareholders

Shareholding information of the top 10 shareholders of shares without selling restriction (excluding shares lent through margin financing and securities lending, and lock-up shares held by senior management)				
Name of shareholder	Number of held shares without selling restrictions as of the end of the Reporting Period	Type of share		
		Type of share	Number	
Bank of China Limited - Huabao CSI Healthcare ETF	7,434,660	RMB ordinary shares	7,434,660	
Industrial and Commercial Bank of China Limited – E Fund ChiNext ETF	4,537,103	RMB ordinary shares	4,537,103	
Hong Kong Securities Clearing Company Limited	4,076,658	RMB ordinary shares	4,076,658	
Xiamen Leyuan Investment Partnership (Limited Partnership)	3,710,944	RMB ordinary shares	3,710,944	
Agricultural Bank of China Limited – CSI 500 ETF	3,436,800	RMB ordinary shares	3,436,800	
Guoshou Asset Management – China Life Insurance Company Limited – Participating Policy – Guoshou Asset Management China Life Balanced Equity Portfolio Single Asset Management Plan (Available-for-Sale)	3,259,788	RMB ordinary shares	3,259,788	
China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L – CT001 Shanghai	3,088,000	RMB ordinary shares	3,088,000	
Agricultural Bank of China Limited – BOCOM Schroders Fund Domestic Demand Growth One-Year Holding Mixed Securities Investment Fund	2,774,008	RMB ordinary shares	2,774,008	
China CITIC Bank Corporation Limited – BOCOM Schroders Fund Quality Growth One-Year Holding Mixed Securities Investment Fund	2,623,980	RMB ordinary shares	2,623,980	
China Merchants Bank Co., Ltd. – Dongfanghong Ruize Three-Year Holding Mixed Securities Investment Fund	2,377,103	RMB ordinary shares	2,377,103	
Explanation of the related party relationships or concerted actions between the top 10 shareholders of outstanding shares without selling restriction, and between the top 10 shareholders of outstanding shares without selling restriction and the top 10 shareholders	N/A			
Information on the top 10 shareholders involved in margin trading and securities lending	N/A			

Shares lent through margin financing and securities lending by shareholders holding 5% or more shares, the top 10 shareholders and top 10 holders of outstanding shares without selling restriction

☐ Applicable ☒ N/A

Changes in the top 10 shareholders and top 10 holders of outstanding shares without selling restriction as caused by margin financing and securities lending and returning activities

☐ Applicable ☒ N/A

Has the Company a differentiated voting rights structure

☐ Yes ☒ No



## Section VI Changes in Shares and Information on Shareholders

Whether the top 10 ordinary shareholders and the top 10 holders of ordinary shares without selling restriction conducted agreed repurchase transactions during the Reporting Period

☐ Yes ☒ No

The top 10 ordinary shareholders and the top 10 holders of ordinary shares without selling restriction did not conduct agreed repurchase transactions during the Reporting Period.

### IV. Equity Changes of Directors, Supervisors and Senior Management

☐ Applicable ☒ N/A

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

### V. Change in Controlling Shareholders or Actual Controllers

Change of controlling shareholders during the reporting period

☐ Applicable ☒ N/A

The Company had no change in controlling shareholders during the reporting period. Changes in actual controller during the reporting period

☐ Applicable ☒ N/A

The Company had no change in actual controller during the reporting period.

### VI. Preference Shares

☐ Applicable ☒ N/A

The Company had no preference shares during the Reporting Period.

## Section VII

# Bonds

□Applicable √N/A





Section VIII

## Financial Report



## Section VIII Financial Report

### I. Auditor's Report

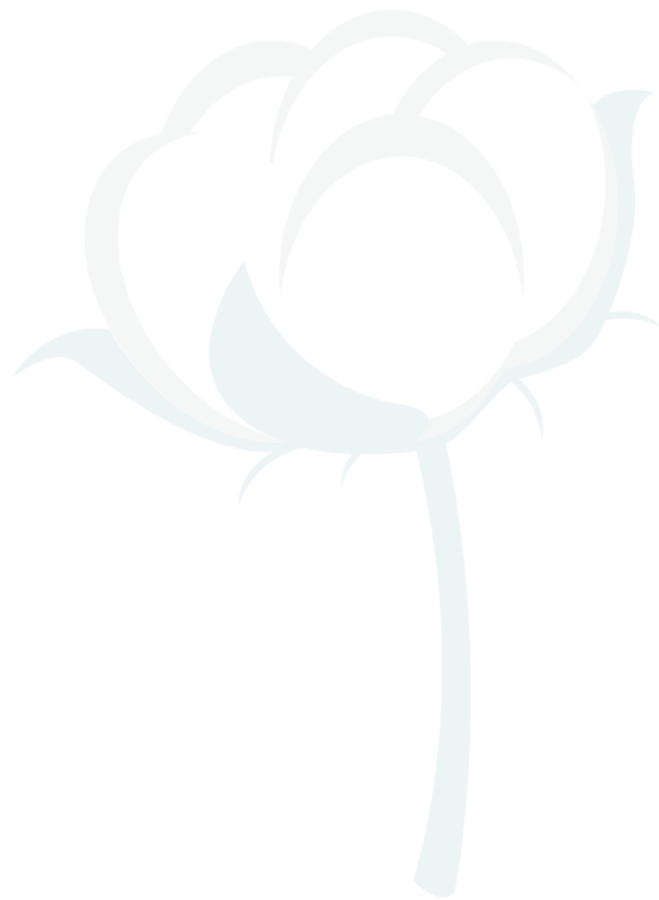
Whether the semi-annual report is audited

☐ Yes ☒ No

The Company's semi-annual financial statement has not been audited.

### II. Financial Statements

The notes to financial statements are expressed in Renminbi Yuan.





## Section VIII Financial Report

## 1. Consolidated balance sheet

Preparer: Winner Medical Co., Ltd.

30 June 2025

Unit: RMB

Items	Closing balance	Opening balance
Current assets:		
Currency fund	1,532,405,558.47	1,412,088,898.63
Settlement reserves		
Placements to banks and other financial institutions		
Trading financial assets	2,124,524,520.71	2,921,341,484.39
Derivative financial assets		
Notes receivable	23,468,822.98	34,319,961.81
Accounts receivable	1,204,624,419.81	980,617,641.38
Receivables financing	44,592,896.78	68,349,926.24
Prepayments	152,802,786.22	107,051,901.68
Premium receivable		
Reinsurance receivables		
Due from Reinsurer for reserve of reinsurance contract		
Other receivables	177,877,901.77	186,351,012.28
Including: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventories	1,946,406,554.83	1,957,814,608.25
Including: Data resources		
Contract assets		
Financial assets held for trading		
Current portion of non-current assets	350,659,891.23	345,468,268.20
Other current assets	86,737,201.57	67,736,523.90
Total current assets	7,644,100,554.37	8,081,140,226.76

## Section VIII Financial Report

Items	Closing balance	Opening balance
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	94,230,610.68	88,435,629.22
Long-term equity investments	426,186,435.73	445,355,778.00
Other equity investments		
Other non-current financial assets	107,419,143.12	107,906,716.86
Investment properties	1,910,690.44	2,360,346.25
Fixed assets	3,945,978,042.78	3,354,304,108.81
Construction in progress	599,316,255.96	1,074,955,450.40
Productive biological assets		
Oil and gas assets		
Right-of-use assets	588,511,186.31	595,222,623.66
Intangible assets	1,049,738,760.82	1,095,755,498.27
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill	1,249,294,976.83	1,251,264,505.00
Long-term prepaid expenses	123,764,487.44	143,855,144.02
Deferred tax assets	132,167,096.15	139,000,387.64
Other non-current assets	2,055,143,661.31	2,012,299,546.63
Total non-current assets	10,373,661,347.57	10,310,715,734.76
Total assets	18,017,761,901.94	18,391,855,961.52
Current liabilities:		
Short-term borrowings	1,800,844,655.00	1,969,044,164.65
Borrowings from the Central Bank		
Placements from banks and other financial institutions		
Trading financial liabilities		

## Section VIII Financial Report

Items	Closing balance	Opening balance
Derivative financial liabilities		
Notes payable	357,293,200.97	431,873,210.11
Accounts payable	950,746,182.38	1,155,930,554.98
Receipts in advance		
Contract liabilities	168,112,166.85	182,755,504.60
Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Customer money for securities trading		
Proceeds from securities underwriting on agency basis		
Employee benefits payable	238,452,569.48	308,955,076.89
Taxes and surcharges payable	112,305,368.18	123,630,574.88
Other payables	685,506,960.47	681,390,743.80
Including: Interest payable		
Dividends payable	103,930,651.75	164,868,250.80
Fees and commissions payable		
Reinsurance payables		
Liabilities classified as held for sale		
Non-current liabilities due within one year	206,174,504.07	396,768,243.67
Other current liabilities	20,865,332.19	21,235,048.58
Total current liabilities	4,540,300,939.59	5,271,583,122.16
Non-current liabilities:		
Reserves for insurance Contract		
Long-term borrowings	50,000,000.00	53,000,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	412,913,690.20	440,876,652.33
Long-term payables	26,483,360.45	48,544,431.64
Long-term employee benefits payable	14,006,037.56	13,247,971.34

## Section VIII Financial Report

Items	Closing balance	Opening balance
Provisions		
Deferred income	177,953,549.44	157,154,401.72
Deferred tax liabilities	146,882,546.05	158,515,830.62
Other non-current liabilities	373,262,348.97	373,262,348.97
Total non-current liabilities	1,201,501,532.67	1,244,601,636.62
Total liabilities	5,741,802,472.26	6,516,184,758.78
Owner's equity:		
Share capital	582,329,808.00	582,329,808.00
Other equity investments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	3,405,888,168.65	3,378,540,115.00
Less: Treasury shares	7,193,725.00	7,282,100.00
Other comprehensive income	-4,760,520.44	-2,637,827.10
Specialised reserves		
Surplus reserves	420,212,778.13	420,212,778.13
General reserve		
Unappropriated profit	7,126,532,427.60	6,780,116,870.53
Total equity attributable to owners of the parent	11,523,008,936.94	11,151,279,644.56
Non-controlling interests	752,950,492.74	724,391,558.18
Total equity	12,275,959,429.68	11,875,671,202.74
Total liabilities and equity	18,017,761,901.94	18,391,855,961.52

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan



## Section VIII Financial Report

## 2. Parent company's balance sheet

Unit: RMB

Items	Closing balance	Opening balance
Current assets:		
Currency fund	625,314,789.67	443,572,315.60
Trading financial assets	2,096,234,103.86	2,794,105,538.09
Derivative financial assets		
Notes receivable	3,754,836.79	6,635,069.05
Accounts receivable	428,209,006.48	349,608,101.82
Receivables financing	22,097,072.88	24,348,899.43
Prepayments	188,221,304.47	130,809,600.46
Other receivables	239,950,266.66	167,026,860.96
Including: Interest receivable		
Dividends receivable	3,333,744.00	9,404,946.00
Inventories	188,636,880.56	206,425,686.10
Including: Data resources		
Contract assets		
Financial assets held for trading		
Current portion of non-current assets	350,659,891.23	345,468,268.20
Other current assets	13,260,255.04	8,707,781.75
Total current assets	4,156,338,407.64	4,476,708,121.46
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables	32,054,602.69	31,209,579.38
Long-term equity investments	5,209,650,925.70	5,195,497,758.83
Other equity investments		
Other non-current financial assets	76,673,047.39	76,673,047.39
Investment properties		
Fixed assets	303,923,398.35	38,592,292.38

## Section VIII Financial Report

Items	Closing balance	Opening balance
Construction in progress	30,655,605.37	214,011,382.64
Productive biological assets		
Oil and gas assets		
Right-of-use assets	15,754,191.92	32,141,280.38
Intangible assets	40,521,001.03	41,672,000.26
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	12,230,658.75	15,685,458.76
Deferred tax assets	24,654,796.50	30,999,936.31
Other non-current assets	1,792,242,356.47	1,767,046,194.63
Total non-current assets	7,538,360,584.17	7,443,528,930.96
Total assets	11,694,698,991.81	11,920,237,052.42
Current liabilities:		
Short-term borrowings	0.00	200,130,600.00
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,041,735,599.95	843,693,594.39
Accounts payable	517,341,432.86	469,844,799.47
Receipts in advance		
Contract liabilities	35,516,662.57	50,096,915.01
Employee benefits payable	48,097,489.24	64,256,450.47
Taxes and surcharges payable	15,843,357.99	13,779,416.66
Other payables	394,148,152.57	459,940,163.58
Including: Interest payable		
Dividends payable	101,741,971.75	162,645,754.80
Liabilities classified as held for sale		
Non-current liabilities due within one year	13,524,221.09	193,218,394.36

## Section VIII Financial Report

Items	Closing balance	Opening balance
Other current liabilities	2,855,944.13	2,861,257.23
Total current liabilities	2,069,062,860.40	2,297,821,591.17
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	22,510,710.01	32,224,060.33
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	202,038.91	424,728.11
Deferred tax liabilities		
Other non-current liabilities	373,262,348.97	373,262,348.97
Total non-current liabilities	395,975,097.89	405,911,137.41
Total liabilities	2,465,037,958.29	2,703,732,728.58
Owner's equity:		
Share capital	582,329,808.00	582,329,808.00
Other equity investments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	3,403,642,235.30	3,376,294,181.65
Less: Treasury shares	7,193,725.00	7,282,100.00
Other comprehensive income		
Specialised reserves		
Surplus reserves	411,397,111.21	411,397,111.21
Unappropriated profit	4,839,485,604.01	4,853,765,322.98
Total equity	9,229,661,033.52	9,216,504,323.84
Total liabilities and equity	11,694,698,991.81	11,920,237,052.42

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## Section VIII Financial Report

## 3. Consolidated income statement

Unit: RMB		
Items	Semiannual 2025	Semiannual 2024
I. Total Revenue	5,296,211,956.92	4,033,505,104.33
Including: Revenue	5,296,211,956.92	4,033,505,104.33
Interest income		
Premium earned		
Fee and commission income		
II. Total Costs	4,657,723,411.78	3,576,014,244.81
Including: Cost of sales	2,736,394,780.72	2,068,470,442.58
Interest expenses		
Fee and commission expenses		
Surrender value payment		
Net claim payments		
Net amount of provisions for insurance contract liabilities recognised		
Policy dividend payments		
Reinsurance expenses		
Taxes and surcharges	47,206,665.58	36,656,279.12
Selling expenses	1,254,903,652.81	1,055,741,084.22
Administrative expenses	436,173,126.72	309,446,026.40
Research and development expenses	194,377,566.90	143,142,952.33
Finance expenses	-11,332,380.95	-37,442,539.84
Including: Interest expenses	32,211,146.81	24,015,659.66
Interest income	40,152,719.55	57,012,846.01
Add: Other income	44,523,302.06	37,282,933.10
Investment income (loss is expressed with “-”)	10,250,616.45	33,445,096.19
Including: Income from investments in associates and joint ventures	-12,839,023.48	-7,669,213.76
Income from the derecognition of financial assets measured at amortised cost		
Exchange gains (loss is expressed with “-”)		
Net position hedging gains (loss is expressed with “-”)		



## Section VIII Financial Report

Items	Semiannual 2025	Semiannual 2024
Fair value gains (loss is expressed with “-”)	8,043,719.46	7,577,712.84
Credit impairment losses (loss is expressed with “-”)	-11,497,804.05	-8,295,817.44
Impairment losses of assets (loss is expressed with “-”)	-32,261,264.96	-55,975,503.16
Gains on disposal of assets (loss is expressed with “-”)	1,518,248.05	1,930,800.28
III. Operating profit (loss is expressed with “-”)	659,065,362.15	473,456,081.33
Add: Non-operating income	2,981,866.13	6,143,356.51
Less: Non-operating expenses	16,418,323.58	6,218,160.01
IV. Profit before income tax (loss is expressed with “-”)	645,628,904.70	473,381,277.83
Less: Income tax expenses	127,441,441.90	67,151,050.24
V. Profit (loss is expressed with “-”)	518,187,462.80	406,230,227.59
(I) Classified by continuity of operations		
1. Profit from continuing operations (loss is expressed with “-”)	518,187,462.80	406,230,227.59
2. Profit from a discontinued operation (loss is expressed with “-”)		
(II) Classified by ownership		
1. Profit attributable to shareholders of the parent	491,998,009.07	384,150,379.21
2. Profit or loss attributable to non-controlling interests	26,189,453.73	22,079,848.38
VI. Net amount of other comprehensive income after tax	2,654,748.45	-5,381,735.14
Other comprehensive income, net of tax, attributable to owners of the parent	-2,122,693.34	-2,931,540.14
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Remeasurement of a defined benefit plan		
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss		
3. Change in the fair value of other equity investments		
4. Change in the fair value of the entity's own credit risks		
5. Others		
(II) Other comprehensive income that may be reclassified to profit or loss	-2,122,693.34	-2,931,540.14
1. Other comprehensive income using the equity method that may be reclassified to profit or loss		
2. Change in the fair value of other debt investments		
3. Amount recognised in other comprehensive income resulting from the reclassification of financial assets		
4. Provision for credit impairment of other debt investments		

## Section VIII Financial Report

Items	Semiannual 2025	Semiannual 2024
5. Cash flow hedge reserve		
6. Exchange differences on translation of foreign currency financial statements	-2,122,693.34	-2,931,540.14
7. Others		
Other comprehensive income, net of tax, attributable to non-controlling interests	4,777,441.79	-2,450,195.00
VII. Total comprehensive income for the period	520,842,211.25	400,848,492.45
Total comprehensive income attributable to owners of the parent	489,875,315.73	381,218,839.07
Total comprehensive income attributable to non-controlling interests	30,966,895.52	19,629,653.38
VIII. Earnings per share:		
(I) Basic earnings per share	0.8449	0.6568
(II) Diluted earnings per share	0.8449	0.6568

For business combination involving entities under common control occurring during the current period, the net profit of the combined party generated before the business combination is RMB0.00, and the net profit of the combined party generated for the prior period is RMB0.00.

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## Section VIII Financial Report

## 4. Parent company's income statement

Unit: RMB

Items	Semiannual 2025	Semiannual 2024
I. Operating revenue	1,407,280,615.50	1,142,885,165.37
Less: Cost of sales	930,548,941.26	843,883,491.16
Taxes and surcharges	6,495,567.57	2,846,781.23
Selling expenses	199,054,549.91	187,126,269.52
Administrative expenses	121,996,944.95	113,371,192.10
Research and development expenses	42,638,188.80	35,362,397.99
Finance expenses	-28,923,504.18	-39,776,317.53
Including: Interest expenses	8,717,763.69	12,318,004.15
Interest income	33,088,095.54	49,479,261.49
Add: Other income	10,208,580.77	3,495,598.59
Investment income (loss is expressed with "-")	27,712,033.57	39,088,282.06
Including: Income from investments in associates and joint ventures	213,714.71	115,196.26
Income from the derecognition of financial assets measured at amortised cost		
Net position hedging gains (loss is expressed with "-")		
Fair value gains (loss is expressed with "-")	8,128,565.77	8,771,776.99
Credit impairment losses (loss is expressed with "-")	-4,318,872.72	-3,330,023.26
Impairment losses of assets (loss is expressed with "-")	-10,216,433.96	-29,827,536.85
Gains on disposal of assets (loss is expressed with "-")	716,226.00	-5,882.01
II. Operating profit (loss is expressed with "-")	167,700,026.62	18,263,566.42
Add: Non-operating income	172,544.11	2,874,156.67
Less: Non-operating expenses	3,077,944.32	13,301.22
III. Profit before income tax (loss is expressed with "-")	164,794,626.41	21,124,421.87
Less: Income tax expenses	33,491,893.38	-176,324.95
IV. Profit (loss is expressed with "-")	131,302,733.03	21,300,746.82
(I) Profit from continuing operations (loss is expressed with "-")	131,302,733.03	21,300,746.82
(II) Profit from a discontinued operation (loss is expressed with "-")		

## Section VIII Financial Report

Items	Semiannual 2025	Semiannual 2024
V. Net amount of other comprehensive income after tax		
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Remeasurement of a defined benefit plan		
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss		
3. Change in the fair value of other equity investments		
4. Change in the fair value of the entity's own credit risks		
5. Others		
(II) Other comprehensive income that may be reclassified to profit or loss		
1. Other comprehensive income using the equity method that may be reclassified to profit or loss		
2. Change in the fair value of other debt investments		
3. Amount recognised in other comprehensive income resulting from the reclassification of financial assets		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedge reserve		
6. Exchange differences on translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income for the period	131,302,733.03	21,300,746.82
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## Section VIII Financial Report

## 5. Consolidated statement of cash flows

Unit: RMB

Items	Semiannual 2025	Semiannual 2024
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash receipts from the sale of goods and the rendering of services	5,180,823,697.99	3,990,560,078.41
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in borrowings from the Central Bank		
Net increase in placements from other financial institutions		
Cash receipts for premium of original insurance contract		
Net cash receipts for reinsurance business		
Net increase in policyholders' deposits and investment funds		
Cash received from interest, fee and commission income		
Net increase in placements from banks and other financial institutions		
Net increase in funds for repurchase business		
Net cash receipts for securities trading on agency basis		
Receipts of taxes and surcharges refunds	68,856,098.69	65,619,772.70
Other cash receipts relating to operating activities	155,792,268.99	55,894,748.84
Total cash inows from operating activities	5,405,472,065.67	4,112,074,599.95
Cash payments for goods and services	3,261,937,067.17	2,474,941,986.21
Net increase in loans and advances to customers		
Net increase in deposits with the Central Bank and other financial institutions		
Cash payments for settlement of claims under the original insurance contract		
Net increase in placements to banks and other financial institutions		
Cash payments for interest, fee and commission expenses		
Cash payments for insurance policy dividends		
Cash payments to and on behalf of employees	1,074,729,045.85	866,973,104.55
Payments of taxes and surcharges	390,462,598.16	229,343,272.00
Other cash payments relating to operating activities	338,417,580.42	347,482,720.43
Total cash outows from operating activities	5,065,546,291.60	3,918,741,083.19
Net cash ows from operating activities	339,925,774.07	193,333,516.76



## Section VIII Financial Report

Items	Semiannual 2025	Semiannual 2024
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash receipts from returns of investments	1,261,463,648.10	1,464,000,000.00
Cash receipts from returns on investments	22,626,000.03	106,178,840.35
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	76,372.10	1,341,937.98
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Total cash inows from investing activities	1,284,166,020.23	1,571,520,778.33
Cash payments to acquire fixed assets, intangible assets and other long-term assets	304,146,237.54	436,264,526.19
Cash payments for investments	455,760,177.14	1,559,074,000.00
Net increase in pledged loans		
Net cash payments for acquisition of subsidiaries and other business units		55,605.69
Other cash payments relating to other investing activities		
Total cash outows from investing activities	759,906,414.68	1,995,394,131.88
Net cash ows from investing activities	524,259,605.55	-423,873,353.55
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash proceeds from investments by others	150,000.00	200,000.00
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries	150,000.00	200,000.00
Cash receipts from borrowings	1,443,534,035.41	1,170,196,567.28
Other cash receipts relating to financing activities		180,000,000.00
Total cash inows from nancing activities	1,443,684,035.41	1,350,396,567.28
Cash repayments for debts	1,787,957,182.13	1,503,100,000.00
Cash payments for distribution of dividends or profit and interest expenses	227,188,158.50	99,563,509.69
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		
Other cash payments relating to financing activities	169,977,304.87	308,629,278.45
Total cash outows from nancing activities	2,185,122,645.50	1,911,292,788.14
Net cash ows from nancing activities	-741,438,610.09	-560,896,220.86
IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	7,242,233.03	8,094,521.16
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	129,989,002.56	-783,341,536.49
Add: Cash and cash equivalents at beginning of period	1,357,097,385.35	4,677,340,782.45
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1,487,086,387.91	3,893,999,245.96

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## Section VIII Financial Report

## 6. Parent company's statement of cash flows

Unit: RMB

Items	Semiannual 2025	Semiannual 2024
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash receipts from the sale of goods and the rendering of services	1,933,668,432.22	1,461,979,627.57
Receipts of taxes and surcharges refunds	28,335,242.87	48,183,207.49
Other cash receipts relating to operating activities	23,122,316.81	12,521,749.16
Total cash inows from operating activities	1,985,125,991.90	1,522,684,584.22
Cash payments for goods and services	955,349,188.72	540,875,383.95
Cash payments to and on behalf of employees	193,143,050.68	198,607,174.73
Payments of taxes and surcharges	38,627,293.08	3,548,498.60
Other cash payments relating to operating activities	630,849,133.15	225,362,322.31
Total cash outows from operating activities	1,817,968,665.63	968,393,379.59
Net cash ows from operating activities	167,157,326.27	554,291,204.63
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash receipts from returns of investments	1,046,151,241.07	1,214,000,000.00
Cash receipts from returns on investments	33,418,287.99	102,459,308.04
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	3,831,256.86	289,861.38
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Total cash inows from investing activities	1,083,400,785.92	1,316,749,169.42
Cash payments to acquire fixed assets, intangible assets and other long-term assets	61,647,973.40	97,016,023.57
Cash payments for investments	417,000,000.00	1,334,074,000.00
Net cash payments for acquisition of subsidiaries and other business units		
Other cash payments relating to other investing activities		
Total cash outows from investing activities	478,647,973.40	1,431,090,023.57
Net cash ows from investing activities	604,752,812.52	-114,340,854.15
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash proceeds from investments by others		
Cash receipts from borrowings		200,000,000.00

## Section VIII Financial Report

Items	Semiannual 2025	Semiannual 2024
Other cash receipts relating to financing activities		80,000,000.00
Total cash inows from nancing activities	0.00	280,000,000.00
Cash repayments for debts	370,000,000.00	1,280,000,000.00
Cash payments for distribution of dividends or profit and interest expenses	209,821,669.94	99,293,133.63
Other cash payments relating to financing activities	13,721,388.77	208,415,552.24
Total cash outows from nancing activities	593,543,058.71	1,587,708,685.87
Net cash ows from nancing activities	-593,543,058.71	-1,307,708,685.87
IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	3,578,200.75	2,169,362.18
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	181,945,280.83	-865,588,973.21
Add: Cash and cash equivalents at beginning of period	443,341,985.31	3,709,747,259.03
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	625,287,266.14	2,844,158,285.82

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan



## Section VIII Financial Report

Semiannual 2025																				
Items	Attributable to owners of the parent							Non-controlling interests	Total equity											
	Share capital	Preference shares	Other equity investments	Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves			Surplus reserves	General reserve	Unappropriated profit	Others	Sub-total						
2. Appropriation to general reserve																				
3. Distribution to owners (or shareholders)																				
4. Others																				
(IV) Transfer within equity																				
1. Capitalisation of capital reserves (or share capital)																				
2. Capitalisation of surplus reserves (or share capital)																				
3. Loss made up by surplus reserves																				
4. Transfer of changes in the defined benefit plan to retained earnings																				
5. Transfer of other comprehensive income to retained earnings																				
6. Others																				
(V) Specialised reserves																				
1. Appropriation for the period																				
2. Utilisation for the period																				
(VI) Others																				
IV. Balance at end of period	582,329,808.00			3,405,888.168.65	7,193,725.00	-	4,760,520.44	420,212.778.13	71,26,532.427.60	11,523,008.936.94	752,950,492.74	12,275,959.429.68								
Legal representative: Li Jianquan	Financial controller: Fang Xiuyuan										Accounting supervisor: Zhao Yan									



Unit: RMB

Semianual 2024														
Attributable to owners of the parent														
Items	Share capital	Prefe- rence share \$	Other equity investments	Capital reserves	Treasury shares	Less: competen- tive income	Other specialise d reserves	Surplus reserves	General reserve	Unappropri- ated profit	Others	Sub-total	Non- controlling interests	Total equity
I. Balance at end of prior year	594,387,367.00	-	4,381,126,487.29	473,552.4	42.85	2,215,369.4	4	420,212.7	78.13	6,608,834.7	68.99	11,533,224.3	577,097,475.15	12,110,321.8
Add: Changes in accounting policies														
Correction of prior period errors														
Others														
II. Balance at beginning of year	594,387,367.00	-	4,381,126,487.29	473,552.4	42.85	2,215,369.4	4	420,212.7	78.13	6,608,834.7	68.99	11,533,224.3	577,097,475.15	12,110,321.8
III. Changes for the period Amount (Decrease is indicated by "-")	6,094,659.00	-	442,215,864.75	256,237.6	-46.96	2,931,540.1	4	420,212.7	78.13	92,985,475.21	21	102,018,941.72	22,739,880.3	79,279,061.3
(I) Total comprehensive income		-				2,931,540.1	4			384,150,379.21		381,218,839.07	19,629,653.3	400,848,492.8
(II) Owners' contributions and reduction in capital		-	2,908,958.42									2,908,958.42	0.00	2,908,958.42
1. Ordinary shares invested by owners		-										0.00	0.00	0.00
2. Capital contributions from holders of other equity instruments		-										0.00	0.00	0.00
3. Amount of share-based payments recognised in equity		-	2,908,958.42									2,908,958.42	0.00	2,908,958.42
4. Others		-										0.00	0.00	0.00
(III) Profit distribution		-								291,164,904.00		291,164,904.00	0.00	291,164,904.00
1. Appropriation to surplus serves		-										0.00	0.00	0.00

## Section VIII Financial Report

Semiannual 2024														
Attributable to owners of the parent														
Items	Share capital	Preference shares	Other equity investments	Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	General reserve	Unappropriated profit	Others	Sub-total	Non-controlling interests	Total equity
2. Appropriation to general reserve												0.00	0.00	0.00
3. Distribution to owners (or shareholders)									291,164,904.00			291,164,904.00	0.00	291,164,904.00
4. Others												0.00	0.00	0.00
(IV) Transfer within equity	6,094,659.00			445,124.823.17	451,219.482.17	0.00				0.00		0.00	0.00	0.00
1. Capitalisation of capital reserves (or share capital)												0.00	0.00	0.00
2. Capitalisation of surplus reserves (or share capital)												0.00	0.00	0.00
3. Loss made up by surplus reserves												0.00	0.00	0.00
4. Transfer of changes in the defined benefit plan to retained earnings												0.00	0.00	0.00
5. Transfer of other comprehensive income to retained earnings												0.00	0.00	0.00
6. Others	6,094,659.00			445,124.823.17	451,219.482.17	0.00				0.00		0.00	0.00	0.00
(V) Specialised reserves												0.00	0.00	0.00
1. Appropriation for the period												0.00	0.00	0.00
2. Utilisation for the period												0.00	0.00	0.00
(VI) Others				194,981.835.21							194,981.835.21	3,110,226.98	191,871,608.23	
IV. Balance at end of period	588,292,708.00			3,938,910.622.54	217,314.795.89	-716,170.70	-420,212.778.13		6,701,820.244.20		11,431,205.31	599,837,355.86	51.41	12,031,042.77

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## Amount for the period

Unit: RMB

[illegible]

## Section VIII Financial Report

Items	Semiannual 2025							
	Other equity investments			Less:		Specialised reserves		Total equity
	Share capital	Preference shares	Perpetual bonds	Capital reserves	Treasury shares	Other comprehensive income	Surplus reserves	
2. Distribution to owners (or shareholders)							-145,582,452.00	-145,582,452.00
3. Others								
(IV) Transfer within equity								
1. Capitalisation of capital reserves (or share capital)								
2. Capitalisation of surplus reserves (or share capital)								
3. Loss made up by surplus reserves								
4. Transfer of changes in the defined benefit plan to retained earnings								
5. Transfer of other comprehensive income to retained earnings								
6. Others								
(V) Specialised reserves								
1. Appropriation for the period								
2. Utilisation for the period								
(VI) Others								
IV. Balance at end of period	582,329,808.00			3,403,642,235.30	7,195,725.00		411,397,111.21	9,229,661,033.52

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

Unit: RMB

[illegible]



## Section VIII Financial Report

Items	Semiannual 2024						
	Share capital	Other equity investments	Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Total equity
	Prefer- ence shares	Perpet- ual bonds	Others				
2. Distribution to owners (or shareholders)							-291,164,904.00
3. Others							
(IV) Transfer within equity	-6,094,659.00		-445,124,823.17	-451,219,482.17			
1. Capitalisation of capital reserves (or share capital)							
2. Capitalisation of surplus reserves (or share capital)							
3. Loss made up by surplus reserves							
4. Transfer of changes in the defined benefit plan to retained earnings							
5. Transfer of other comprehensive income to retained earnings							
6. Others	-6,094,659.00		-445,124,823.17	-451,219,482.17			
(V) Specialised reserves							
1. Appropriation for the period							
2. Utilisation for the period							
(VI) Others				194,981,835.21			-194,981,835.21
IV. Balance at end of period	588,292,708.00		3,938,164,250.05	217,314,795.89		411,397,111.21	9,347,714,209.79

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## Section VIII Financial Report

### III. General Information

Winner Medical Co., Ltd. (hereinafter referred to as the “Company”), formerly known as Winner Industries (Shenzhen) Co., Ltd. (hereinafter referred to as “Winner Industries”), is a wholly foreign-owned enterprise established on 24 August 2000 with the approval of Shenzhen Municipal Administration for Industry and Commerce.

On 4 June 2015, with the approval of Economy, Trade and Information Commission of Shenzhen Municipality, Winner Industries was wholly changed into a limited liability company, renamed as “Winner Medical Co., Ltd.”.

On 18 August 2020, after the reply of China Securities Regulatory Commission on Approval of the Registration of the Initial Public Offering of Winner Medical Co., Ltd. (Z.J.X.K. [2020] No.1822), the Company issued 50 million ordinary shares in RMB to the public, which was listed on the Shenzhen Stock Exchange on 17 September 2020. Upon completion of the issuance, the registered capital of the Company was RMB426,492,308.00.

At the 2022 Annual General Meeting of Shareholders, the equity distribution plan was reviewed and endorsed. Based on the 419,737,649 shares post the deduction of repurchased shares, the plan includes a cash dividend of RMB19.00 (tax included) for every 10 shares, alongside a conversion of every 10 shares into 4 shares of share capital. Subsequently, the Company’s share capital was adjusted to RMB594,387,367.00.

In March 2024, the Company cancelled the 6,094,659 shares remaining in the 2021 repurchase plan excluding the first phase of the employee stock ownership plan (including the reserved part) in the special securities account for repurchase, and the total share capital of the Company decreased from 594,387,367 shares to 588,292,708 shares after the cancellation; In October 2024, the Company changed the use of 5,962,900 shares in the repurchase account from the original “for the Company’s employee stock ownership plan or equity incentive” to “for the cancellation and reduction of the Company’s registered capital”. After the cancellation, the total share capital of the Company was reduced from 588,292,708 shares to 582,329,808 shares, with a total share capital of RMB582,329,808.00.

The Company is engaged in the manufacturing industry, specifically in the special-purpose equipment manufacturing sector, as well as the textile industry and the textile clothing and apparel industry.

The Company and its subsidiaries (collectively referred to as the “Company”) are mainly engaged in the research and development, production, and sales of medical consumables and healthy consumer goods. The product categories of the medical consumables segment are divided into Traditional wound care and bandaging products, advanced wound dressings products, operating room consumables products, infection prevention products, healthcare & personal care products and other products; the product categories of the healthy consumer goods segment are divided into dry and wet cotton tissues, sanitary napkins, baby clothing and supplies, adult apparel and other non-woven/woven products.

Domicile of the Company: F42, Building 2, Huilong Business Center, Shenzhen North Railway Station Area, Minzhi Subdistrict, Longhua District, Shenzhen City.

The parent of the Company is Winner Group Limited, incorporated in the Cayman Islands.

The financial statements were approved and authorised for issue by the board of directors on 20 August 2025.

## IV. Basis of Preparation of the Financial Statements

### 1. Basis of preparation

These financial statements have been prepared in accordance with Accounting Standards for Business Enterprises – Basic Standard and specific accounting standards, interpretations and other relevant provisions issued subsequently by the Ministry of Finance (the “MOF”) (collectively referred to as “ASBEs”). In addition, the financial statements also disclose relevant financial information in accordance with No.15 of Compilation Rules for Information Disclosure by Companies Offering Securities to the Public – General Provisions of Financial Reports.

### 2. Going concern

The financial statements have been prepared on a going concern basis.

## V. Material Accounting Policies and Significant Estimates

Tips of specific accounting policies and significant estimates:

The Company formulates specific accounting policies and accounting estimates according to the actual characteristics of its production and operation, which are mainly reflected in aspects such as the allowance for bad debts of accounts receivable, the inventory valuation method, the provision for inventory write-downs, the amortization of long-term prepaid expenses, the depreciation of right-of-use assets, the depreciation of fixed assets, the amortization of intangible assets, share-based payments, the impairment of goodwill, and the recognition and measurement of revenues.

### 1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present truly and completely the financial positions of the Company as at 30 June 2025, and the financial performance and the cash flows for the 2025 semi-annual then ended in accordance with Accounting Standards for Business Enterprises.

### 2. Accounting year

The accounting year of the Company is a calendar year, i.e., from 1 January to 31 December of each year.

### 3. Operating cycle

The operating cycle of the Company is 12 months..

### 4. Functional currency

The Company’s functional and presentation currency is Renminbi (“RMB”). The currency unit is RMB Yuan unless otherwise stated.

Each subsidiary, joint venture or associate of the Company determines its own functional currency based on the primary economic environment in which it operates. In preparation of the financial statements, their functional currencies are translated into RMB.

## Section VIII Financial Report

**5. Methodology for determining materiality standard and selection rationale**

√Applicable □N/A

Items	Materiality standard
Important individual accounts receivable with bad debt provisions	RMB5 million
Recovery or reversal of significant bad debt provisions for accounts receivable	RMB5 million
Write-off of important accounts receivable	RMB5 million
Important prepayments aged over one year	RMB5 million
Important accounts payable aged over one year	RMB5 million
Important contract liabilities aged over one year	RMB5 million
Important construction in progress	The amount incurred or the balance at the end of the period exceeds RMB30 million
Important joint ventures or associates	Long-term equity investment with closing balance exceeding 0.5% of total assets
Subsidiaries with non-controlling interests that are material to the Company	Non-controlling interests with closing balance exceeding 2% of total assets

**6. Accounting for business combinations involving entities under common control and business combinations not involving entities under common control**

Business combinations involving entities under common control: The assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the entity being absorbed) that are obtained by the absorbing entity in a business combination involving entities under common control shall be measured on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted against share capital premium under the capital reserves. If the share capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combination not involving entities under common control: the cost of combination is the fair value of the assets paid, liabilities incurred or assumed and equity securities issued by the acquirer on the acquiring date for acquisition of the control of the acquiree. Where the cost of the combination is higher than the interest in the fair value of the acquiree's net identifiable assets, goodwill is recognised. If the cost of the combination is lower than the interest in the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss. The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination that meets the recognition criteria at their fair values on the acquisition date.

The directly related expenses incurred for the business combination are included in profit or loss; the transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

**7. The criteria of control and preparation of consolidated financial statements**

- The criterion of control**

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. Control is achieved when the Company is exposed, or has the following: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

### • Consolidation procedures

The Company regards the whole enterprise group as an accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial position, financial performance and cash flow of the enterprise group. The impact of internal transactions between the Company and its subsidiaries and between the subsidiaries are offset. If the internal transaction indicates that impairment loss has occurred to relevant assets, such loss shall be recognised in full. If the accounting policies or the accounting period of a subsidiary are different from those of the Company, necessary adjustments are made based on the Company's accounting policies or accounting period in preparing the consolidated financial statements.

The minority shareholders' share of the subsidiary's owners' equity, net profit or loss and current comprehensive income shall be separately listed under the owners' equity in the consolidated balance sheet, under the net profit and total comprehensive income in the consolidated income statement. Where the loss for the current period attributable to non-controlling interests of a subsidiary exceeds the non-controlling interests of the opening balance of equity of the subsidiary, the excess shall still be allocated against the non-controlling interests.

#### (2.1) Increase of subsidiaries or business

During the reporting period, for subsidiaries or business acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity from the beginning of the period in which the combination occurs to the end of the reporting period shall be consolidated. Adjustments are made to the opening balance in the consolidated financial statements and related items in the comparative financial statements as if the reporting entity after the combination had been in existence since the date the ultimate controlling party first obtained the control.

If control over an invested entity under common control is achieved due to reasons such as additional investment, for the equity investments held before obtaining the control of the entity being absorbed, the recognised relevant profit or loss, other comprehensive income, and other net asset changes from the later of the date of obtaining the original equity and the date when both the absorbing entity and the entity being absorbed are under common control up to the combination date shall be offset against the opening balance of retained earnings in the comparative financial statement period or the profit or loss.

During the reporting period, if subsidiaries or business are increased due to business combination involving entities not under common control, it shall be included in the consolidated financial statements as of the acquisition date on the basis of the fair value of all identifiable assets, liabilities and contingent liabilities determined on the acquisition date.

If it is able to exercise control over the invested entity that is not under common control due to additional investment or other reasons, the equity held by the acquiree before the acquisition date shall be re-measured according to the fair value of the equity on the acquisition date, and the difference between the fair value and the book value shall be included as investment income in profit or loss. Other comprehensive income, which can be reclassified into profit or loss in the future, and other changes in owners' equity under the equity method as related to the acquiree's equity held before the acquisition date are converted to the investment income of the current period as of the acquisition date.

#### (2.2) Disposal of a subsidiary

##### ① General disposal method

When the Company loses the control over the invested entity due to disposal of part of the equity investment or other reasons, the residual equity investment after the disposal shall be re-measured at its fair value on the date of losing control. The difference between the sum of the consideration acquired by disposal of the equity and the fair value of the residual equity, minus the sum of the share of the net assets of the original subsidiary continuously calculated from the acquisition date or the combination date and the goodwill according to the original shareholding ratio, shall be included in the investment income in the period of loss of control. Other comprehensive income related to the equity investment of the original subsidiary that can be reclassified into profit or loss in the future, and other changes in owners' equity under the equity method are converted to the investment income in the period of loss of control.

##### ② Disposal of a subsidiary step by step

For disposal of the equity investment in the subsidiary by steps through multiple transactions till loss of the control, the terms, conditions and economic impact of the disposal on each transaction in respect of the equity investment of the subsidiary are subject to one or more of the following circumstances, which generally indicate that the multiple transactions are package deals:



## Section VIII Financial Report

- i. The transactions were entered into simultaneously or with consideration of their mutual influence;
- ii. These transactions as a whole can only achieve a complete business result;
- iii. The occurrence of one transaction depends on the occurrence of at least one other transaction;
- iv. A transaction may not be economically viable when viewed in isolation, but it becomes economically viable when considered together with other transactions..

If each transaction belongs to a package deal, each transaction shall be subject to accounting treatment as a deal for disposal of subsidiary and loss of the control; the difference between the disposal price and the share of net assets of the subsidiary corresponding to the disposal of investment before the loss of control is recognised as other comprehensive income in the consolidated financial statements and transferred to the profit or loss in the period of loss of control.

If each transaction does not belong to a package deal, the equity investment of the subsidiary shall be subject to accounting treatment without loss of control before losing the control; and accounting treatment shall be carried out in accordance with the general disposal method of the subsidiary when losing the control.

### **(2.3) Acquisition of non-controlling interests in subsidiaries**

The difference between the long-term equity investment obtained due to the purchase of minority equity and the share of the net assets to be enjoyed and continuously calculated from the acquisition date or combination date according to the increased shareholding ratio is adjusted against the share capital premium in the capital reserve in the consolidated balance sheet; if the share capital premium in the capital reserve is not sufficient to offset the difference, the retained earnings shall be adjusted.

### **(2.4) Partial disposal of equity investment in subsidiaries without loss of control**

The difference between the disposal price and the disposal of long-term equity investment and the share of the net assets to be enjoyed and continuously calculated from the acquisition date or combination date, is adjusted against the share capital premium in the capital reserve in the consolidated balance sheet; if the share capital premium in the capital reserve is not sufficient to offset the difference, the retained earnings shall be adjusted.

## **8. Classification of joint arrangements and accounting treatment for joint operations**

## **9. Recognition criteria for cash and cash equivalents**

Cash comprises the Company's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are shortterm, highly liquid investments that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value.

## **10. Foreign currency transactions and foreign currency translation**

### **• Foreign currency transactions**

Foreign currency transaction adopts the spot exchange rate on the date of the transaction as the conversion exchange rate to convert the foreign currency amount into RMB for reporting.

At the balance sheet date, the balance of monetary items measured in a foreign currency is converted by using the spot exchange rates at the balance sheet date. Exchange differences arising therefrom are recognised in profit or loss, except the exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are treated according to the capitalization of borrowing costs.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on initial recognition, and the amount denominated in the functional currency is not changed. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The resulting exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

- **Conversion of financial statements denominated in foreign currencies**

For foreign operations, the Company translates their functional currency amounts into RMB when preparing the financial statements as follows: as at the balance sheet date, the assets and liabilities are translated using the spot exchange rates at the balance sheet date, and equity items other than “unappropriated profit” are translated at the spot exchange rates at the dates of transactions. Revenue and expense items in the income statement are translated using the annual average exchange rate. The resulting exchange differences are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. If the disposal only involves a portion of a particular foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss on a pro-rata basis.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the weighted average exchange rates for the period during which the cash flows occur (unless this is inappropriate due to exchange rate fluctuations, in which case the spot exchange rates prevailing on the dates of cash flows are used). The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

## 11. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Classification of financial instrument**

Based on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them, financial assets at initial recognition are classified as: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

The Company classifies financial assets as measured at amortised cost if they meet all of the following conditions and are not designated as at fair value through profit or loss:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The Company classifies financial assets as measured at fair value through other comprehensive income (debt instruments) if they meet all of the following conditions and are not designated as at fair value through profit or loss:

- The financial asset is held within a business model with the objectives to collect contractual cash flows and sell the financial asset;
- The contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding.

For investments in equity instruments not held for trading, the Company may, at initial recognition, irrevocably designate them as financial assets at fair value through other comprehensive income (equity instruments). The designation is made on an individual investment basis and the underlying investment meets the definition of an equity instrument from the issuer’s perspective.

## Section VIII Financial Report

Other than the financial assets measured at amortised cost and those measured at fair value through other comprehensive income as described above, the Company classifies all remaining financial assets as financial assets at fair value through profit or loss. On initial recognition, if accounting mismatches can be eliminated or significantly reduced, the Company may irrevocably designate financial assets that would have been classified as measured at amortised cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

The Company's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, or financial liabilities measured at amortised cost. A financial liability may be designated at initial recognition as at fair value through profit or loss if it meets any of the following conditions:

- This designation eliminates or significantly reduces accounting mismatches.
- Based on the enterprise risk management or investment strategy set forth in the formal written documents, the portfolio of financial liabilities or the portfolio of financial assets and financial liabilities is managed and evaluated on the basis of fair value, and reported to key management personnel within the enterprise on this basis.
- The financial liabilities include embedded derivatives that need to be separated.

### **(2.1) Financial assets measured at the amortized cost**

The financial assets measured at the amortized costs include bills receivable, accounts receivable, other receivables, long-term receivables, debt investment, etc., which shall be initially measured at fair value, and the relevant transaction expenses are included in the initial recognized amount; the receivables excluding major financing components and the accounts receivable that the Company decides not to consider the financing components of less than one year shall be initially measured at the contract transaction price. Interest calculated using the effective interest method during the holding period is included in the current profit or loss. Upon recovery or disposal, the difference between the price obtained and the book value of the financial assets shall be recorded into the current profit or loss.

### **(2.2) Financial assets at fair value through other comprehensive income (debt investments)**

Financial assets (debt instruments) measured at fair value through other comprehensive income includes receivables financing and other debt investments, which are initially measured at fair value, with related transaction costs included in the initially recognised amount. Such financial assets are subsequently measured at fair value, and changes in fair value are included in other comprehensive income except for interest calculated using the effective interest method, impairment losses or gains and exchange losses or gains. On derecognition, the accumulated gains or losses previously recognised in other comprehensive income are transferred out and recognised in profit or loss.

### **(2.3) Financial assets at fair value through other comprehensive income (equity investments)**

Financial assets measured at fair value through other comprehensive income (equity instruments) include other equity instrument investments, which are initially measured at fair value, with related transaction costs included in the initially recognised amount. Such financial assets are subsequently measured at fair value, and changes in fair value are recognised in other comprehensive income. Dividends obtained are recognised in profit or loss. On derecognition, the accumulated gains or losses previously recognised in other comprehensive income are transferred out and recognised in retained earnings.

### **(2.4) 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, with related transaction costs included in profit or loss. Such financial assets are subsequently measured at fair value, and changes in fair value are recognised in profit or loss.

**(2.5) Financial liabilities at fair value through profit or loss**

Financial liabilities measured at fair value through profit or loss include trading financial liabilities and derivative financial liabilities, which are initially measured at fair value, with related transaction costs included in profit or loss. Such financial liabilities are subsequently measured at fair value, and changes in fair value are recognised in profit or loss. On derecognition, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

**(2.6) Financial liabilities measured at amortised cost**

Financial liabilities measured at amortised cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings and long-term payables, which are initially measured at fair value, with related transaction costs included in the initial recognition amount. Interest calculated using the effective interest method during the holding period is included in the current profit or loss. On derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognised in profit or loss.

**· Recognition basis and measurement method for derecognition and transfer of financial assets**

The Company derecognises financial assets when one of the following conditions is met:

- The contractual right to receive cash flows from the financial asset has been terminated;
- The financial asset has been transferred, and substantially all the risks and rewards of the financial asset have been transferred to the transferee;
- The financial asset has been transferred, and the Company neither transfers nor retains substantially all the risks and rewards of the financial asset, but does not retain control over the financial asset.

Where the Company and its counterparty modify or renegotiate contractual terms in a manner that constitutes a substantial modification, the original financial asset is derecognised, and a new financial asset is recognised based on the modified terms.

When a financial asset is transferred, if substantially all the risks and rewards of the financial asset are retained, the financial asset is not derecognised.

When determining whether the transfer of financial assets meets the above conditions for derecognition of financial assets, the principle of substance over form is adopted.

The Company classifies transfers of financial assets into either full transfers or partial transfers. If the full transfer of a financial asset meets the conditions for derecognition, the difference between the following two amounts is included in profit and loss:

- The carrying amount of the transferred financial asset;
- The sum of the consideration received as a result of the transfer and the cumulative amount of changes in fair value originally recognised in owners' equity (where the financial asset involved in the transfer is a financial asset measured at fair value through other comprehensive income (debt instrument)).

If the partial transfer of a financial asset meets the conditions for derecognition, the carrying amount of the whole financial asset is allocated between the part derecognised and the part not derecognised on the basis of their respective relative fair values, and the difference between the following two amounts is included in profit or loss:

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· The carrying amount of the derecognised part;

· The sum of the consideration for the derecognised part and the amount corresponding to the derecognised part in the cumulative amount of changes in fair value originally recognised in owners' equity (where the financial asset involved in the transfer is a financial asset measured at fair value through other comprehensive income (debt instrument)).

If the transfer of a financial asset does not meet the conditions for derecognition, the financial asset shall continue to be recognised, and the consideration received is recognised as a financial liability.

### · Derecognition of financial liabilities

A financial liability (or part thereof) is derecognised when the present obligation is discharged in whole or in part. If the Company enters into an agreement with the creditor to replace an existing financial liability with a new financial liability under terms that are substantially different, the existing liability shall be derecognised and the new financial liability recognised simultaneously.

When the terms of an existing financial liability are substantially modified in whole or in part, the original financial liability (or the relevant part) shall be derecognised, and the modified liability shall be recognised as a new financial liability.

When a financial liability is derecognised in whole or in part, the difference between the carrying amount of the derecognised liability and the consideration paid (including transferred non-cash assets or newly assumed financial liabilities) shall be recognised in profit or loss.

If the Company repurchases part of a financial liability, it shall allocate the carrying amount of the entire liability between the part continued to be recognised and the part derecognised, based on their relative fair values at the repurchase date. The difference between the carrying amount allocated to the derecognised part and the consideration paid (including transferred non-cash assets or newly assumed financial liabilities) shall be recognised in profit or loss.

### · Determination method of fair value for financial assets and financial liabilities

For financial instruments with an active market, the fair value is determined based on quoted prices in the active market. For financial instruments without an active market, the fair value is determined using valuation techniques. For valuation, the Company uses valuation techniques that are appropriate under current circumstances and supported by sufficient available data and other information, and selects inputs consistent with those that market participants would consider in transactions of relevant asset or liability, with priority given to relevant observable inputs. Unobservable inputs are used only when relevant observable inputs are not available or their procurement is impracticable.

### · Testing and accounting methods for impairment of financial instruments

The Company accounts for impairment of financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (debt instruments) and financial guarantee contracts based on expected credit losses ("ECLs").

The Company calculates the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and supportable information such as past events, current conditions and forecasts of future economic conditions, with the risk of default as the weight, and recognises ECLs.

For receivables and contract assets arising from transactions defined in Accounting Standards for Business Enterprises No.14 – Revenue, regardless of whether they contain significant financing components, the Company elects to apply the simplified approach to recognise a loss allowance based on lifetime ECLs.



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For lease receivables arising from transactions defined in Accounting Standards for Business Enterprises No. 21 – Leases, the Company elects to apply the simplified approach to recognise a loss allowance based on lifetime ECLs.

For other financial assets than those under the simplified approach, the Company assesses the changes in credit risk on the financial instruments since initial recognition at each balance sheet date.

The Company compares the risk of a default occurring as at the balance sheet date with the risk of a default as at the date of initial recognition to determine relative changes in the risk of a default occurring of the financial instrument in the expected lifetime, and assess whether the credit risk of the financial instrument has increased significantly since initial recognition. Generally, the Company considers that the credit risk of a financial instrument has increased significantly when it is more than 30 days past due, unless there is reasonable evidence demonstrating that the credit risk has not increased significantly since initial recognition.

If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month ECLs by the Company and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Company and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime ECLs by the Company and the interest income is calculated according to the amortised cost and the effective interest rate. If the credit risk of financial instruments is low at the balance sheet date, the Company assumes that the credit risk has not increased significantly since initial recognition.

For financial assets at fair value through other comprehensive income (debt instruments), the loss allowance is recognised in other comprehensive income, and the impairment loss or gain is recognised in profit or loss, without reducing the carrying amount of the financial assets presented in the balance sheet.

If there is objective evidence that a receivable has been credit-impaired, the Company makes an impairment provision for the receivable on an individual basis.

Except for the above receivables for which bad debt provision is made on an individual basis, the Company classifies the remaining financial instruments into several groups according to the credit risk characteristics, and determines the ECLs on a group basis.

For notes receivable and accounts receivable financing, the Company recognises a loss allowance based on lifetime ECLs. Based on the credit risk characteristics of notes receivable and accounts receivable financing, they are classified into different groups:

Items		Basis for grouping and method of provision for bad debts
Notes receivable:		
Bank acceptance bills		For acceptors with high credit ratings (such as large state-owned commercial banks and listed joint-stock commercial banks), no bad debt provision is made; for acceptors that are other banks or financial companies, ECLs are analysed based on historical information to determine whether a bad debt provision is required.
Commercial bills	acceptance	As the acceptors are a non-financial institutions, the grouping is the same as that for accounts receivable (if the notes receivable are transferred from accounts receivable, the aging is calculated on a continuous basis)
Accounts financing:	receivable	
Bank acceptance bills		If the acceptor is a bank with a higher credit rating, no provision for bad debts is made.

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The Company's basis for grouping and method of provision for expected credit losses on notes receivable – commercial acceptance bills, accounts receivable and other receivables are as follows:

Items	Group	Basis
Accounts receivable:		
Receivables from related parties within the scope of consolidation	No credit risk group	No provision for bad debts is made for receivables within the scope of consolidation unless there is objective evidence that they cannot be recovered.
Due from other clients	Aging group	The accounts receivable are grouped based on their aging as the credit risk characteristic.
Advance payment		
Advance payment to suppliers	Aging group	The advance payment are grouped based on their aging as the credit risk characteristic.
Other receivables:		
Receivables such as export tax rebates and housing funds have no credit risk	No credit risk group	The accounts receivable are grouped based on their nature as the credit risk characteristic (mainly including export tax rebates, and housing funds).
Other receivables from related parties within the scope of consolidation	No credit risk group	No provision for bad debts is made for receivables within the scope of consolidation unless there is objective evidence that they cannot be recovered.
Deposits and guarantee deposits	Balance group	percentage The accounts receivable are grouped based on their nature as the credit risk characteristic (mainly including deposits and guarantee deposits)
Other receivables	Aging group	The accounts receivable are grouped based on their aging as the credit risk characteristic.
Long-term receivables:		
Finance lease receivables	Balance group	percentage The finance lease receivables are grouped based on their nature of the receivables as the credit risk characteristic.
Deposits and guarantee deposits	Balance group	percentage The accounts receivable are grouped based on their nature as the credit risk characteristic (mainly including deposits and guarantee deposits)

Provision for bad debts of aging group:

Aging	Provision ratio for accounts receivables (%)	Provision ratio for other receivables (%)	Advance payment (%)
Within 1 year, inclusive	5.00	5.00	
1-2 years	10.00	10.00	
2-3 years	30.00	30.00	50.00
3-4 years	50.00	50.00	100.00
4-5 years	80.00	80.00	100.00
Over 5 years	100.00	100.00	100.00

The provision for doubtful accounts of commercial acceptance bills is calculated using the ECL rates applicable to the accounts receivable mentioned above, and the aging of such bills is determined retroactively from the original aging start date of the corresponding accounts receivable.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

## 12. Notes receivable

Please refer to “V. 11. Financial Instruments” for detailed information.

## 13. Accounts receivable

Please refer to “V. 11. Financial Instruments” for detailed information.

## 14. Receivables financing

Please refer to “V. 11. Financial Instruments” for detailed information.

## 15. Other receivables

Recognition method and accounting treatment method of the expected credit loss of other receivables

The impairment loss of other receivables (including other receivables, long-term receivables, etc.) other than accounts receivable and notes receivable shall be measured by referring to “Note V.11. Financial Instruments 6) Testing and accounting methods for impairment of financial instruments (excluding receivables)”.

## 16. Contract assets

The Company presents contract assets or contract liabilities depending on the relationship between the satisfaction of its performance obligations and the customer's payment in the balance sheet. The Company presents its right to consideration in exchange for goods or services as a contract asset (the right to consideration is conditional on other factors excluding the passage of time). The Company's unconditional (only conditional on the passage of time) right to consideration from customers is presented separately as receivables. The Company presents its obligation to transfer goods or services to a customer, for which the Company has received consideration or the Company has a right to an amount of consideration that is unconditional (i.e., a receivable) from the customer, as a contract liability. The Company presents the net amount of the contract assets and contract liabilities under the same contract.

## 17. Inventories

### · Category and cost of inventories

Inventories are classified as: raw materials, low-value consumables, goods in stock, work in progress, shipped goods, outsourced processing materials, packaging materials, etc.

Inventories are initially carried at cost, which includes purchase cost, processing cost and other expenses incurred to bring the inventories to their current location and condition.

### · Valuation method of inventories shipped

For purchased finished products, cost is determined under the moving weighted average method when they are sold and shipped; for self-manufactured finished goods, cost is determined under the standard cost method at the time of delivery, with variances between actual cost and standard cost allocated at period-end based on the inventory-to-sales ratio.

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### · Inventory system

The perpetual inventory system is adopted.

### · Amortisation method for low-value consumables and packaging materials

Low-value consumables are amortised at 50% upon initial use and 50% upon disposal; Packaging materials are amortised using the one-time write-off method.

### · Recognition criteria and accrual method of provision for write-down of inventories

At the balance sheet date, inventories shall be stated at the lower of cost and net realisable value. When the cost of inventories is higher than its net realisable value, a provision for write-down of inventories shall be made. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes.

For inventories directly used for sale, such as finished goods, goods in stock and materials for sale, the net realisable value shall be determined, in the ordinary course of business, at the estimated selling price less the estimated costs necessary to make the sale and relevant taxes; for inventories of materials that need to be processed, the net realisable value shall be determined, in the ordinary course of production and operation, at the estimated selling price of finished goods less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes; for inventories held for the execution of sales contracts or labour contracts, the net realisable value is calculated based on the contract price, and if the quantity of inventories held is more than the quantity ordered in the sales contract, the net realisable value of the excess part of inventories is calculated based on the general sales price, taking into account the market sales price and the estimated discount rate (if applicable).

After the provision for provision for the write-down of inventory has been made, if the factors that caused the write-down have ceased to exist, resulting in the net realizable value of the inventory exceeding its carrying amount, the previously recognised provision for the write-down of inventory shall be reversed within the original write-down amount. The reversal amount shall be recognised in profit or loss.

## 18. Financial assets held for trading

## 19. Debt investments

## 20. Other debt investments

## 21. Long-term receivables

Please refer to “V. 11. Financial Instruments” for detailed information.

## 22. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

### · Criteria for joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The investee is a joint venture of the Company if the Company and other parties jointly control the investee and enjoy rights to the net assets of the investee

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Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control with other parties over those policies. The investee is an associate of the Company if the Company is able to exercise significant influence over the investee.

### · Determination of initial investment cost

#### · Long-term equity investments arising from a business combination

For a long-term equity investment in a subsidiary arising from a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment shall be the share of the carrying amount of the owner's equity in the acquiree in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration paid shall be adjusted against capital premium under the capital reserves; if the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. If the investee under common control can be controlled due to additional investment and other reasons, the difference between the initial investment cost of the long-term equity investment recognised according to the above principles and the sum of the carrying amount of the long-term equity investment before the combination plus the carrying amount of the new consideration paid for the further acquisition of shares on the combination date shall be adjusted against capital premium; if the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

For a long-term equity investment in a subsidiary arising from a business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the combination cost determined on the acquisition date. If the investee not under common control can be controlled due to additional investment and other reasons, the initial investment cost shall be the sum of the carrying amount of the equity investment originally held and the new investment cost.

#### · Long-term equity investments not arising from a business combination

For long-term equity investments acquired through cash payment, the initial investment cost is determined based on the actual purchase price paid.

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

#### · Long-term equity investment under the cost method

For a long-term equity investment where the Company can exercise control over the investee, the long-term investment is accounted for using the cost method in the Company's individual financial statements. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, the long-term equity investment is measured at its initial investment cost. When additional investment is made or the investment is recouped, the cost of long-term equity investment is adjusted accordingly. Cash dividends or profit distributions declared by the investee are recognised as investment income in profit or loss.

#### · Long-term equity investment under the equity method

Long-term equity investments in associates and joint ventures are accounted for using the equity method. Where the initial investment cost of a long-term equity investment exceeds the interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment is made to the initial investment cost; where the initial investment cost is less than the interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

The Company recognises its share of the investee's profit or loss, as well as its share of the investee's other comprehensive income, as investment income or loss and other comprehensive income, and adjusts the carrying amount of the investment accordingly; the carrying amount of the investment is reduced based on the Company's share of any profit distributions or cash dividends declared by the investee; the Company's share of the investee's equity changes other than those arising from the investee's profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognised in the Company's equity, and the carrying amount of the long-term equity investment is adjusted accordingly.



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The Company recognises its share of the investee's net profit or loss, other comprehensive income and other changes in owners' equity based on the fair value of the investee's identifiable assets at the acquisition date and recognises its share of the investee's net profit and other comprehensive income after making adjustments in accordance with the Company's accounting policies and reporting periods.

Unrealised profits and losses from transactions with its joint ventures and associates are eliminated to the extent of the Company's investments in the associates or joint ventures, and investment income is recognised on this basis, except where the assets invested or sold constitute a business. Any loss arising from such transactions which are attributable to an impairment loss shall be recognised at its entirety.

The Company's share of losses of the associates or joint ventures is recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the associates or joint ventures is reduced to zero, except that the Company has the obligations to assume further losses. For joint ventures or associates that subsequently report net profits, the Company resumes recognition of its profit-sharing amount after offsetting previously unrecognised loss allocations.

### · Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the carrying amount and the actual acquisition price is included in profit and loss.

The disposal of part of a long-term equity investment accounted for under the equity method, where the remaining equity continues to be accounted for under the equity method, shall result in the other comprehensive income originally recognised under the equity method being carried forward on the same basis as the investee's direct disposal of the related assets or liabilities, proportionally. Other changes in owners' equity shall be proportionally carried forward to profit or loss.

When the disposal of equity investments results in the loss of joint control or significant influence over the investee, the other comprehensive income originally recognised under the equity method shall be accounted for on the same basis as the investee's direct disposal of the related assets or liabilities upon discontinuation of the equity method. All other changes in owners' equity shall be fully transferred to profit or loss upon discontinuation of the equity method.

When the disposal of part of equity investments leads to loss of control over the investee, in the preparation of individual financial statements: if the Company can still exercise joint control or significant influence over the investee with the remaining equity, the remaining equity shall be accounted for using the equity method with retrospective adjustment as if the equity method had been applied since initial acquisition, and the other comprehensive income recognised before acquiring control shall be proportionally carried forward on the same basis as the investee's direct disposal of related assets or liabilities, while other changes in owners' equity recognised under the equity method shall be proportionally carried forward to profit or loss; if the Company can no longer exercise joint control or significant influence over the investee with the remaining equity, the remaining equity shall be recognised as a financial asset with the difference between its fair value and carrying amount at the date of losing control recognised in profit or loss, and all other comprehensive income and other changes in owners' equity recognised before acquiring control shall be fully carried forward.

Where the disposal of an investment in a subsidiary through multiple transactions in steps until loss of control constitutes bundled transactions, all such transactions shall be accounted for as a single transaction involving the disposal of the subsidiary investment resulting in loss of control. In the individual financial statements, for each disposal before the loss of control, the difference between the disposal consideration and the carrying amount of the part of the long-term equity investment disposed of shall be initially recognised in other comprehensive income, and subsequently carried forward in its entirety to profit or loss when control is lost. If it does not constitute bundled transactions, each transaction shall be accounted for separately.

## 23. Investment properties

Measurement model of investment properties

Cost method measurement

Depreciation or amortisation method

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Investment properties are properties held to earn rentals or for capital appreciation or both, such as buildings leased out (including buildings that are constructed or developed for rental purposes after completion, as well as buildings that are under construction or development and intended for future rental use). An investment property is measured initially at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred. The Company uses the cost model for the subsequent measurement of its investment properties. For investment properties measured under the cost model, the same depreciation policy as the Company's fixed assets is applied to buildings for lease.

## 24. Fixed assets

### (1) Recognition criteria

Fixed assets refer to tangible assets held for the purpose of producing goods, providing services, leasing or operating management, and with a service life of more than one accounting year. Fixed assets are recognised when both of the following conditions are met:

- (1) The economic benefits associated with the asset will probably flow into the Company;
- (2) The cost of the asset can be measured reliably.

Fixed assets are initially measured at cost (taking into account the impact of expected disposal expenses). The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use. Subsequent expenditures related to fixed assets are recognised in the cost of fixed assets when it is probable that the economic benefits related thereto will flow in and the cost can be measured reliably; the carrying amount of the component of the fixed asset that is replaced shall be derecognised; all other subsequent expenditures are recognised in profit or loss as incurred.

### (2) Depreciation method

Category	Depreciation method	Depreciation period	Percentage of estimated residual value	Annual depreciation rate
Buildings	Straight-line method	10-40 years	5.00%-10.00%	2.25%- 9.50%
Machinery	Straight-line method	5-12 years	5.00%-10.00%	6.00%-47.50%
Vehicles	Straight-line method	3-10 years	5.00%-10.00%	9.00%-31.67%
Electronic equipment, office equipment and others	Straight-line method	2-10 years	5.00%-10.00%	9.00%-47.50%
Land ownership	Others	N/A	N/A	N/A

No provision for depreciation

## 25. Construction in progress

Construction in progress is measured at the actual cost incurred. The actual cost includes construction cost, installation cost, borrowing costs eligible for capitalisation and other necessary expenditures incurred before the construction in progress reaches the working condition for its intended use. An item of construction in progress is transferred to fixed assets when the asset is ready for its intended use, and depreciation commences from the following month.

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The criteria and timing for carrying forward construction in progress of the Company to fixed assets are as follows:

Category	Criteria and timing for transfer to fixed assets
Buildings	(1) The main construction works and supporting works have been substantially completed; (2) the construction project meets the predetermined design requirements, and passes completion acceptance procedures conducted by relevant parties including survey, design, construction, supervision, fire safety, and quality inspection authorities; (3) for construction projects that have reached their working condition for intended use but have not completed final settlement, they shall be transferred to fixed assets at an estimated value based on the actual project cost from the date when they reach the working condition for intended use.
Machinery	(1) The relevant equipment and supporting facilities have been completely installed; (2) the equipment has been debugged and can maintain normal and stable operation for a sustained period; (3) the production equipment is capable of consistently manufacturing qualified products over an extended duration; (4) the equipment has been formally accepted by both asset management personnel and operational users.
Electronic equipment, office equipment and others	(1) The relevant equipment and supporting facilities have been completely installed; (2) the equipment has been debugged to reach the working condition for intended use; (3) the equipment has been formally accepted by both asset management personnel and operational users.

## 26. Borrowing costs

### · Recognition principles for capitalization of borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised and recognised in asset cost. The amounts of other borrowing costs incurred are recognised as an expense in the period in which they are incurred.

Qualifying assets are fixed assets, investment properties, inventories and other assets that require a considerable period of time for acquisition, construction or production activities to reach their condition for intended use or sale.

### · Capitalisation period of borrowing costs

Capitalisation period refers to the period from the time point when the capitalisation of borrowing costs starts to the time point when the capitalisation of borrowing costs ceases, excluding the period when the capitalisation of borrowing costs is suspended.

Borrowing costs are capitalised when all of the following conditions are met:

1. Expenditures on assets have been incurred, including those in the form of cash payment, non-cash assets transfer or interestbearing liabilities for the acquisition, construction or production of qualifying assets;
2. Borrowing costs have been incurred;
3. The activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale.

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Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally, when the suspension is for a continuous period of more than 3 months. The borrowing costs shall continue to be capitalised if such suspension constitutes a necessary procedure to prepare the qualifying asset being purchased, constructed or produced for its intended use or sale. Borrowing costs incurred during these periods are recognised in profit or loss until the acquisition, construction or production is resumed and the borrowing costs continue to be capitalised.

### · Calculation of capitalisation rate and amount of borrowing costs

For specific borrowings for the acquisition and construction or production of qualifying assets, the capitalisation amount of borrowing costs is the actual borrowing costs incurred in the current period of the specific borrowings less the interest income from the unused borrowings deposited in banks or the investment income from temporary investment.

For general borrowings used for the acquisition and construction or production of qualifying assets, the capitalisation amount of borrowing costs is calculated by applying the capitalisation rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings. The capitalisation rate is calculated based on the weighted average effective interest rate of general borrowings.

During the period of capitalisation, the exchange difference between the principal and interest of specific borrowings in foreign currency is capitalised and included in the cost of qualifying assets. Exchange differences arising from the principal and interest of foreign currency borrowings other than specific borrowings in foreign currency are included in profit or loss.

## 27. Biological assets

## 28. Oil and gas assets

## 29. Intangible assets

### (1) Useful life and its determination basis, estimation, amortization method or review procedures

#### · Valuation of intangible assets

#### · Intangible assets are initially measured at cost when the Company obtains them;

The cost of purchased intangible assets includes the purchase price, relevant taxes and other expenses directly attributable to the asset for its intended use.

#### · Subsequent measurement

The service lives of intangible assets are assessed when the Company obtains them.

For intangible assets with a finite useful life, amortisation shall be carried out within the period during which they bring economic benefits to the Company. If the period over which an intangible asset can bring economic benefits to the enterprise cannot be foreseen, it shall be regarded as an intangible asset with an indefinite useful life and shall not be amortised.

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### · Estimation of useful lives for intangible assets with finite useful lives

Items	Expected useful life	Determination basis of expected useful life
Land use rights	38-50 years	The land use right certificate specifies the term of use
Software use rights	2-8 years	Management expects the useful life
Trademarks	5-10 years	The trademark use right certificate specifies the benefit period
Patents	5-10 years	The patent use right certificate specifies the benefit period
Royalty	3 years	Contractual useful life
Client relationships	10 years	Management expects the useful life

### (2) Classification of research and development expenditure and related accounting treatment

The Company's research and development (R&D) expenditure include all costs directly related to R&D activities, including employee compensation for R&D personnel, direct material inputs, depreciation and amortisation expenses, and other expenses. These costs are classified as follows: employee compensation for R&D personnel includes salaries, bonuses, social insurance, and housing fund contributions for employees directly engaged in R&D activities; direct material inputs include raw and auxiliary materials directly consumed in R&D activities; depreciation and amortisation expenses cover the depreciation of fixed assets and amortisation of intangible assets exclusively used for R&D; other expenses include travel costs, testing expenses, consulting expenses, and other expenses directly related to R&D activities.

#### · Specific criteria for distinguishing between research phase and development phase

The Company classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase.

Research phase: the phase involving original and planned investigation or research activities aimed at acquiring and comprehending new scientific or technological knowledge.

Development phase: the phase in which research findings or other knowledge are applied to a plan or design – prior to commercial production or use – for the production of new or substantially improved materials, devices, products, or other outputs.

#### · Specific conditions for capitalisation of expenditure on development phase

Expenditure on the research phase is recognised in profit or loss as incurred. Expenditure on the development phase is recognised as intangible assets when the Company can demonstrate all of the following, or included in profit or loss if not:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- how the intangible asset will generate probable future economic benefits (among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset);



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- the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during the development phase.

When the research phase and the development phase cannot be distinguished, the R&D expenditure is recognised in profit or loss when incurred.

The company shall comply with the disclosure requirements of the “Medical Device Business” in the Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 4 – Industry Information Disclosure of the Growth Enterprise Market

### 30. Impairment of long-term assets

Impairment of assets other than inventories, deferred tax assets and financial assets is determined in the following way: the Company assesses at the balance sheet date whether there is any indication that an asset may be impaired; if any indication exists that an asset may be impaired, the Company estimates the recoverable amount of the asset and performs impairment testing; goodwill arising from a business combination, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired.

The recoverable amount is determined based on the higher of the net amount of the fair value of the asset less the disposal expenses and the present value of the expected future cash flows of the asset. The Company estimates the recoverable amount on an individual basis unless it is not possible to estimate the recoverable amount of the individual asset, in which case the recoverable amount is determined for the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Company. The reduction in the carrying amount is treated as an impairment loss and recognised in profit or loss. A provision for impairment loss of the asset is recognised accordingly.

For the purpose of impairment testing of goodwill, the carrying amount of goodwill is allocated to the relevant asset group from the acquisition date on a reasonable basis. Each of the related asset groups or sets of asset groups is an asset group or a set of asset groups that is expected to benefit from the synergies of the business combination and shall not be larger than an operating segment as determined by the Company. The carrying amount of the related asset group (set of asset groups) to which goodwill has been allocated for impairment is compared to its recoverable amount. If the carrying amount of the asset group (set of asset groups) is higher than its recoverable amount, the amount of the impairment loss is firstly allocated to reduce the carrying amount of the goodwill allocated to the asset group (set of asset groups), and then allocated to reduce the carrying amount of other assets (other than the goodwill) within the asset group (set of asset groups), on a pro-rata basis of the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

### 31. Long-term prepaid expenses

Long-term prepaid expenses refer to costs that have already been incurred but should be allocated over the current and future periods, with an amortisation period exceeding one year. Long-term prepaid expenses are amortised using the straight-line method over the benefit period. The amortisation period is as follows:

Items	Amortisation period
Decoration expenses	1-10 years
Decoration expenses on leased assets	1-6 years
Others	2-5 years

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### 32. Contract liabilities

The Company presents contract assets or contract liabilities depending on the relationship between the satisfaction of its performance obligations and the customer's payment in the balance sheet. The Company presents its obligation to transfer goods or services to a customer, for which the Company has received or should have received consideration from the customer, as a contract liability. The Company presents the net amount of the contract assets and contract liabilities under the same contract.

### 33. Employee benefits

#### (1) Accounting for short-term employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

##### · Accounting for short-term employee benefits

Occurred short-term employee benefits are recognised as a liability in the accounting period in which an employee provides services, with a corresponding charge to profit or loss or cost of an asset.

For the social insurance premium and housing fund paid by the Company for employees, as well as the union running costs and employee education expenditure provided according to the regulations, the corresponding employee benefit amount is calculated according to the stipulated accrual basis and accrual ratio during the accounting period when employees provide services to the Company.

The employee benefit expenses incurred by the Company are included in profit or loss or related asset costs according to the actual amount as they are incurred. Non-monetary benefits are measured at fair value.

#### (2) Accounting for post-employment benefits

##### · Defined contribution plan

The Company contributes to the basic pension insurance and unemployment insurance for its employees in accordance with the relevant regulations of the local government. During the accounting period when employees provide services to the Company, the payable amount calculated based on the local contribution base and proportion is recognised as a liability and recorded in profit or loss or the cost of related assets.

##### · Defined benefit plan

The Company attributes the benefit obligations arising from defined benefit plans to the periods during which employees provide services, using the formula determined using the projected unit credit method, with corresponding amounts recognised in profit or loss or capitalised into the cost of related assets.

The deficit or surplus arising from the present value of the defined benefit obligation less the fair value of plan assets is recognised as a net defined benefit liability or asset. For defined benefit plans in a surplus position, the Company measures the net defined benefit asset at the lower of the surplus in the plan and the asset ceiling.

All defined benefit obligations, including those expected to be settled within twelve months after the end of the annual reporting period in which employees render services, are discounted using market yields on high-quality corporate bonds (or government bonds) that are denominated in the same currency and have terms to maturity matching the defined benefit obligation as at the balance sheet date.

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The service cost arising from defined benefit plans and the net interest on the net defined benefit liability (asset) are recognised in profit or loss or capitalised into the cost of related assets. Changes from the remeasurement of the net defined benefit liability (asset) are recognised in other comprehensive income and will not be subsequently reclassified to profit or loss. Upon termination of the original defined benefit plan, the cumulative amount previously recognised in other comprehensive income shall be fully transferred to retained earnings within equity.

Upon settlement of a defined benefit plan, a settlement gain or loss is recognised based on the difference between the present value of the defined benefit obligation and the settlement price, both determined as at the settlement date.

### (3) Accounting for termination benefits

The Company provides termination benefits to employees and recognises an employee benefits liability for termination benefits, with a corresponding charge to profit or loss, at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits resulting from an employment termination plan or a curtailment proposal; and (b) when the Company recognises costs involving the payment of termination benefits.

### (4) Accounting for benefits of other long-term employees

## 34. Provisions

An obligation related to a contingency shall be recognised by the Company as a provision when the following conditions are met, except for contingent considerations and contingent liabilities assumed in a business combination not involving entities under common control.

- The obligation is a present obligation of the Company;
- The fulfilment of the obligation is likely to result in an outflow of economic benefits from the Company;
- The amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. Where the time value of money has a significant impact, the best estimate is determined by discounting the relevant future cash outflows..

Where the required expenditures fall within a continuous range and all possible outcomes within that range are equally probable, the best estimate is determined as the midpoint of the range. In all other cases, the best estimate is determined as follows:

- For contingent matters involving a single item, the best estimate shall be determined based on the most likely outcome.
- For contingent matters involving multiple items, the best estimate shall be determined by weighting all possible outcomes by their associated probabilities.

Where all or part of the expenditures required to settle a provision are expected to be reimbursed by a third party, the reimbursement shall be recognised as a separate asset when it is virtually certain to be received. The amount recognised shall not exceed the carrying amount of the provision.

The Company reviews the carrying amount of provisions at the balance sheet date. Where conclusive evidence indicates that the carrying amount no longer reflects the current best estimate, the carrying amount shall be adjusted to the current best estimate.

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### 35. Share-based payment

The Company's share-based payment transactions represent agreements to grant equity instruments or incur liabilities measured based on equity instruments in exchange for services received from employees or other parties. The Company's share-based payment arrangements are equity-settled share-based payments.

#### Equity-settled share-based payments and equity instruments

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserves. If such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the satisfaction of a specified performance condition, at each balance sheet date during the vesting period, the Company recognises the services received for the current period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest. The fair value is determined using the Black-Scholes option pricing model as described in Note XV.2.

Where the terms of an equity-settled share-based award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

If the granted equity instruments are cancelled during the vesting period, the Company shall treat such cancellation as an accelerated vesting. The amount that would have been recognised over the remaining vesting period shall be immediately recognised in profit or loss, with a corresponding adjustment to capital reserve. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

### 36. Preference shares, perpetual bonds and other financial instruments

### 37. Revenue

#### Accounting policies for income recognition and measurement

The Company has fulfilled its performance obligations in the contracts, that is, when the customer obtains control of relevant goods or services. Control of relevant goods or services refers to the ability to direct the use of the goods, or the provision of the services, and obtain substantially all of the remaining benefits from the goods or services.

If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, allocate the transaction price to each individual performance obligation in proportion to the stand-alone selling price of the goods or services promised by such obligation. The Company's revenue shall be measured according to the transaction price allocated to each individual performance obligation.

The transaction price means the amount of consideration that the Company is expected to be entitled to collect for the transfer of goods or services to the customer, excluding payments collected on behalf of third parties and amounts expected to be returned to the customer. The Company determines the transaction price based on the terms of the contract and its past practices, and in determining the transaction price, it takes into account the impact of variable consideration, significant financing component in the contract, noncash consideration, consideration payable to customers and other factors. The Company determines the transaction price including the variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. When the contract contains a significant financing component, the Company determines the transaction price based on an amount that reflects the price that a customer would have paid for the goods or services in cash at the time of obtaining the control of the goods or services, and amortises the difference between the transaction price and the consideration promised in the contract under the effective interest method within the contract period.

If one of the following conditions is satisfied, it shall be deemed to have performed its performance obligation over time; otherwise, it shall be deemed to have performed its performance obligation at a point in time:

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- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
- The customer can control the goods under construction during the Company's performance.
- The goods produced by the Company during the performance are of irreplaceable use, and the Company has an enforceable right to payment for performance completed to date.

For the performance obligations performed over time, the Company recognises the revenue in accordance with the performance progress during that period, except where the performance progress cannot be reasonably measured. Taking into account the nature of the goods or services, the Company uses the output or input method to determine the performance progress. If the progress towards the complete satisfaction of the performance obligation cannot be reasonably measured, but the Company expects to recover the costs incurred in satisfying the performance obligation, the revenue is recognised only to extent of the costs incurred until such time that the Company can reasonably measure the progress towards the complete satisfaction of the performance obligation.

For performance obligations performed at a point in time, the Company recognises revenue at the point in time when the customer acquires control of the relevant goods or services. In determining whether the customer has acquired control of goods or services, the Company considers the following indications:

- The Company has the present right to payment for the goods or services, that is, the customer is presently obliged to pay for the goods or services.
- The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods.
- The Company has physically transferred the goods to the customer, that is, the customer has physically possessed the goods.
- The Company has transferred the significant risks and rewards of ownership of the goods to the customer, that is, the customer has acquired the significant risks and rewards of ownership of the goods.
- The customer has accepted the goods or services, etc.

Businesses of the same category under different operating models involve varying revenue recognition approaches and measurement methods

The Company determines its role as principal or agent in transactions based on whether it exercises control over the goods or services before transferring them to the customer. If the Company has control over the goods or services prior to transfer, it acts as the principal and recognises revenue based on the total consideration received or receivable. Conversely, if the Company lacks control over the goods or services before transfer, it acts as the agent and recognises revenue in the form of commissions or fees according to expectations.

Specific principles for recognition of revenue from sale of goods:

- General foreign sales: revenue is recognised after commodity inspection, customs declaration and shipment of goods (the Company mainly adopts FOB and CIF methods for export revenue settlement. For a very small amount of revenue using other settlement methods, such as for those adopting EXW terms, the buyer designates carrier door-to-door delivery as the timing of recognition of revenue; for those adopting FCA terms, the delivery of products to the carrier designated by the buyer shall be the timing of recognition of revenue; for those adopting the DDP/DDU terms, the delivery of products to the destination designated by the buyer shall be the timing of recognition of revenue).
- General domestic sales: the timing of recognition of sales revenue is based on the customer's confirmation of receipt (i.e., the revenue is recognised after the customer signs for the receipt, but if the contract stipulates that acceptance is needed, the revenue will be recognised after acceptance by the customer).
- E-commerce business (B2C): the timing of recognition of sales revenue is based on the customer's confirmation of the completion of the transaction (i.e., the revenue is recognised when the customer initiatively confirms receipt of the goods on the e-commerce platform or when the e-commerce platform automatically confirms receipt of the goods within a certain period of time after delivery, whichever is earlier).



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- E-commerce business (B2B): the revenue is recognised in the settlement cycle at the point in time when control of the product is transferred.
- Store sales model: sales revenue is recognised according to settlement time and price (i.e., the revenue is recognised after the store salesperson receives payment and delivers the goods to the customer).
- Consignment model: the Company delivers the goods to the place designated by the agent, and recognises the revenue after checking the sales list received by the deadline of reconciliation agreed in the contract.

### Variable consideration

Some of the Company's contracts with customers including arrangements of sales rebates result in variable consideration. The Company determines the best estimate of variable consideration by using the expected value method or the most likely amount method. However, the transaction price including variable consideration is only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

### Additional purchase options

The Company grants customers with loyalty points upon the sale of the goods, which can be redeemed by the customers for free or discounted goods or services. The loyalty points give rise to a separate performance obligation as they provide a material right to customers. The Company determines the stand-alone selling prices for loyalty points based on the redemption policy and expected redemption rate. A portion of the transaction price is allocated to the loyalty points awarded to the customer in proportion to the standalone selling price of the goods and the loyalty points. Revenue is recognised when the customer obtains control of the goods or services redeemed with loyalty points or when the loyalty points expire.

### Sale with a right of return

For sale with a right of return, the Company recognises the revenue in the amount of consideration to which the Company expects to be entitled in exchange for transferring control of the goods to the customer, and recognises the amount expected to be refunded as a result of the sales return as a refund liability. At the same time, an asset recognised for an entity's right to recover goods from a customer on settling a refund liability is measured by reference to the carrying amount of the goods less any expected costs to recover the goods (including potential decreases in the value of the returned goods), that is, right-of-return assets, and cost of sales is recognised based on the carrying amount of the transferred goods at the time of transfer of the goods less the net cost of the asset above. At each balance sheet date, the Company re-estimates the future sales return and remeasures the asset and liability above.

### Warranties provisions

The Company provides warranties in connection with the sale of goods in accordance with the contract and the relevant laws and regulations, etc. For an assurance-type warranty that provides a customer with the assurance that the good complies with agreedupon specifications, the Company accounts for the warranty in accordance with "Note V.34 Provisions".

## 38. Contract costs

## 39. Government grants

### · Types of government grants

Government grants are transfer of monetary assets or non-monetary assets from the government to the Company at no consideration. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount.

Government grants are classified into government grants related to assets and government grants related to income. Government grants related to assets are government grants made available to the Company for the purpose of purchasing, constructing or otherwise acquiring long-term assets. Government grants related to income are government grants other than those related to assets.

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The Company's criteria for classifying government grants as related to assets are: the governmental documents clearly stipulate the use of funds, and the expected use direction of the funds is expected to form related assets; The criteria for classifying government grants as related to income are: the governmental documents do not stipulate the use purpose, and the expected use direction of the funds is to supplement working capital; If the grant object is not clearly specified in the governmental documents, the judgement basis for the Company to classify the government grants as related to assets or related to income is as follows: except that the Company designates its purpose as related to assets, it will be included in profit or loss.

### · Timing of recognition

Government grants are recognised when all attaching conditions will be complied with and the grants will be received.

### · Accounting treatment

A government grant relating to an asset shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised into profit or loss over the useful life of the related assets using a reasonable and systematic method (those relating to the daily activities of the Company shall be recorded into other income; those not relating to the daily activities of the Company shall be included in non-operating income). However, government grants measured at nominal amount are directly included in profit or loss. Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

A government grant related to income is accounted for as follows: (a) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, it is recognised as deferred income, and released in profit or loss (those relating to the daily activities of the Company shall be recorded into other income; those not relating to the daily activities of the Company shall be included in non-operating income) or offset against related expenses or losses over the periods in which the related expense or losses are recognised; or (b) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss (those relating to the daily activities of the Company shall be recorded into other income; those not relating to the daily activities of the Company shall be included in non-operating income) or offset against related expenses or losses.

## 40. Deferred tax assets/Deferred tax liabilities

Income tax comprises current and deferred tax. Except for the income tax arising from the business combination and the transaction or item directly booked into equity (including other comprehensive income), the Company records the current and deferred tax into profit or loss.

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and on the temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognised as assets and liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the taxable temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax losses and any unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilised, except:

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· when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

· in respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Company has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 41. Leases

#### (1) Lease accounting for lessees

A lease refers to a contract in which the lessor transfers the right to use the asset to the lessee within a certain period of time in exchange for consideration. The Company recognises lease liabilities and right-of-use assets, except for short-term leases and leases of low-value assets.

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that contains multiple separate lease components, the Company separates the components of the contract and accounts for each separate lease component. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components.

#### (1) Right-of-use assets

At the commencement date of the lease, the Company recognises a right-of-use asset. Right-of-use assets are initially measured at cost. The cost of the right-of-use assets comprises:

- (1) the amount of the initial measurement of the lease liability;
- (2) any lease payments made at or before the commencement date of the lease, less any lease incentives received if there are lease incentives;
- (3) any initial direct cost incurred;

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(4) and estimates of costs incurred by the lessee in dismantling and removing the underlying assets, 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, excluding the costs incurred for producing the inventories.

The Company remeasures the lease liabilities for the revision to the lease payments and adjusts the carrying amount of the right-of-use assets accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Company. If the Company is reasonably certain that the ownership of the underlying assets will be transferred to the Company at the end of the lease terms, the Company depreciates the assets from the commencement date to the end of the useful lives of the assets. Otherwise, the Company depreciates the assets from the commencement date to the earlier of the end of the useful lives of the assets and the end of the lease terms.

The Company determines whether the right-of-use asset has been impaired in accordance with the principles described in “Note V.30 Impairment of long-term assets”, and accounts for the impairment losses identified.

## (2) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities, except for short-term leases and leases of low-value assets. Lease liabilities are measured at the present value of the lease payments that are not paid at that date. The lease payments include:

- (1) fixed payments (including in-substance fixed payments) less any lease incentives receivable.
- (2) variable lease payments that depend on an index or a rate;
- (3) amounts expected to be paid under residual value guarantees;
- (4) the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- (5) payments of penalties for termination of a lease, if the lease term reflects the Company exercising the option to terminate the lease.

The Company regards the interest rate implicit in the lease as discount rate; if that rate cannot be reasonably determined, the Company uses the incremental borrowing rate. The Company calculates the interest expenses of the lease liability in each period over the lease term using the constant periodic rate of interest, and recognises such interest expenses in profit or loss or the costs of the related asset.

Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related assets as required.

At the commencement date of the lease, in the following cases, the Company remeasures the lease liability, and adjusts the correspondingly right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any differences in profit or loss.

(1) if there are changes in the assessment of the purchase option, the renewal option or the option to terminate the lease, or the exercise of the above-mentioned options is not consistent with the original assessment results, the Company remeasures lease liabilities at the lease payments upon the change and the present value calculated using the revised discount rate.

(2) if there are changes in in-substance fixed payments, the amounts expected to be payable under residual value guarantees, or in the index or rate used to determine lease payments, the Company remeasures lease liabilities at the lease payments upon the change and the present value calculated using the original discount rate. However, where changes in lease payments result from changes in floating interest rates, the present value is calculated using the revised discount rate.

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### (3) Short-term leases and leases of low-value assets

If the Company does not recognise the right-of-use assets and lease liabilities for short-term leases and low-value assets, it recognises relevant lease payments in profit or loss or the costs of the related assets on a straight-line basis over the lease terms. A short-term lease is the lease that, on the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option. A lease of low-value assets is the lease of the individual underlying asset with low value, when new. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset.

### (4) Lease modifications

The Company accounts for a lease modification as a separate lease if both:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Company reallocates the consideration in the contract after the modification, redetermines the lease term, remeasures the lease liability by discounting the revised lease payments using a revised discount rate.

The Company decreases the carrying amount of the right-of-use asset for lease modifications that reduce the scope or term of the lease, and recognises the gain or loss relating to the partial or full termination of the lease in profit or loss. The Company makes a corresponding adjustment to the right-of-use asset for all other lease modifications that result in remeasurement of lease liabilities.

### (2) Lease accounting for lessors

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

Rental income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred. Initial direct costs are capitalised and recognised over the lease term on the same basis as rental income, through profit or loss.

At the commencement date of the lease, the Company recognises finance lease receivable and derecognises finance lease assets. The Company presents the lease receivables at an amount equal to the net investment in the lease for the initial measurement. The net investment in the lease is the sum of any unguaranteed residual value accruing to the lessor and the lease payments receivable at the commencement date of the lease by a lessor under a finance lease discounted at the interest rate implicit in the lease. The Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. Variable lease payments received by the Company that are not included in the measurement of the net investment in the lease are recognised in profit or loss as incurred.

## 42. Other material accounting policies and significant estimates

### 1. Share repurchase

If the Company repurchases its shares due to a reduction in its registered capital, it shall debit the "Treasury shares" and credit the "Cash at banks" and other accounts according to the amount actually paid. When the treasury shares are cancelled, the total par value of the shares calculated according to the par value of the shares and the number of cancelled shares shall be debited to the "Share capital", and the book balance of the cancelled treasury shares shall be credited to the "Treasury shares". The premium originally recorded in capital surplus at the time of stock issuance shall be offset according to the difference, and debited to the "Capital surplus – Share capital premium". The portion of the repurchase price exceeding the above offset of "Share capital" and "Capital surplus – Share capital premium" shall be debited to the "Surplus reserves" and "Profit distribution – Undistributed profits" and other accounts in turn. If the repurchase price is lower than the share capital corresponding to the repurchased shares, the difference between the book balance of the cancelled treasury shares and the offset share capital will be treated as an increase in share capital premium, and debited to the "Share capital" according to the par value of the share capital corresponding to the repurchased shares, credited to the "Treasury share" according to the book balance of the cancelled treasury shares, and credited to the "Capital surplus – Share capital premium" according to the difference.

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### 2. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly; Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at each balance sheet date.

### 3. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### (1) Judgments

In the process of applying the Company's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

##### Business models

The classification of financial assets at initial recognition depends on the Company's business model for managing financial assets. When determining the business model, the Company considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Company needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

##### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

##### Impairment of financial assets

The Company uses the expected credit loss model to assess the impairment of financial instruments. The Company is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Company infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the impairment allowance may not be representative of the actual impairment loss in the future.

##### Variable consideration for sales rebates or returns

The Company makes reasonable estimates of indicators such as the rebate rate or return rate of a group of contracts with similar characteristics according to the sales historical data, the current sales situation, as well as changes of customer demands, market changes and other relevant information. Estimates of the rebate rate or return rate may not be representative of the actual rebates or returns in the future. The Company re-evaluates the rebate rate or return rate at least on each balance sheet date and updates the accounting treatment based on the re-evaluated rebate rate or return rate.



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### Loyalty points

The Company makes reasonable estimate of the stand-alone selling price of the loyalty points for contract consideration allocation by taking into account all relevant information, such as the stand-alone selling prices for the customer to acquire additional free goods or services or the discounts enjoyed by the customer using the loyalty points and the possibility for the customer to exercise the redemption right. The Company considers the likelihood for the customer to exercise the redemption right based on the historical data of point redemption, the current point redemption and the future changes of customer demands, the future trend of the market and other factors. The Company re-evaluates the estimated redemption rate of loyalty points at least on each balance sheet date and calculates the amounts of revenue and balance that should be recognised for considerations related to loyalty points based on the reevaluation results.

### Impairment of non-current assets other than financial assets (other than goodwill)

The Company assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

### Share-based payment

The Company's equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserves. If such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the satisfaction of a specified performance condition, at each balance sheet date during the vesting period, the Company adjusts related costs and expenses for the services received for the current period, with a corresponding increase in capital reserves, based on the best estimate of the number of equity instruments expected to vest.

### Inventory write-downs set aside at the net realisable value

The Company writes down obsolete and slow-moving inventories and inventories whose cost is higher than the net realisable value. At each balance sheet date, the Company re-estimates whether the individual inventory categories are obsolete and slow-moving, and whether the net realisable value is lower than the inventory cost. A difference between the re-estimation result and the existing estimate will affect the carrying amount of the inventory in the period of change in estimate.

### Impairment of goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the present value of the future cash flows expected to be derived from the asset groups (sets of asset groups) to which the goodwill is allocated. Estimating the present value requires the Company to make an estimate of the expected future cash flows from the asset groups (sets of asset groups) and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

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### Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

### Lessee's incremental borrowing rate

If the interest rate implicit in the lease cannot be readily determined, the Company measures the lease liability at the present value of the lease payments discounted using the lessee's incremental borrowing rate. According to the economic environment, the Company takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

### Depreciation and amortisation

The Company calculates depreciation of fixed assets and amortisation of intangible assets on a straight-line basis over the estimated useful lives, using net residual values from the date when the assets are ready for their intended use. This reflects management's estimate of the period over which the Company intends to obtain future economic benefits from the use of the fixed assets and intangible assets.

### Fair value of investments in convertible corporate bonds

For investments in convertible corporate bonds measured at fair value, the Company shall estimate the current price of ordinary shares, risk-free interest rate, volatility rate and discount rate, so there is uncertainty.

### Fair values of wealth management products and trust products

For wealth management products and trust products measured at fair value, the Company is required to estimate the future cash flows expected to be derived, the volatility of credit risk, and the discount rate, and hence they are subject to uncertainty.

## 43. Changes in material accounting policies and significant estimates

### (1) Changes in material accounting policies

☐ Applicable ☒ N/A

### (2) Changes in significant estimates

☐ Applicable ☒ N/A

### (3) Matters related to adjustment of the financial statements as at the beginning of the current year since the initial application of the new accounting standard in 2025

☐ Applicable ☒ N/A

## 44. Others

## Section VIII Financial Report

## VI. Taxation

## 1. Main tax categories and tax rates

Category of tax	Taxation basis	Tax rates
Value-added tax (VAT)	Output tax is calculated based on sales and the applicable tax rates, after deducting allowable input tax credits.	13%, 9%, 6%, 3%, 1%, 0%
Urban maintenance and construction tax	Actual paid turnover tax	7%, 5%
Corporate income tax (CIT)	Taxable Income	30%, 27%, 25.8%, 25%, 24%, 21%, 20%, 17%, 16.5%, 15%
Education surcharge	Actual paid turnover tax	3%
Local education surcharge	Actual paid turnover tax	2%

Note: Certain stores of Shenzhen Purcotton Technology Co., Ltd. ("Shenzhen Purcotton"), Guangzhou Purcotton Medical Technology Co., Ltd. ("Guangzhou Purcotton"), Beijing Purcotton Technology Co., Ltd. ("Beijing Purcotton"), Shanghai Purcotton Technology Co., Ltd. ("Shanghai Purcotton"), Wuhan Purcotton Ltd. ("Wuhan Purcotton") and Shenzhen Purunderwear Sci-Tech Innovation Co., Ltd. ("Purunderwear") are small-scale taxpayers, subject to VAT levied at a rate of 3%. The VAT rate is 13% for non-small-scale taxpayers, and 6% or 3% (small-scale taxpayers) for catering services provided by certain stores. According to the Announcement of the Ministry of Finance and the State Taxation Administration on Value-added Tax Reduction and Exemption Policy for Small-scale VAT Taxpayers (MOF, STA Announcement [2023] No.19), small-scale VAT taxpayers with monthly sales amount of below RMB100,000 (inclusive) shall be exempt from VAT. Small-scale VAT taxpayers whose taxable sales revenue shall be subject to the 3% levy rate shall be eligible for a reduced rate of 1%; for items subject to prepayment of VAT at the rate of 3%, the prepayment will be made at a reduced rate of 1%. This announcement shall be in effect until 31 December 2027. The sale of goods by the Company's subsidiaries as general taxpayers within the Company are subject to a VAT rate of 13%. The Company and some subsidiaries are eligible to engage in import/export business, and their export products are subject to VAT "exemption, credit, and refund" policies. VAT on income from consulting services provided by the Company is levied at a rate of 6%; VAT on income from promotion services provided by Shenzhen Purcotton is levied at a rate of 6%; VAT on income from warehousing services provided by Winner Medical (Wuhan) is levied at a rate of 6%; and VAT on income from customer services provided by Huanggang Purcotton is levied at a rate of 6%.

Disclosure of entities subject to different corporate income tax rates

Name of taxpayers	Income tax rates
Winner Medical Co., Ltd.	15%
Winner Medical (Huanggang) Co., Ltd. ("Winner Medical (Huanggang)")	15%
Winner Medical (Jingmen) Co., Ltd. ("Winner Medical (Jingmen)")	15%
Winner Medical (Tianmen) Co., Ltd. ("Winner Medical (Tianmen)")	15%
Winner Medical (Chongyang) Co., Ltd. ("Winner Medical (Chongyang)")	15%
Winner Medical (Jiayu) Co., Ltd. ("Winner Medical (Jiayu)")	15%
Yichang Winner Medical Textile Co., Ltd. ("Winner Medical (Yichang)")	25%
Winner Medical (Heyuan) Co., Ltd. ("Winner Medical (Heyuan)")	25%
Winner Medical (Wuhan) Co., Ltd. ("Winner Medical (Wuhan)")	15%
Winner Medical (Hong Kong) Ltd. ("Hong Kong Winner")	16.50%

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Name of taxpayers	Income tax rates
Winner Medical Malaysia Sdn. Bhd. (“Winner Medical Malaysia”)	24%
Winner Guilin	15%
Shenzhen Junjian Medical Device Co., Ltd. (“Junjian Medical”)	25%
Shanghai Hongsong Medical Device Co., Ltd. (“Shanghai Hongsong”)	25%
Nature Health Development (Hong Kong) Co., Ltd. (“Nature Health (HK)”)	16.50%
Winner (Jingzhou) Latex Products Co., Ltd. (“Winner Jingzhou”)	25%
Winner Biomedical Technology (Wuhan) Co., Ltd. (“Winner Biomedical”)	20%
Hubei Zhongfu New Materials Co., Ltd. (“Hubei Zhongfu”)	20%
Shenzhen Purcotton	25%
Beijing Purcotton	20%
Guangzhou Purcotton	20%
Shanghai Purcotton	20%
Shenzhen Qianhai Purcotton E-Commerce Co., Ltd. (“Qianhai Purcotton”)	25%
Shenzhen Purunderwear Sci-Tech Innovation Co., Ltd. (“Purunderwear”)	20%
Huanggang Purcotton Ltd. (“Huanggang Purcotton”)	20%
Wuhan Purcotton	20%
Hong Kong Purcotton Ltd. (“Hong Kong Purcotton”)	16.50%
Purcotton Agricultural Technology (Wuhan) Co., Ltd. (“Purcotton Agricultural”)	20%
Shenzhen PureH2B Technology Co., Ltd. (“PureH2B”)	20%
Zhejiang Longterm Medical Technology Co., Ltd. (“Longterm Medical”)	15%
Hangzhou Shengyi Technology Co., Ltd. (“Hangzhou Shengyi”)	20%
Xi'an Longtemu Medical Technology Co., Ltd. (“Xi'an Longtemu”)	20%
Deqing Longterm Medical Silica Gel Products Co., Ltd. (“Deqing Longterm”)	20%
Longterm Medical US LLC (“Medical US”)	Federal 21%
LONGTERM MEDICAL,S.DE.R.L.DE C.V (“MEDICAL CV”)	30%
Zhejiang Honglan Technology Co., Ltd. (“Zhejiang Honglan”)	20%
Winner Medical (Hunan)	15%
Hunan Ruian Medical Device Technology Co., Ltd. (“Ruian Medical Device”)	20%
Global Resources International, Inc. (“GRI USA”)	Federal 21%

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Name of taxpayers	Income tax rates
GRI-Alleset Limited B.V. (“Alleset BV”)	25.80%
Alleset Healthcare UK, Limited (“Alleset UK”)	25%
GRI-Alleset Limited (“GRI Alleset”)	16.50%
GRI Medical & Electronics Technology Co., Ltd. (“GRI METC”)	15%
Wuhu Shiyuan Zhuochuang Medical Material Technology Co., Ltd. (“GRI Nanling”)	20%
GRI (Wuhu) New Materials Co., Ltd. (“GRI Wuhu”)	15%
Jiaying Aixin Medical Device Co., Ltd. (“Alleset China”)	20%
Zhejiang Aixin Polymer Materials Co., Ltd. (“AXHPM”)	25%
GRI Precision Medical Devices Co., Ltd. (“GRI PM”)	20%
Alleset Singapore Ltd (“Alleset Singapore”)	17%
Curicyn, Inc. (“Curicyn”)	Federal 21%
Advanced Product Solutions, Inc. (“APS”)	Federal 21%
Global Resources Investments, LLC (“GRI Investment”)	Federal 21%
GRI-Alleset, Inc. (“Alleset Inc”)	Federal 21%
Tennessee Foam, LLC (“TNFOAM”)	Federal 21%
Invenio Healthcare, LLC (“Invenio LLC”)	Federal 21%
Invenio Procedure Solutions, LLC (“IPS”)	Federal 21%
Global Resources International Dominicana-Grid-SRL (“GRI DR”)	27%
Thermogear, Inc. (“Thermogear”)	Federal 21%
Invenio Alternate Care Solutions, LLC (“IACS”)	Federal 21%
ETI Services, Inc. (“ETI Services”)	Federal 21%
Global Resources (Vietnam) Group Limited Company (“GRI VN”)	20%

## Section VIII Financial Report

## 2. Tax preference

Name of taxpayers	Category of tax	Preferential policy	Tax rates	Certificate No.	Certificate date
Winner Medical Co., Ltd.	Corporate income tax (CIT)	According to the second paragraph of Article 28 of the <i>Corporate Income Tax Law of the People's Republic of China</i> stipulates, with respect to a high-tech enterprise that is specifically supported by the State, the tax on its income shall be levied at a reduced rate of 15 percent.	15%	GR202444206145	2024.12.26
Winner Medical (Huanggang)			15%	GR201942002414	2022.10.12
Winner Medical (Jingmen)			15%	GR202442001714	2024.12.4
Winner Medical (Tianmen)			15%	GR202442003221	2024.11.16
Winner Medical (Chongyang)			15%	GR202442001824	2024.11.15
Winner Medical (Jiayu)			15%	GR202442004304	2024.12.16
Winner Medical (Wuhan)			15%	GR202242002319	2022.11.9
Winner Guilin			15%	GR202345000323	2023.12.4
Longterm Medical			15%	GR202333003226	2023.12.8
Winner Medical (Hunan)			15%	GR202243004478	2022.12.2
GRI METC			15%	GR202233001449	2022.12.24
GRI Wuhu			15%	GR202234001166	2022.10.18
Winner Biomedical		According to in the <i>Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax and Fee Policies with Respect to Further Supporting the Development of Small and Micro Enterprises and Individually-Owned Businesses</i> (MOF, STA Announcement [2023] No. 12), the policy of small and low-profit enterprises calculating the taxable income at 25% and paying corporate income tax at a rate of 20% is extended to 31 December 2027.	20%	N/A	N/A
Hubei Zhongfu			20%	N/A	N/A
Beijing Purcotton			20%	N/A	N/A
Guangzhou Purcotton			20%	N/A	N/A
Shanghai Purcotton			20%	N/A	N/A
Purunderwear			20%	N/A	N/A
Huanggang Purcotton			20%	N/A	N/A
Wuhan Purcotton			20%	N/A	N/A
Purcotton Agricultural			20%	N/A	N/A
Shenzhen Jinliang			20%	N/A	N/A
Hunan Ruian			20%	N/A	N/A
Hangzhou Shengyi			20%	N/A	N/A
Zhejiang Honglan			20%	N/A	N/A
Xi'an Longtemu			20%	N/A	N/A
Deqing Longterm			20%	N/A	N/A
GRI Nanling			20%	N/A	N/A
Alleset China			20%	N/A	N/A
GRI PM			20%	N/A	N/A

According to the Announcement on the Value-added Tax Super-deduction Policy for Advanced Manufacturing Enterprises (MOF, STA Announcement [2023] No.43), from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are allowed to add an extra 5% based on the deductible input tax for the current period for deduction of the VAT payable (the "Super-deduction Policy"). The Super-deduction Policy is applicable to Winner Medical Co., Ltd., Winner Medical (Huanggang), Winner Medical (Jingmen), Winner Medical (Tianmen), Winner Medical (Chongyang), Winner Medical (Jiayu), Winner Medical (Wuhan), Winner Guilin, Longterm Medical, Winner Medical (Hunan) and GRI WUHU.



## Section VIII Financial Report

## 3. Others

## VII. Notes to the Consolidated Financial Statements

## 1. Currency fund

Unit: RMB

Items	Closing balance	Opening balance
Cash on hand	156,754.00	152,838.15
Cash at banks	1,468,255,959.55	1,348,440,889.85
Other currency fund	63,992,844.92	63,495,170.63
Total	1,532,405,558.47	1,412,088,898.63
Including: Total amount deposited abroad	125,971,016.14	87,101,777.00

## Other description

Wherein, the breakdown of currency funds that are: (1) restricted in use due to mortgages, pledges or freezes; (2) restricted to be withdrawn due to centralised management; and (3) deposited outside Mainland China with restrictions on repatriation is as follows:

Items	Total ending balance	Closing balance of the previous year
Guarantee deposit for bank acceptance bill* 1	35,198,794.36	44,202,960.58
Letter of credit* 2	100,000.00	100,000.00
Performance bond* 3	3,963,881.28	4,384,215.00
Letter of guarantee* 4	0.00	230,000.00
Balance of other restricted currency funds* 5	6,056,494.92	6,074,337.70
Total	45,319,170.56	54,991,513.28

\*1 Guarantee deposit for bank acceptance bill refers to the guarantee deposit made by Longterm Medical, Winner Medical (Hunan) and GRI to apply for bank acceptance bills.

\*2 Letter of credit is the guarantee deposit made by Winner Medical (Tianmen) for international and domestic letters of credit.

\*3 The performance bond refers to the bond deposited by Hong Kong Winner for bidding transactions with hospitals.

## Section VIII Financial Report

\*4 Represents the deposit made by Winner Medical (Hunan) for signing the demand guarantee.

\*5 The balance of other restricted currency funds refers to the receipt guarantee deposit of Winner Medical (Shenzhen); the balance of special deposit accounts for restricted non-budget units opened by Shenzhen Purcotton in accordance with the regulations on prepaid card issuance formulated by the Ministry of Commerce, and product guarantee deposit for applets.

## 2. Trading financial assets

Unit: RMB

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	2,124,524,520.71	2,921,341,484.39
Including:		
Wealth management products issued by banks	825,454,685.08	1,332,175,347.40
Trust plan	1,299,069,835.63	1,589,166,136.99
Including:		
Total	2,124,524,520.71	2,921,341,484.39

Other descriptions:

## 3. Derivative financial assets

Unit: RMB

Items	Closing balance	Opening balance
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Other descriptions:

## 4. Notes receivable

### (1) Classified presentation of notes receivable

Unit: RMB

Items	Closing balance	Opening balance
Bank acceptance bills	23,468,822.98	34,319,961.81
Total	23,468,822.98	34,319,961.81

## Section VIII Financial Report

## (2) Disclosure by bad debt provision accrual method

Unit: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Provision for bad debt		Carrying amount	Gross carrying amount		Provision for bad debt		Carrying amount
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	

Including:

Including:

Where the provision for bad debts are made based on the general ECL model:

☐ Applicable ☒ N/A

## (3) Provision for bad debts accrued, recovered or reversed

Provision for bad debts accrued:

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	

Significant recovery or reversal of provision for bad debts for the current period:

☐ Applicable ☒ N/A

## (4) Notes receivable pledged

Unit: RMB

Items	Pledged notes receivable at end of the current period
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## (5) Notes receivable endorsed or discounted and not yet expired at the balance sheet date

Unit: RMB

Items	Derecognised	Not derecognised
Bank acceptance bills		11,287,766.20
Total		11,287,766.20

## Section VIII Financial Report

## (6) Notes receivable actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant notes receivable:

Unit: RMB

Entity name	Nature of notes receivable	Amount written off	Reasons for write-off	Write-off performed	procedures	Whether due to/from related party transactions
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Description of write-off of notes receivable:

## 5. Accounts receivable

## (1) Disclosure by aging

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year, inclusive	1,236,986,957.27	1,006,495,090.20
1-2 years	25,426,736.37	18,474,160.02
2-3 years	8,212,254.45	8,532,477.53
Over 3 years	11,955,516.56	13,225,461.37
3-4 years	4,417,052.88	7,176,362.31
4-5 years	4,786,563.36	3,065,166.50
Over 5 years	2,751,900.32	2,983,932.56
Total	1,282,581,464.65	1,046,727,189.12

## Section VIII Financial Report

## (2) Disclosure by bad debt provision accrual method

Unit: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Provision for bad debt		Carrying amount	Gross carrying amount		Provision for bad debt		Carrying amount
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Provision for bad debts made on an individual basis	3,228,457.30	0.25%	3,228,457.30	100.00%	0.00	4,274,807.30	0.41%	3,774,809.80	88.30%	499,997.50
Including:										
Provision for bad debts made on a collective basis	1,279,353,007.35	99.75%	74,728,587.54	5.84%	1,204,624,419.81	1,042,452,381.82	99.59%	62,334,737.94	5.98%	980,117,643.88
Including:										
Provision for bad debts made on a collective basis by credit risk characteristics	1,279,353,007.35	99.75%	74,728,587.54	5.84%	1,204,624,419.81	1,042,452,381.82	99.59%	62,334,737.94	5.98%	980,117,643.88
Total	1,282,581,464.65	100.00%	77,957,044.84	6.08%	1,204,624,419.81	1,046,727,189.12	100.00%	66,109,547.74	6.32%	980,617,641.38

Provision for bad debts made on an individual basis

Unit: RMB

Name	Opening balance		Closing balance				Reasons for provision	for
	Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt	Provision ratio			
Others	4,274,807.30	3,774,809.80	3,228,457.30	3,228,457.30	100.00%	Expected to be irrecoverable		be
Total	4,274,807.30	3,774,809.80	3,228,457.30	3,228,457.30				

Category name of provision for bad debts by combination

Unit: RMB

Name	Closing balance		
	Gross carrying amount	Provision for bad debt	Provision ratio
Within 1 year	1,236,986,957.28	61,849,352.78	5.00%
1-2 years	25,009,346.37	2,500,934.64	10.00%
2-3 years	5,559,854.45	1,667,956.33	30.00%
3-4 years	4,258,385.57	2,129,192.78	50.00%
4-5 years	4,786,563.36	3,829,250.69	80.00%
Over 5 years	2,751,900.32	2,751,900.32	100.00%
Total	1,279,353,007.35	74,728,587.54	

## Section VIII Financial Report

Description of the basis for determining provision for bad debts on a collective basis:

Where the provision for bad debts are made based on the general ECL model:

☐ Applicable ☒ N/A

### (3) Provision for bad debts accrued, recovered or reversed

Provision for bad debts accrued:

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts	66,109,547.74	25,650,093.56	13,947,675.47	78,119.40	223,198.41	77,957,044.84
Total	66,109,547.74	25,650,093.56	13,947,675.47	78,119.40	223,198.41	77,957,044.84

Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount recovered or reversed	Reasons for reversal	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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### (4) Accounts receivable actually written off

Unit: RMB

Items	Amount written off
Accounts receivable actually written off	78,119.40

Write-off of significant accounts receivable:

Unit: RMB

Entity name	Nature of accounts receivable	Amount written off	Reasons for write-off	Write-off procedures performed	Whether due to/from related party transactions
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Description of write-off of accounts receivable:



## Section VIII Financial Report

## (5) Top 5 accounts receivable and contract assets with closing balances by debtor

Unit: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable and contract assets	Closing balance of bad debt provision for accounts receivable and impairment allowances for contract assets
Ranking first	230,259,170.94	0.00	230,259,170.94	17.95%	11,542,572.96
Ranking second	23,438,524.25	0.00	23,438,524.25	1.83%	1,171,926.21
Ranking third	20,782,683.31	0.00	20,782,683.31	1.62%	1,079,205.26
Ranking fourth	19,800,537.41	0.00	19,800,537.41	1.54%	990,026.87
Ranking fifth	19,767,698.52	0.00	19,767,698.52	1.54%	988,384.93
Total	314,048,614.43	0.00	314,048,614.43	24.48%	15,772,116.23

## 6. Contract assets

## (1) Details of contract assets

Unit: RMB

Items	Closing balance			Opening balance		
	Gross carrying amount	Provision for bad debt	Carrying amount	Gross carrying amount	Provision for bad debt	Carrying amount

## (2) Amount and reasons for significant changes in carrying amount in the reporting period

Unit: RMB

Items	Change amount	Reasons for changes
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## (3) Disclosure by bad debt provision accrual method

Unit: RMB

CME - RMB										
Category	Closing balance				Carrying amount	Opening balance				Carrying amount
	Gross carrying amount		Provision for bad debt			Gross carrying amount		Provision for bad debt		
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	

Including:

Including:

## Section VIII Financial Report

Category numbers of provision for bad debts by combination: 0

Where the provision for bad debts are made based on the general ECL model:

☐ Applicable ☒ N/A

#### (4) Provision for bad debts accrued, recovered or reversed

Unit: RMB

Items	Provision	Recovery or reversal	Transfer/Write-off	Reason
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Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount reversed	recovered or reversal	Reasons for	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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Other description

#### (5) Contract assets actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant contract assets:

Unit: RMB

Entity name	Nature of contract assets	Amount written off	Reasons for write-off	Write-off performed	procedures	Whether due to/from related party transactions
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Description of write-off of contract assets:

Other descriptions:

## 7. Receivables financing

#### (1) Classified presentation of receivables financing

Unit: RMB

Items	Closing balance	Opening balance
Bank acceptance bills	44,592,896.78	68,349,926.24
Total	44,592,896.78	68,349,926.24

## Section VIII Financial Report

## (2) Disclosure by bad debt provision accrual method

Unit: RMB

Category	Closing balance				Carrying amount	Opening balance				Carrying amount
	Gross carrying amount		Provision for bad debt			Gross carrying amount		Provision for bad debt		
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	

Including:

Including:

Where the provision for bad debts are made based on the general ECL model:

Unit: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	

Balance at 1 January 2025

Criteria for stage classification and provision ratio for bad debts

Description of changes in the book balance of receivables financing contributing to significant changes in the loss allowance in the current period:

## (3) Provision for bad debts accrued, recovered or reversed

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Transfer/Write-off	Other changes	

Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount reversed	recovered	or	Reasons for reversal	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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Other descriptions:

## (4) Receivables financing pledged

Unit: RMB

Items	Pledged notes receivable at end of the current period
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## Section VIII Financial Report

## (5) Receivables financing endorsed or discounted and not yet expired at the balance sheet date

Unit: RMB

Items	Derecognised	Not derecognised
Bank acceptance bills	194,524,604.01	
Total	194,524,604.01	

## (6) Receivables financing actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant receivables financing

Unit: RMB

Entity name	Nature of contract assets	Amount written off	Reasons for write-off	Write-off performed procedures	Whether due to/from related party transactions
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Description of write-off of receivables financing:

## (7) Changes in receivables financing and fair value movements during the period

## (8) Other description

## 8. Other receivables

Unit: RMB

Items	Closing balance	Opening balance
Other receivables	177,877,901.77	186,351,012.28
Total	177,877,901.77	186,351,012.28

## (1) Interest receivable

## 1) Classification of interest receivable

Unit: RMB

Items	Closing balance	Opening balance
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## Section VIII Financial Report

## 2) Significant overdue interest

Unit: RMB

Borrower	Closing balance	Overdue time	Reason for overdue	Impairment or not and basis for judgment
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Other descriptions:

## 3) Disclosure by bad debt provision accrual method

☐ Applicable ☒ N/A

## 4) Provision for bad debts accrued, recovered or reversed

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Transfer/Write-off	Other changes	

Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount reversed	recovered	or	Reasons reversal	for	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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Other descriptions:

## 5) Dividends receivable actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant dividends receivable

Unit: RMB

Entity name	Nature of contract assets	Amount written off	Reasons for write-off	Write-off performed	procedures	Whether due to/from related party transactions
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Description of write-off of receivables financing:

Other descriptions:

## Section VIII Financial Report

## (2) Dividends receivable

## 1) Classification of dividends receivable

Unit: RMB

Item (or investee)	Closing balance	Opening balance
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## 2) Significant dividends receivable aged over 1 year

Unit: RMB

Item (or investee)	Closing balance	Aging	Reasons for non-recovery	Impairment or not and basis for judgment
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## 3) Disclosure by bad debt provision accrual method

☐ Applicable ☒ N/A

## 4) Provision for bad debts accrued, recovered or reversed

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Transfer/Write-off	Other changes	

Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount recovered or reversed	Reasons for reversal	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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Other descriptions:

## 5) Dividends receivable actually written off

Unit: RMB

Items	Amount written off
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## Section VIII Financial Report

Write-off of significant dividends receivable

Unit: RMB

Entity name	Nature of contract assets	Amount written off	Reasons for write-off	Write-off performed	procedures	Whether due to/from related party transactions
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Description of write-off of receivables financing:

Other descriptions:

**(3) Other receivables****1) Classification by nature**

Unit: RMB

Nature of contract assets	Closing balance	Opening balance
Compensation for investment and construction project of Winner Medical (Heyuan)	217,155,320.00	217,155,320.00
Deposit and guarantee deposit	50,359,896.71	51,068,341.89
Amounts due from related parties outside the scope of consolidation of the Group	5,168,754.38	5,186,667.64
Employee pretty cash	1,744,323.40	1,625,166.73
Others	23,294,709.45	31,649,509.07
Total	297,723,003.94	306,685,005.33

**2) Disclosure by aging**

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year, inclusive	33,528,208.81	46,812,996.63
1-2 years	7,679,755.86	8,315,527.96
2-3 years	5,700,068.86	3,952,388.84
Over 3 years	250,814,970.41	247,604,091.90
3-4 years	6,106,944.52	3,951,681.84
4-5 years	8,661,915.86	6,965,806.49
Over 5 years	236,046,110.03	236,686,603.57
Total	297,723,003.94	306,685,005.33

## Section VIII Financial Report

## 3) Disclosure by bad debt provision accrual method

√Applicable □N/A

Unit: RMB

Unit: RMB										
Category	Closing balance				Carrying amount	Opening balance				Carrying amount
	Gross carrying amount		Provision for bad debt			Gross carrying amount		Provision for bad debt		
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Provision for bad debts made on an individual basis	217,432,787.97	73.03%	108,855,127.97	50.06%	108,577,660.00	219,310,090.37	71.51%	110,322,244.51	50.30%	108,987,845.86
Including:										
Provision for bad debts made on a collective basis	80,290,215.97	26.97%	10,989,974.20	13.69%	69,300,241.77	87,374,914.96	28.49%	10,011,748.54	4.57%	77,363,166.42
Including:										
Aging group	26,945,860.20	9.05%	8,460,401.63	31.40%	18,485,458.57	33,698,253.02	10.99%	7,465,560.68	3.40%	26,232,692.34
Deposit and guarantee deposit	50,591,451.33	16.99%	2,529,572.57	5.00%	48,061,878.76	50,923,757.50	16.60%	2,546,187.86	1.16%	48,377,569.64
No credit risk group	2,752,904.44	0.93%	0.00		2,752,904.44	2,752,904.44	0.90%			2,752,904.44
Total	297,723,003.94	100.00%	119,845,102.17	40.30%	177,877,901.77	306,685,005.33	100.00%	120,333,993.05	54.87%	186,351,012.28

## Provision for bad debts made on an individual basis

Unit: RMB

Name	Opening balance		Closing balance				Reasons for
	Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt	Provision ratio	provision	
Zijin County People's Government	217,155,320.00	108,577,660.00	217,155,320.00	108,577,660.00	50.00%	Government receivables, aged over 5 years	
Total	217,155,320.00	108,577,660.00	217,155,320.00	108,577,660.00			

## Provision for bad debts made on a collective basis: Aging

Unit: RMB

Name	Closing balance		
	Gross carrying amount	Provision for bad debt	Provision ratio
Within 1 year	17,307,131.42	865,351.36	5.00%
1-2 years	1,633,402.63	163,340.26	10.00%
2-3 years	7,400.96	2,220.29	30.00%
3-4 years	27,565.14	13,782.57	50.00%
4-5 years	2,773,264.53	2,218,611.63	80.00%
Over 5 years	5,197,095.52	5,197,095.52	100.00%
Total	26,945,860.20	8,460,401.63	

## Section VIII Financial Report

Description of the basis for determining provision for bad debts on a collective basis:

Where the provision for bad debts are made based on the general ECL model:

Unit: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	
Balance at 1 January 2025	10,011,748.65	98,581,614.86	11,740,629.54	120,333,993.05
Balance at 1 January 2025				
Provision	7,334,793.67			7,334,793.67
Reversal	7,799,931.81			7,799,931.81
Other changes	-23,752.74			-23,752.74
Balance at 30 June 2025	9,522,857.77	98,581,614.86	11,740,629.54	119,845,102.17

Criteria for stage classification and provision ratio for bad debts

Description of changes in the book balance of other receivables contributing to significant changes in the loss allowance in the current period

☐ Applicable ☒ N/A

#### 4) Provision for bad debts accrued, recovered or reversed

Provision for bad debts accrued:

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Transfer/Write-off	Others	
Provision for bad debts of other receivables	120,333,993.05	7,334,793.67	7,799,931.81		-23,752.74	119,845,102.17
Total	120,333,993.05	7,334,793.67	7,799,931.81		-23,752.74	119,845,102.17

Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount reversed	recovered	or	Reasons reversal	for	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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## Section VIII Financial Report

## 5) Other receivables actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant dividends receivable:

Unit: RMB

Entity name	Nature of other receivables	Amount written off	Reasons for write-off	Write-off performed	procedures	Whether due to/from related party transactions
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Description of write-off of other receivables:

## 6) Top 5 other receivables with closing balances by debtor

Unit: RMB

Entity name	Nature of other receivables	Closing balance	Aging	Proportion in total balance of other receivables (%)	Closing balance of provision for bad debts
Ranking first	Receivables related to Heyuan project	217,155,320.00	Over 5 years	72.94%	108,577,660.00
Ranking second	Amounts due from related parties outside the scope of consolidation of the Group	5,168,754.38	Over 5 years: RMB5,138,505.36; the rest is within 4 years	1.74%	5,151,685.67
Ranking third	Deposit and guarantee deposit	3,793,086.59	Within 1 year	1.27%	189,654.33
Ranking fourth	Others	2,752,904.44	2-3 years	0.92%	0.00
Ranking fifth	Deposit and guarantee deposit	2,311,115.80	4-5 years	0.78%	115,555.79
Total		231,181,181.21		77.65%	114,034,555.79

## 7) Presented as “Other receivables” due to centralised management

Other descriptions:

## Section VIII Financial Report

**9. Prepayments****(1) Presentation of prepayments by aging**

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	152,131,529.84	99.56%	104,869,986.82	97.96%
1-2 years	583,365.38	0.38%	1,216,447.34	1.14%
2-3 years	87,891.00	0.06%	965,467.52	0.90%
Total	152,802,786.22		107,051,901.68	

Description of the reason why significant prepayments aged over one year were not settled in time:

**(2) Top 5 prepayments with closing balances by supplier**

Entity name	Year-end balance	Proportion in total closing balance of prepayments (%)
Ranking first	44,691,889.90	29.25%
Ranking second	10,970,357.02	7.18%
Ranking third	9,790,355.89	6.41%
Ranking fourth	3,108,225.39	2.03%
Ranking fifth	2,963,022.65	1.94%
Total	71,523,850.85	46.81%

Other descriptions:

**10. Inventories**

Whether the Company is required to comply with the disclosure requirements of the real estate industry

No

## Section VIII Financial Report

## (1) Classification

Unit: RMB

Items	Closing balance			Opening balance		
	Gross carrying amount	Provision for writedown of inventories/impairment of costs to full a contract	Carrying amount	Gross carrying amount	Provision for writedown of inventories/impairment of costs to full a contract	Carrying amount
Raw materials	527,386,418.98	23,951,072.99	503,435,345.99	422,260,084.86	9,769,459.08	412,490,625.78
Work in process	215,759,161.00	12,994,938.66	202,764,222.34	265,426,666.70	29,252,698.59	236,173,968.11
Goods on hand	1,363,263,594.89	179,722,045.77	1,183,541,549.12	1,411,909,543.62	167,669,713.69	1,244,239,829.93
Goods in transit	43,392,802.55	867,705.71	42,525,096.84	48,244,017.80		48,244,017.80
Low-value consumables	15,919,473.09	1,779,132.55	14,140,340.54	18,956,973.99	2,290,807.36	16,666,166.63
Total	2,165,721,450.51	219,314,895.68	1,946,406,554.83	2,166,797,286.97	208,982,678.72	1,957,814,608.25

## (2) Data resources recognised as inventories

Unit: RMB

Items	Purchased data resources	Self-processed data resources	Other data resources	Total
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## (3) Data resources recognised as inventories

Unit: RMB

Items	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	9,769,459.08	17,831,051.86		3,649,437.95		23,951,072.99
Work in process	29,252,698.59	5,020,955.94		21,278,715.87		12,994,938.66
Goods on hand	167,669,713.69	77,259,423.03		65,207,090.95		179,722,045.77
Goods in transit		1,415,065.71		547,360.00		867,705.71
Low-value consumables	2,290,807.36	353,081.07		864,755.88		1,779,132.55
Total	208,982,678.72	101,879,577.61		91,547,360.65		219,314,895.68



## Section VIII Financial Report

Inventories written down on a collective basis

Unit: RMB

Name	The end of the period			The beginning of the period		
	Closing balance	Inventory write-downs	Accruing proportion	Opening balance	Inventory write-downs	Accruing proportion
Raw materials and materials consigned for processing	527,386,418.98	23,951,072.99	4.54%	422,260,084.86	9,769,459.08	2.31%
Work in process	215,759,161.00	12,994,938.66	6.02%	265,426,666.70	29,252,698.59	11.02%
Goods on hand	1,363,263,594.89	179,722,045.77	13.18%	1,411,909,543.62	167,669,713.69	11.88%
Goods in transit	43,392,802.55	867,705.71	2.00%	48,244,017.80		
Low-value consumables	15,919,473.09	1,779,132.55	11.18%	18,956,973.99	2,290,807.36	12.08%
Total	2,165,721,450.51	219,314,895.68	10.13%	2,166,797,286.97	208,982,678.72	9.64%

Criteria for provision for write-down of inventories on a collective basis

(4) Description of the capitalised amount of borrowing costs included in closing balance of inventories

(5) Description of amortisation of costs to fulfil a contract for the current period

## 11. Financial assets held for trading

Unit: RMB

Items	Closing balance	Impairment allowance	Carrying amount at end of the period	Fair value	Estimated disposal cost	Estimated disposal time
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Other description

## 12. Current portion of non-current assets

Unit: RMB

Items	Closing balance	Opening balance
Long-term receivables due within one year	4,603,307.93	4,479,684.84
Principal and interest of certificates of deposits due within one year	346,056,583.30	340,988,583.36
Total	350,659,891.23	345,468,268.20

(1) Debt investments due within one year

☐ Applicable ☒ N/A

## Section VIII Financial Report

## (2) Other debt investments due within one year

□ Applicable √N/A

## 13. Other current assets

Unit: RMB

Items	Closing balance	Opening balance
Return cost receivable	612,193.94	792,155.41
VAT input tax to be deducted/Uncertified input tax	60,902,959.62	38,151,229.60
Prepaid corporate income tax	6,923,730.24	745,868.29
Prepaid expenses	18,031,831.86	28,014,182.32
Others	266,485.91	33,088.28
Total	86,737,201.57	67,736,523.90

Other descriptions:

## 14. Debt investments

## (1) Details of debt investments

Unit: RMB

Items	Closing balance			Opening balance		
	Gross carrying amount	Impairment allowance	Carrying amount	Gross carrying amount	Impairment allowance	Carrying amount

Changes in impairment allowance for debt investments in the current period

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance
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## (2) Important debt investments at end of year

Unit: RMB

Item	Closing balance					Opening balance				
	Par value	Coupon rate	Effective interest rate	Maturity date	Delinquency in principal payments	Par value	Coupon rate	Effective interest rate	Maturity date	Delinquency in principal payments

## Section VIII Financial Report

## (3) Impairment allowance

Unit: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	

Balance at 1 January 2025

Criteria for stage classification and provision ratio for bad debts

## (4) Debt investments actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant debt investments

Description of write-off of debt investments:

Description of changes in the book balance of other receivables contributing to significant changes in the loss allowance in the current period

☐ Applicable ☒ N/A

Other descriptions:

## 15. Other debt investments

## (1) Details of other debt investments

Unit: RMB

Items	Opening balance	Interest accrued	Interest adjustment	Change in fair value during the period	Closing balance	Cost	Cumulative change in fair value	Accumulated allowance in other income	impairment recognised in comprehensive	Notes
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Changes in impairment allowance for other debt investments in the current period

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance
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## Section VIII Financial Report

## (2) Important other debt investments at end of year

Unit: RMB

Item	Closing balance					Opening balance					Delinquency in principal payments
	Par value	Coupon rate	Effective interest rate	Maturity date	Delinquency in principal payments	Par value	Coupon rate	Effective interest rate	Maturity date	Delinquency in principal payments	

## (3) Impairment allowance

Unit: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	

Balance at 1 January 2025

Criteria for stage classification and provision ratio for bad debts

## (4) Other debt investments actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant other debt investments

Description of changes in the book balance of other receivables contributing to significant changes in the loss allowance in the current period

☐ Applicable ☒ N/A Other descriptions:

## 16. Other equity investments

Unit: RMB

Item	Opening balance	Gain in other comprehensive income during the current period	Loss in other comprehensive income during the current period	Accumulative gain in other comprehensive income	Accumulative loss in other comprehensive income	Dividends income during the current period	Closing balance	Reasons for being designated as at fair value through other comprehensive income
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Derecognition during the current period

Unit: RMB

Item	Accumulated gain transferred to retained earnings	Accumulated loss transferred to retained earnings	Reason for derecognition
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## Section VIII Financial Report

Breakdown of equity investments which are not held for trading during the current year

Unit: RMB

Item	Dividend income recognised	Accumulated gains	Accumulated losses	Transfers of the cumulative gain or loss within equity	Reasons for being designated as at fair value through other comprehensive income	Reasons for transfers of cumulative gain or loss within equity
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Other descriptions:

**17. Long-term receivables****(1) Long-term receivables**

Unit: RMB

Items	Closing balance			Opening balance			Discount rate range
	Gross carrying amount	Provision for bad debt	Carrying amount	Gross carrying amount	Provision for bad debt	Carrying amount	
Finance leases	36,657,910.58		36,657,910.58	35,689,264.21		35,689,264.21	4.20%-5.00%
Including: Unearned finance income	--6,273,137.81		-6,273,137.81	-7,241,784.14		-7,241,784.14	4.20%-5.00%
Current portion of non-current assets	-4,603,307.89		-4,603,307.89	-4,479,684.84		-4,479,684.84	4.20%-5.00%
Rental deposits	65,448,429.46	3,272,421.47	62,176,007.99	60,237,947.22	3,011,897.37	57,226,049.85	2.60%-2.90%
Total	97,503,032.15	3,272,421.47	94,230,610.68	91,447,526.59	3,011,897.37	88,435,629.22	

**(2) Disclosure by bad debt provision accrual method**

Unit: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Provision for bad debt		Carrying amount	Gross carrying amount		Provision for bad debt		Carrying amount
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Including:										
Provision for bad debts made on a collective basis	97,503,032.15	100.00%	3,272,421.47	3.36%	94,230,610.68	91,447,526.59	100.00%	3,011,897.37	3.29%	88,435,629.22
Including:										
Total	97,503,032.15	100.00%	3,272,421.47	3.36%	94,230,610.68	91,447,526.59	100.00%	3,011,897.37	3.29%	88,435,629.22

## Section VIII Financial Report

Category name of provision for bad debts by combination:

Unit: RMB

Name	Closing balance		
	Gross carrying amount	Provision for bad debt	Provision ratio
Provision for bad debts made on a collective basis by credit risk characteristics	97,503,032.15	3,272,421.47	3.36%
Including:			
Deposit and guarantee deposit	65,448,429.46	3,272,421.47	5.00%
Others	32,054,602.69		
Total	97,503,032.15	3,272,421.47	

Description of the basis for determining provision for bad debts on a collective basis:

Where the provision for bad debts are made based on the general ECL model:

Unit: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	

Balance at 1 January 2025

Criteria for stage classification and provision ratio for bad debts

### (3) Provision for bad debts accrued, recovered or reversed

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Transfer/Write-off	Others	
Rental deposits	3,011,897.37	643,111.74	382,587.64			3,272,421.47
Total	3,011,897.37	643,111.74	382,587.64			3,272,421.47

Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount recovered or reversed	Reasons for reversal	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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Other descriptions:



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(4) Long-term receivables actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant long-term receivables:

Unit: RMB

Entity name	Nature of assets	of contract	Amount written off	Reasons for write-off	Write-off performed	procedures	Whether due to/from related party transactions
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Description of write-off of long-term receivables:

18. Long-term equity investments

Unit: RMB

Investee	Opening balance (Carrying amount)	Open ing balanc e of impair ment provisi on	Changes for the period							Closing balance (Carrying amount)	Closin g balanc e of impair ment provisi on	
			Add ition al inve stme nt	Redu ced invest ment	Investment gains and losses recognised under the equity method	Adjustment on other comprehensive income	Other change s in equity	Cash dividends or prots declared	Provisi on for impair ment			Others
I. Joint ventures												
II. Associates												
Company S (Note)	423,148,649.68				-12,505,979.60	-6,328,085.78					404,314,584.30	
Chengdu Winner Likang Medical Products Co., Ltd.	20,712,599.93				213,714.71						20,926,314.64	
Zhejiang Shiyou Medical Materials Co., Ltd.	992,318.26				-546,758.59	-2,233.01					443,326.66	
Hubei Xianchuang Technology Co., Ltd.	502,210.13										502,210.13	
Sub-total	445,355,778.00				-12,839,023.48	-6,330,318.79					426,186,435.73	
Total	445,355,778.00				-12,839,023.48	-6,330,318.79					426,186,435.73	

Note: On 28 February 2024, the Company acquired 35.2055% of the equity of Company S for 60 million US dollars (equivalent to RMB428,074,000.00) The Company paid the cash consideration on 12 March 2024 and appointed two directors to Company S on 12 March 2024 and 1 April 2024 respectively. The Company has a significant influence on Company S and is accounted for using the equity method.

The recoverable amount has been determined based on the fair value less costs of disposal

☐Applicable ☒N/A

The recoverable amount has been determined based on the present value of expected future cash flows

☐Applicable ☒N/A

Reasons for the difference between the above information and the information used in the prior year's impairment testing or external information

Reasons for the difference between the information used in the prior year's impairment testing and the actual situation of the current year

Other description

## Section VIII Financial Report

## 19. Other non-current financial assets

Unit: RMB

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss		
Including: Fund investments	76,673,047.39	76,673,047.39
Convertible corporate bond investments (Note)	30,746,095.73	31,233,669.47
Total	107,419,143.12	107,906,716.86

Other descriptions:

Note: The convertible bonds were subscribed by Nature Health Development (Hong Kong) Co., Ltd. on 20 September 2024, for NUGEN MEDICAL DEVICES INC. These convertible bonds are due within five years from the closing date and bear an annual interest rate of 12%. Prior to maturity, the holders have the right to convert all or any portion of the outstanding principal amount of the convertible bonds into one ordinary share of NUGEN MEDICAL DEVICES INC. and one ordinary share purchase warrant at an exercise price of CAD0.10 per share.

## 20. Investment properties

## (1) Investment properties measured at cost

√Applicable ☐ N/A

Unit: RMB

Items	Buildings	Land use rights	Construction in progress	Total
I. Cost				
1. Opening balance	5,972,970.52			5,972,970.52
2. Increase in current period				
(1) Purchases				
(2) Transfers from inventories/fixed assets/construction in progress				
(3) Increase from business combinations				
3. Decrease in current period				
(1) Disposals				
(2) Other transfer-outs				
4. Closing balance	5,972,970.52			5,972,970.52

## Section VIII Financial Report

Items	Buildings	Land use rights	Construction in progress	Total
II. Accumulated depreciation and amortisation				
1. Opening balance	3,612,624.27			3,612,624.27
2. Increase in current period	449,655.81			449,655.81
(1) Provision or amortisation	449,655.81			449,655.81
3. Decrease in current period				
(1) Disposals				
(2) Other transfer-outs				
4. Closing balance	4,062,280.08			4,062,280.08
III. Impairment allowance				
1. Opening balance				
2. Increase in current period				
(1) Provision				
3. Decrease in current period				
(1) Disposals				
(2) Other transfer-outs				
4. Closing balance				
IV. Carrying amount				
1. Carrying amount at end of the period	1,910,690.44			1,910,690.44
2. Carrying amount at beginning of the period	2,360,346.25			2,360,346.25

The recoverable amount has been determined based on the fair value less costs of disposal

☐ Applicable ☒ N/A

The recoverable amount has been determined based on the present value of expected future cash flows

☐ Applicable ☒ N/A

Reasons for the difference between the above information and the information used in the prior year's impairment testing or external information

Reasons for the difference between the information used in the prior year's impairment testing and the actual situation of the current year

Other descriptions:

**(2) Investment properties measured using the fair value model**

☐ Applicable ☒ N/A

## Section VIII Financial Report

## (3) Transfer to investment properties using the fair value model

Unit: RMB

Items	Accounting accounts before Amount	Reasons for transfer	Approval procedures	Effect on loss	Effect on profit or loss	Effect on comprehensive income	Other
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## (4) Investment properties without certificates of title

Unit: RMB

Items	Carrying amount	Reasons for not obtaining the certificate of title
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Other description

## 21. Fixed assets

Unit: RMB

Items	Closing balance	Opening balance
Fixed assets	3,945,978,042.78	3,354,304,108.81
Total	3,945,978,042.78	3,354,304,108.81

## (1) Fixed assets

Unit: RMB

Items	Buildings	Land ownership	Machinery	Vehicles	Electronic equipment, office equipment and others	Total
I. Cost						
1. Opening balance	2,449,675,239.17	2,689,773.12	2,175,377,566.42	43,346,681.91	237,919,582.49	4,909,008,843.11
2. Increase in current period	571,367,594.74		180,974,564.07	231,819.75	16,319,781.52	768,893,760.08
(1) Purchases	6,694,048.89		79,545,425.93	231,819.75	16,319,781.52	102,791,076.09
(2) Transfers from construction in progress	564,673,545.85		101,429,138.14			666,102,683.99
(3) Increase from business combinations						
3. Decrease in current period	379,166.34		40,664,825.74	6,432,798.58	4,416,188.03	51,892,978.69
(1) Disposals or retirements	1,066,128.85		40,118,303.17	6,399,157.42	4,181,015.91	51,764,605.35
Changes in exchange rate	-686,962.51		546,522.57	33,641.16	235,172.12	128,373.34
4. Closing balance	3,020,663,667.57	2,689,773.12	2,315,687,304.75	37,145,703.08	249,823,175.98	5,626,009,624.50
II. Accumulated depreciation						
1. Opening balance	437,196,383.75		852,231,647.45	22,789,513.75	131,513,650.62	1,443,731,195.57

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Items	Buildings	Land ownership	Machinery	Vehicles	Electronic equipment, office equipment and others	Total
2. Increase in current period	46,873,263.83		87,413,639.97	1,444,872.81	15,450,985.79	151,182,762.40
(1) Provision	46,873,263.83		87,413,639.97	1,444,872.81	15,450,985.79	151,182,762.40
3. Decrease in current period	283,316.71		18,137,628.55	1,008,099.45	8,976,409.90	28,405,454.61
(1) Disposals or retirements			17,750,854.48	967,787.66	8,783,179.72	27,501,821.86
Changes in exchange rate	283,316.71		386,774.07	40,311.79	193,230.18	903,632.75
4. Closing balance	483,786,330.87		921,507,658.87	23,226,287.11	137,988,226.51	1,566,508,503.36
III. Impairment allowance						
1. Opening balance	43,277,161.98		66,581,288.93		1,115,087.82	110,973,538.73
2. Increase in current period			3,541,991.02			3,541,991.02
(1) Provision			3,541,991.02			3,541,991.02
3. Decrease in current period			992,451.39			992,451.39
(1) Disposals or retirements			992,451.39			992,451.39
4. Closing balance	43,277,161.98		69,130,828.56		1,115,087.82	113,523,078.36
IV. Carrying amount						
1. Carrying amount at end of the period	2,493,600,174.72	2,689,773.12	1,325,048,817.32	13,919,415.97	110,719,861.65	3,945,978,042.78
2. Carrying amount at beginning of the period	1,969,201,693.44	2,689,773.12	1,256,564,630.04	20,557,168.16	105,290,844.05	3,354,304,108.81

## (2) Temporarily idle fixed assets

Unit: RMB

Items	Cost	Accumulated depreciation	Impairment allowance	Carrying amount	Notes
Machinery	30,791,826.24	9,259,692.41	7,867,175.95	13,664,957.88	Not currently in use
Electronic equipment, office equipment and others	14,664.80	12,641.28		2,023.52	Not currently in use
Total	30,806,491.04	9,272,333.69	7,867,175.95	13,666,981.40	

## (3) Fixed assets leased out under operating leases

Unit: RMB

Items	Carrying amount at end of the period
Plants leased out	4,198,934.92

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## (4) Fixed assets without certificates of title

Unit: RMB

Items	Carrying amount	Reasons for not obtaining the certificate of title
Guanlan Winner Medical Building - Factory	221,266,739.54	The formalities have not yet been completed
Guanlan Winner Medical Building - Dormitory	44,157,039.95	The formalities have not yet been completed
Winner Medical (Wuhan) - Phase II Factory	471,499,836.67	The formalities have not yet been completed
Winner Medical (Jiayu) - New Factory	271,803,413.33	The formalities have not yet been completed

Other description

## (5) Impairment testing of fixed assets

☐Applicable ☒N/A

## (6) Disposal of fixed assets

Unit: RMB

Items	Closing balance	Opening balance
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Other description

## 22. Construction in progress

Unit: RMB

Items	Closing balance	Opening balance
Construction in progress	599,316,255.96	1,074,955,450.40
Total	599,316,255.96	1,074,955,450.40



## Section VIII Financial Report

## (1) Construction in progress

Unit: RMB

Items	Closing balance			Opening balance		
	Gross carrying amount	Impairment allowance	Carrying amount	Gross carrying amount	Impairment allowance	Carrying amount
Winner Medical (Jiayu) engineering project	162,696,599.43		162,696,599.43	426,769,460.94		426,769,460.94
Winner Medical (Shenzhen) engineering project	2,791,471.89		2,791,471.89	190,817,210.35		190,817,210.35
Winner Medical (Hunan) engineering project	160,392,609.65		160,392,609.65	133,036,931.53		133,036,931.53
Longterm Medical engineering project	89,939,308.08		89,939,308.08	75,596,709.28		75,596,709.28
Winner Medical (Wuhan) engineering project	24,659,996.59		24,659,996.59	47,827,152.56		47,827,152.56
Winner Guilin engineering project	23,756,629.48	10,205,833.26	13,550,796.22	24,761,050.09	10,205,833.26	14,555,216.83
Tianmen infrastructure project	653,765.22		653,765.22	641,726.39		641,726.39
Winner Medical (Huanggang) engineering project	5,333,394.49		5,333,394.49	0.00		0.00
Other equipment to be installed and sporadic project	139,298,314.39		139,298,314.39	185,711,042.52		185,711,042.52
Total	609,522,089.22	10,205,833.26	599,316,255.96	1,085,161,283.66	10,205,833.26	1,074,955,450.40

## (2) Changes in significant construction in progress

Unit: RMB

Item	Budgeted amount	Opening balance	Increase in current period	Transfers to fixed assets	Decrease	Closing balance	Engineering inputs as a proportion of the budget (%)	Construction progress (%)	Accumulated amount of interest eligible for capitalisation	Including: Amount of interest eligible for capitalisation for the period	Current interest capitalisation rate	Source of funds
Winner Medical (Hunan) Medical Device Industrial Park Project Phase I	417,300,000.00	133,036,931.53	27,355,678.12			160,392,609.65	67.88%	80%				Others
Winner Industrial Park (Jiayu) Project Construction Engineering of Workshop 1-4	262,940,000.00	227,131,409.00	44,672,004.33	271,803,413.33		0.00	103.37%	100.00%				Others
Medical Industry Building of Winner Medical (Shenzhen)	261,723,960.00	188,025,738.46	77,398,041.03	265,423,779.49		0.00	101.41%	100.00%				Others
Mexico Longterm engineering project	159,969,529.61	64,767,110.58	15,508,480.68			80,275,591.26	50.18%	75.00%				Others
Total	1,101,933,489.61	612,961,189.57	164,934,204.16	537,227,192.82	0.00	240,668,200.91						

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## (3) Provision for impairment of construction in progress

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance	Reason for provision
Winner Guilin – Buildings in 1-3# Workshops	10,205,833.26			10,205,833.26	Project on hold due to policy reason
Total	10,205,833.26			10,205,833.26	--

Other description

## (4) Impairment testing of construction in progress

☐ Applicable √N/A

## (5) Materials for construction

Unit: RMB

Items	Closing balance			Opening balance		
	Gross carrying amount	Impairment allowance	Carrying amount	Gross carrying amount	Impairment allowance	Carrying amount

Other descriptions:

## 23. Productive biological assets

## (1) Bearer biological assets measured at cost

☐ Applicable √N/A

## (2) Impairment testing of bearer biological assets measured at cost

☐ Applicable √N/A

## (3) Bearer biological assets measured using the fair value model

☐ Applicable √N/A

## 24. Oil and gas assets

☐ Applicable √N/A

## Section VIII Financial Report

## 25. Right-of-use assets

## (1) Right-of-use assets

Unit: RMB

Items	Buildings	Machinery	Vehicles	Total
<b>I. Cost</b>				
1. Opening balance	1,008,461,009.53	1,006,008.22	3,485,345.53	1,012,952,363.28
2. Increase in current period	123,622,651.52			123,622,651.52
New lease	123,622,651.52	0.00	0.00	123,622,651.52
3. Decrease in current period	118,807,257.00	4,170.46	14,448.74	118,825,876.20
Disposals	118,143,968.45	0.00	0.00	118,143,968.45
Changes in exchange rate	663,288.55	4,170.46	14,448.74	681,907.75
4. Closing balance	1,013,276,404.05	1,001,837.76	3,470,896.79	1,017,749,138.60
<b>II. Accumulated depreciation</b>				
1. Opening balance	417,397,168.51	104,601.86	227,969.25	417,729,739.62
2. Increase in current period	108,876,723.99	312,504.67	699,490.72	109,888,719.38
(1) Provision	108,876,723.99	312,504.67	699,490.72	109,888,719.38
3. Decrease in current period	98,379,128.02	433.63	945.06	98,380,506.71
(1) Disposals	98,356,031.37	0.00	0.00	98,356,031.37
Changes in exchange rate	23,096.65	433.63	945.06	24,475.34
4. Closing balance	427,894,764.48	416,672.90	926,514.91	429,237,952.29
<b>III. Impairment allowance</b>				
1. Opening balance				
2. Increase in current period				
(1) Provision				
3. Decrease in current period				
(1) Disposals				
4. Closing balance				
<b>IV. Carrying amount</b>				
1. Carrying amount at end of the period	585,381,639.57	585,164.86	2,544,381.88	588,511,186.31
2. Carrying amount at beginning of the period	591,063,841.02	901,406.36	3,257,376.28	595,222,623.66

## (2) Impairment testing of right-of-use assets

☐ Applicable √N/A

Other descriptions:

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## 26. Intangible assets

## (1) Intangible assets

Unit: RMB

Items	Land use rights	Patents	Know-how	Software use rights	Royalty	Trademarks	Client relationships	Total
I. Cost								
1. Opening balance	585,391,553.32	267,863,690.35		122,351,651.77	10,228,226.53	151,413,127.04	235,586,649.09	1,372,834,898.10
2. Increase in current period		304,832.06		882,733.33		1,171,176.95		2,358,742.34
(1) Purchases		304,832.06		882,733.33		1,171,176.95		2,358,742.34
(2) Internal development								
(3) Increase from business combinations								
3. Decrease in current period								
(1) Disposals								
4. Closing balance	585,391,553.32	268,168,522.41		123,234,385.10	10,228,226.53	152,584,303.99	235,586,649.09	1,375,193,640.44
II. Accumulated amortisation								
1. Opening balance	72,021,779.26	70,824,030.06		61,602,198.95	10,228,226.53	22,122,452.66	40,280,712.37	277,079,399.83
2. Increase in current period	6,525,097.67	15,426,723.85		3,496,343.16		7,676,752.42	15,250,562.69	48,375,479.79
(1) Provision	6,525,097.67	15,426,723.85		3,496,343.16		7,676,752.42	15,250,562.69	48,375,479.79
3. Decrease in current period								
(1) Disposals								
4. Closing balance	78,546,876.93	86,250,753.91		65,098,542.11	10,228,226.53	29,799,205.08	55,531,275.06	325,454,879.62
III. Impairment allowance								
1. Opening balance								
2. Increase in current period								
(1) Provision								
3. Decrease in current period								
(1) Disposals								
4. Closing balance								
IV. Carrying amount								
1. Carrying amount at end of the period	506,844,676.39	181,917,768.50		58,135,842.99		122,785,098.91	180,055,374.03	1,049,738,760.82
2. Carrying amount at beginning of the period	513,369,774.06	197,039,660.29		60,749,452.82		129,290,674.38	195,305,936.72	1,095,755,498.27

Intangible assets arising from internal R&D activities at end of year account for 0.00% of the closing balance of intangible assets.

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## (2) Data resources recognised as intangible assets

Unit: RMB

Items	Intangible assets of outsourced data resources	Intangible assets of self-processed data resources	Intangible assets of data resources otherwise acquired	Total
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## (3) Land use rights without certificates of title

Unit: RMB

Items	Carrying amount	Reasons for not obtaining the certificate of title
Winner Medical (Hunan) - Phase II land for infusion category	80,998,384.72	The two certificates are consolidated into one, and the real estate certificate can be applied for upon completion

Other description

## (4) Impairment testing of Intangible assets

☐ Applicable ☒ N/A

## 27. Goodwill

## (1) Cost of goodwill

Unit: RMB

Name of the investee or the matter that forms goodwill	Opening balance	Increase		Decrease		Closing balance
		Business combinations	Disposals	Exchange rate changes		
Business combinations not involving entities under common control – Acquisition of GRI	475,092,515.29			1,969,528.17		473,122,987.12
Business combinations not involving entities under common control – Acquisition of Winner Medical Malaysia	2,681,232.09					2,681,232.09
Business combination not involving entities under common control – Acquisition of Longterm Medical	392,686,398.74					392,686,398.74
Business combinations not involving entities under common control – Acquisition of Winner Guilin	253,215,940.40					253,215,940.40
Business combination not under common control - Acquisition of Winner Medical (Hunan)	388,989,258.26					388,989,258.26
Business combinations not involving entities under common control – Acquisition of Junjian Medical	20,397,972.33					20,397,972.33
Business combinations not involving entities under common control – Acquisition of Hubei Zhongfu	411,644.13					411,644.13
Total	1,533,474,961.24			1,969,528.17		1,531,505,433.07

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## (2) Goodwill impairment provision

Unit: RMB

Name of the investee or the matter that forms goodwill	Opening balance	Increase	Decrease	Closing balance
		Provision	Disposals	
Business combinations not involving entities under common control – Acquisition of Winner Medical Malaysia	2,681,232.09			2,681,232.09
Business combinations not involving entities under common control – Acquisition of Winner Guilin	123,384,750.24			123,384,750.24
Business combinations not involving entities under common control – Acquisition of Winner Medical (Hunan)	156,144,473.91			156,144,473.91
Total	282,210,456.24			282,210,456.24

## (3) Information about the asset group or combination of asset groups to which goodwill belongs

Name	Composition and basis of asset group or portfolio	Operating segments and basis	Is it consistent with previous years
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Changes in asset groups or groups of asset groups

Name	Composition before change	Composition after change	Objective facts and basis for the change
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Other description

## (4) Specific method for determining recoverable amount

The recoverable amount has been determined based on the fair value less costs of disposal

☐ Applicable ☒ N/A

The recoverable amount has been determined based on the present value of expected future cash flows

☐ Applicable ☒ N/A

Reasons for the difference between the above information and the information used in the prior year's impairment testing or external information

Reasons for the difference between the information used in the prior year's impairment testing and the actual situation of the current year

## (5) Completion of performance commitments and impairment of goodwill

There is a performance commitment when goodwill is formed and the reporting period or the previous period is within the performance commitment period

☐ Applicable ☒ N/A

Other description



## Section VIII Financial Report

## 28. Long-term prepaid expenses

Unit: RMB

Items	Opening balance	Increase in current period	Amortisation	Other decrease	Closing balance
Decoration expenses	88,512,086.02	4,206,250.33	14,284,843.31	3,371,654.87	75,061,838.17
Decoration expenses of leased assets	54,691,626.36	9,886,275.94	15,398,170.51	1,003,994.18	48,175,737.61
Others	651,431.64		124,519.98		526,911.66
Total	143,855,144.02	14,092,526.27	29,807,533.80	4,375,649.05	123,764,487.44

Other description

## 29. Deferred tax assets/Deferred tax liabilities

## (1) Unoffset deferred tax assets

Unit: RMB

Items	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	523,199,158.70	86,229,164.12	550,449,530.43	90,418,899.06
Unrealised profits from internal transactions	156,081,801.91	26,848,933.28	150,436,301.18	25,447,384.76
Tax losses	20,932,878.64	4,101,007.08	25,130,761.33	5,703,567.28
Termination benefits	2,510,050.48	397,652.27	4,853,272.78	727,990.92
Deferred income	177,953,549.44	27,770,847.45	157,154,401.72	24,692,720.59
Membership points	13,838,030.25	3,459,507.56	12,284,747.04	3,071,186.76
Accrued expenses	1,315,753.24	328,938.31	15,760,822.19	3,527,287.64
Advertising expenses exceeding the tax deduction limit	6,468,018.78	1,617,004.69	6,468,018.78	1,617,004.69
Deferred tax assets arising from leases	593,549,549.02	137,135,461.53	654,330,932.49	150,868,185.35
Total	1,495,848,790.46	287,888,516.29	1,576,868,787.94	306,074,227.05

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## (2) Unoffset deferred tax liabilities

Unit: RMB

Items	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Appreciation of assets evaluation for business combinations not involving entities under common control	759,932,454.12	137,957,477.22	802,989,102.65	147,254,914.34
Changes in fair value of trading financial assets	45,796,383.09	6,870,096.93	37,518,003.21	5,642,558.53
Depreciation of fixed assets	184,492,991.29	27,673,948.69	186,776,801.45	28,423,676.90
Changes in fair value of other non-current financial assets	6,673,047.39	1,000,957.11	6,673,047.39	1,000,957.11
Others	612,193.94	153,048.49	9,174,543.11	1,997,248.94
Deferred tax liabilities arising from leases	451,363,794.18	128,948,437.75	634,023,315.85	141,270,314.21
Total	1,448,870,864.01	302,603,966.19	1,677,154,813.66	325,589,670.03

## (3) Deferred tax assets or liabilities presented on a net basis

Unit: RMB

Items	Closing offset amount of deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after offsetting	Deferred tax assets and liabilities offset at the beginning of the period	Opening balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	155,721,420.14	132,167,096.15	167,073,839.41	139,000,387.64
Deferred tax liabilities	155,721,420.14	146,882,546.05	167,073,839.41	158,515,830.62

## (4) Details of unrecognised deferred tax assets

Unit: RMB

Items	Closing balance	Opening balance
Tax losses	311,395,174.16	276,754,326.94
Provision for impairment of assets	15,374,024.97	15,592,137.87
Total	326,769,199.13	292,346,464.81

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## (5) Deductible losses of unrecognised deferred tax assets will expire in the following years

Unit: RMB

Year	Closing balance	Opening balance	Notes
2025	43,999,969.04	44,694,974.69	
2026	65,550,076.42	65,550,076.42	
2027	75,041,455.71	75,041,455.71	
2028	20,645,028.50	20,645,028.50	
2029	11,624,426.81	12,715,543.46	
2030	10,504,483.46		
No maturity date	84,029,734.22	58,107,248.16	
Total	311,395,174.16	276,754,326.94	

Other description

## 30. Other non-current assets

Unit: RMB

Items	Closing balance			Opening balance		
	Gross carrying amount	Impairment allowance	Carrying amount	Gross carrying amount	Impairment allowance	Carrying amount
Large-denomination certificates of deposit	1,864,477,219.75		1,864,477,219.75	1,841,393,117.97		1,841,393,117.97
Prepayments for long-term assets	170,438,250.95		170,438,250.95	150,678,238.05		150,678,238.05
Buildings and land use rights of Shenzhen Longhua Industrial Park	20,228,190.61		20,228,190.61	20,228,190.61		20,228,190.61
Total	2,055,143,661.31		2,055,143,661.31	2,012,299,546.63		2,012,299,546.63

Other descriptions:

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## 31. Assets with restricted ownership or use rights

Unit: RMB

Items	The end of the period				The beginning of the period				Restricted situation
	Gross carrying amount	Carrying amount	Type of restriction	Restricted situation	Gross carrying amount	Carrying amount	Type restriction		
Currency fund	45,319,170.56	45,319,170.56	Deposit	Further details are included in "Note VII.1.Notes to the Consolidated Financial Statements - Currency funds"	54,991,513.28	54,991,513.28	Deposit	Further details are included in "Note VII.1.Notes to the Consolidated Financial Statements - Currency funds"	
Intangible assets	75,150,000.00	72,331,875.00	Mortgage	Mortgage borrowings	75,150,000.00	74,210,625.00	Mortgage		
Other non-current assets	20,228,190.61	20,228,190.61	Mortgage	Further details are included in "Note XIII. Other significant events. Other important transactions and matters affecting the decision of investors 2. Urban Renewal Project of Winner Industrial Park" Shenzhen Winner-Longhua Industrial Park	20,228,190.61	20,228,190.61	Mortgage	Further details are included in "Note XIII. Other significant events. Other important transactions and matters affecting the decision of investors 2. Urban Renewal Project of Winner Industrial Park" Shenzhen Winner-Longhua Industrial Park	
Fixed assets	63,245,722.26	35,321,940.04	Mortgage	Mortgage borrowings	63,245,722.26	37,056,861.35	Mortgage	Mortgage borrowings	
Total	203,943,083.43	173,201,176.21			213,615,426.15	186,487,190.24			

Other descriptions:

## 32. Short-term borrowings

## (1) Classification of short-term borrowings

Unit: RMB

Items	Closing balance	Opening balance
Mortgage borrowings	71,800,000.00	26,000,000.00
Guaranteed borrowings	78,000,000.00	36,500,000.00
Unsecured borrowings	672,498,678.83	491,131,567.12
Bills discounting	978,300,000.00	1,415,000,000.00
Interest expenses on borrowings	245,976.17	412,597.53
Total	1,800,844,655.00	1,969,044,164.65

Description of classification of short-term borrowings:

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## (2) Overdue and unpaid short-term borrowings

The total amount of overdue and unpaid short-term loans at the end of the period is RMB0.00, of which the important overdue and unpaid short-term loans are as follows:

Unit: RMB				
Borrower	Closing balance	Borrowing rate	Overdue time	Overdue interest rate

Other description

## 33. Trading financial liabilities

Unit: RMB		
Items	Closing balance	Opening balance
Including:		
Including:		

Other descriptions:

## 34. Derivative financial liabilities

Unit: RMB		
Items	Closing balance	Opening balance

Other descriptions:

## 35. Notes payable

Unit: RMB		
Items	Closing balance	Opening balance
Bank acceptance bills	357,293,200.97	431,873,210.11
Total	357,293,200.97	431,873,210.11

The total amount of notes payable due and unpaid at the end of the period is RMB0.00, and the reason for the overdue is.

### 36. Accounts payable

#### (1) Presentation of accounts payable

Unit: RMB

Items	Closing balance	Opening balance
Within 1 year, inclusive	895,544,095.57	1,119,313,821.66
1-2 years, inclusive	40,232,014.14	25,848,505.23
2-3 years, inclusive	5,146,588.26	5,558,801.55
Over 3 years	9,823,484.41	5,209,426.54
Total	950,746,182.38	1,155,930,554.98

#### (2) Significant accounts payable aged over one year

Unit: RMB

Items	Closing balance	Reasons for not repaying or carrying forward
Wuxi Hongqi Textile Machinery Equipment Co., Ltd.	6,625,000.00	The equipment has not yet been operating stably

Other descriptions:

### 37. Other payables

Unit: RMB

Items	Closing balance	Opening balance
Dividends payable	103,930,651.75	164,868,250.80
Other payables	581,576,308.72	516,522,493.00
Total	685,506,960.47	681,390,743.80

#### (1) Interest payables

Unit: RMB

Items	Closing balance	Opening balance
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Significant overdue and unpaid interest:

Unit: RMB

Borrower	Overdue amount	Reason for overdue
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## Section VIII Financial Report

Other descriptions:

**(2) Dividends payable**

Unit: RMB

Items	Closing balance	Opening balance
Ordinary share dividends	103,930,651.75	164,868,250.80
Total	103,930,651.75	164,868,250.80

Other descriptions, including significant dividends payable that have not been paid for over one year, should disclose the reasons for non-payment:

**(3) Other payables**

**1) Other payables by nature**

Unit: RMB

Items	Closing balance	Opening balance
Deposit and guarantee	298,133,771.44	287,382,658.22
Accrued expenses such as freight	198,834,491.66	150,720,263.25
Commission	15,615,683.29	24,724,746.48
Repurchase obligations of employee stock ownership plans	6,733,893.01	7,282,100.00
Ultra-long-term government bond funding support <sup>Note 1*</sup>	11,113,000.00	
Others	51,145,469.32	46,412,725.05
Total	581,576,308.72	516,522,493.00

Note 1\* Government subsidies from ultra-long-term bonds issued to support equipment renewal in key sectors

**2) Significant other payables aged over one year or overdue**

Unit: RMB

Items	Closing balance	Reasons for not repaying or carrying forward
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Other description



## Section VIII Financial Report

## 38. Receipts in advance

## (1) Presentation of advance from customers

Unit: RMB

Items	Closing balance	Opening balance
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## (2) Important advances from customers with the aging more than 1 year or past due

Unit: RMB

Items	Closing balance	Reasons for not repaying or carrying forward
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Unit: RMB

Items	Change amount	Reasons for changes
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## 39. Contract liabilities

Unit: RMB

Items	Closing balance	Opening balance
Consideration received from customers	154,274,136.60	170,470,757.56
Membership points	13,838,030.25	12,284,747.04
Total	168,112,166.85	182,755,504.60

Significant contract liabilities aged over one year

Unit: RMB

Items	Closing balance	Reasons for not repaying or carrying forward
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Amount and reasons for significant changes in book value during the reporting period

Unit: RMB

Items	Change amount	Reasons for changes
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## Section VIII Financial Report

## 40. Employee benefits payable

## (1) Presentation of employee benefits payable

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee benefits	296,771,630.90	914,085,771.12	983,639,935.12	227,217,466.90
II. Post-employment benefits – defined contribution plan	7,319,702.87	75,372,904.71	75,208,861.82	7,483,745.76
III. Termination benefits	4,863,743.12	12,849,878.44	13,962,264.74	3,751,356.82
Total	308,955,076.89	1,002,308,554.27	1,072,811,061.68	238,452,569.48

## (2) Presentation of short-term employee benefits

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance
1. Wages or salaries, bonuses, allowances and subsidies	293,225,971.68	846,016,743.76	914,372,201.38	224,870,514.06
2. Staff welfare	1,894,913.55	9,877,352.48	11,066,462.67	705,803.36
3. Social security contributions	429,126.80	35,731,188.49	35,698,935.77	461,379.52
Including: Medical insurance	253,035.89	30,088,084.69	30,089,659.39	251,461.19
Work injury insurance	123,469.83	3,151,230.89	3,117,242.24	157,458.48
Maternity insurance	52,621.08	2,491,872.91	2,492,034.14	52,459.85
4. Housing funds	114,198.00	18,717,796.49	18,813,023.49	18,971.00
5. Union running costs and employee education costs	691,638.92	1,138,016.90	1,086,230.59	743,425.23
8. Others	415,781.95	2,604,673.00	2,603,081.22	417,373.73
Total	296,771,630.90	914,085,771.12	983,639,935.12	227,217,466.90

## (3) Presentation of defined contribution plans

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance
1. Basic pension insurance	7,213,732.45	72,370,346.53	72,239,221.56	7,344,857.42
2. Unemployment insurance	105,970.42	3,002,558.18	2,969,640.26	138,888.34
Total	7,319,702.87	75,372,904.71	75,208,861.82	7,483,745.76

Other descriptions:

## Section VIII Financial Report

## 41. Taxes and surcharges payable

Unit: RMB

Items	Closing balance	Opening balance
Value-added tax (VAT)	30,573,206.60	17,598,731.48
Corporate income tax (CIT)	66,224,636.11	82,323,661.99
Individual income tax	3,521,936.14	8,002,053.24
Urban maintenance and construction tax	2,341,707.58	2,729,715.85
Property tax	5,131,254.67	7,165,168.93
Education surcharges and local education surcharges	1,867,958.16	2,088,623.81
Land use tax	1,518,078.05	1,839,746.31
Stamp duty	1,055,060.86	1,802,649.39
Others	71,530.01	80,223.88
Total	112,305,368.18	123,630,574.88

Other description

## 42. Liabilities classified as held for sale

Unit: RMB

Items	Closing balance	Opening balance
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Other description

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

Unit: RMB

Items	Closing balance	Opening balance
Current portion of long-term borrowings		175,108,600.02
Current portion of long-term payables		6,017,646.86
Current portion of lease liabilities	205,900,865.33	215,052,996.79
Current portion of long-term employee benefits payable	273,638.74	589,000.00
Total	206,174,504.07	396,768,243.67

Other descriptions:

## Section VIII Financial Report

## 44. Other current liabilities

Unit: RMB

Items	Closing balance	Opening balance
Refunds payable	1,315,753.24	1,983,029.26
Output tax to be transferred	19,549,578.95	19,252,019.32
Total	20,865,332.19	21,235,048.58

Increase or decrease in short-term bonds payable:

Unit: RMB

Bond name	Par value	Coupon rate	Date of issue	Bond term	Amount issued	Opening balance	Issuance in current period	Interest at par	Amortization of prot and discount	Repayment in current period	Closing balance	Default or not
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Total

Other descriptions:

## 45. Long-term borrowings

## (1) Classification of long-term borrowings

Unit: RMB

Items	Closing balance	Opening balance
Mortgage borrowings	50,000,000.00	50,000,000.00
Unsecured borrowings		3,000,000.00
Total	50,000,000.00	53,000,000.00

Description of classification of long – term borrowings:

Note: In November 2024, Winner Medical (Hunan) entered into a loan agreement with China Construction Bank Corporation Lixian Branch for RMB65,000,000.00, of which RMB50,000,000.00 has been withdrawn. The loan has a term of 60 months and matures in November 2032. The collateral is real estate.

Other descriptions, including interest rate ranges:

## Section VIII Financial Report

## 46. Bonds payable

## (1) Bonds payable

Unit: RMB

Items	Closing balance	Opening balance
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## (2) Increase or decrease in bonds payable (excluding preference shares, perpetual bonds and other financial instruments classified as financial liabilities)

Unit: RMB

Bond name	Par value	Coupon rate	Date issue	of	Bond term	Amount issued	Opening balance	Issuance in current period	Interest at par	Amortization of prot and discount	Repayment in current period	Closing balance	Default or not
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Total

## (3) Description of convertible corporate bonds

## (4) Description of other financial instruments classified as financial liabilities

Basic information of preference shares, perpetual bonds and other financial instruments issued at the end of the period

Changes in preference shares, perpetual bonds and other financial instruments issued at the end of the period

Unit: RMB

Financial outstanding instrument	The beginning of the period		Increase		Decrease		The end of the period	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount

Description of the basis for classification of other financial instruments as financial liabilities

Other description

## 47. Lease liabilities

Unit: RMB

Items	Closing balance	Opening balance
Lease payments	635,174,421.28	655,929,649.12
Current portion of lease liabilities	-222,260,731.08	-215,052,996.79
Total	412,913,690.20	440,876,652.33

Other description

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## 48. Long-term payables

Unit: RMB

Items	Closing balance	Opening balance
Long-term payables	26,483,360.45	48,544,431.64
Total	26,483,360.45	48,544,431.64

## (1) Long-term payables by nature

Unit: RMB

Items	Closing balance	Opening balance
Borrowings from third parties (Note 1)		27,669,539.31
Borrowings from related parties outside the scope of group consolidation (Note 2)	26,483,360.45	26,892,539.19
Less: Long-term payables due within one year		6,017,646.86
Total	26,483,360.45	48,544,431.64

Other descriptions:

Note 1: It represents a third-party loan obtained by ETI Services, Inc., a subsidiary of GRI, with a principal amount of USD3,849,193.05 (equivalent to RMB27,669,539.31), with an annual interest rate of 6%. This loan was fully repaid during the current period.

Note 2: It represents an interest-free loan from the controlling shareholder – Winner Group Limited to Pan-China (H.K.), with a principal amount of CAD6,000,000.00 (equivalent to RMB32,094,498.00). The loan term extends from 1 September 2024 to 31 August 2029. After accounting for discounting effects, the recognised loan amount is RMB26,892,539.19. The difference of RMB5,201,958.81 has been recorded as an equity transaction in other capital reserves for 2024. Exchange rate fluctuations during the period resulted in an adjustment of -RMB409,178.74, bringing the closing balance to RMB26,483,360.45.

## (2) Special payables

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance	Reason
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Other descriptions:

## 49. Long-term employee benefits payable

### (1) Table of long-term employee benefits payable

Unit: RMB

Items	Closing balance	Opening balance
I Post-employment benefits – Net defined benefit liability	9,307,638.74	9,623,000.00
Current portion of long-term employee benefits payable	-273,638.74	-589,000.00
Deferred compensation <sup>Note 1*</sup>	4,972,037.56	4,213,971.34
Total	14,006,037.56	13,247,971.34

Note 1\* Deferred compensation represents GRI's practice of deferring a specified percentage of certain employees' compensation for payment upon their retirement.

### (2) Changes in defined benefit obligations

Changes in the present value of defined benefit obligations are as follows:

Unit: RMB

Items	Amount for the current period	Amount for the last period
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Plan assets:

Unit: RMB

Items	Amount for the current period	Amount for the last period
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Net defined benefit liability/(asset)

Unit: RMB

Items	Amount for the current period	Amount for the last period
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Description of the content of defined benefit plan and its related risks, impact on the Company's future cash flow, time and uncertainty:

Description of significant actuarial assumptions and sensitivity analysis results of defined benefit plan:

Other descriptions:



## Section VIII Financial Report

## 50. Provisions

Unit: RMB

Items	Closing balance	Opening balance	Reason
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Other descriptions, including relevant important assumptions and estimation descriptions of important provisions:

## 51. Deferred income

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance	Reason
Government grants	157,154,401.72	27,198,600.00	6,399,452.28	177,953,549.44	Government grants related to assets
Total	157,154,401.72	27,198,600.00	6,399,452.28	177,953,549.44	

Other descriptions:

## 52. Other non-current liabilities

Unit: RMB

Items	Closing balance	Opening balance
GRI remaining equity forward purchase obligations	373,262,348.97	373,262,348.97
Total	373,262,348.97	373,262,348.97

Other descriptions:

In September 2024, the Company acquired 75.2% equity interest in GRI. Pursuant to the share purchase agreement, the Company assumed a forward purchase obligation to acquire the remaining 24.8% minority interests. This obligation represents a nondiscretionary repurchase liability that cannot be unconditionally avoided. Accordingly, the Company initially recognised this repurchase obligation as a financial liability at the present value of the required settlement amount, with subsequent measurement at fair value in accordance with applicable accounting standards.

## 53. Share capital

Unit: RMB

	Opening balance	Increase or decrease (+, -)					Closing balance
		New issue of shares	Bonus issuance	Share conversion from capital reserves	Others	Sub-total	
Total number of shares	582,329,808.00						582,329,808.00

Other descriptions:

## 54. Other equity investments

(1) Basic information of preference shares, perpetual bonds and other financial instruments issued at the end of the period

(2) Changes in preference shares, perpetual bonds and other financial instruments issued at the end of the period

Unit: RMB

Financial instrument outstanding	The beginning of the period		Increase		Decrease		The end of the period	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount

Changes in other equity instruments in the current period, explanation of the reasons for the changes, and the basis for relevant accounting treatment:

Other descriptions:

## 55. Capital reserves

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance
Capital premium (share premium)	3,247,712,887.01			3,247,712,887.01
Other capital reserves	130,827,227.99	27,348,053.65		158,175,281.64
Total	3,378,540,115.00	27,348,053.65		3,405,888,168.65

Other descriptions, including the changes in the current period and the reasons for the changes:

Note 1: The increase in other capital reserves during the current year was primarily due to the recognition of aggregate incentive expenses of RMB27,348,053.65 related to the implementation of the 2023 and 2024 employee stock ownership plans

## 56. Treasury shares

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance
Treasury shares	7,282,100.00		88,375.00	7,193,725.00
Total	7,282,100.00		88,375.00	7,193,725.00

Other descriptions, including the changes in the current period and the reasons for the changes:

In accordance with the resolution passed at the 2024 Shareholders' Meeting held on 21 May 2025, the Company's total share capital is 582,329,808 shares, with a cash dividend of RMB2.50 per 10 shares (tax inclusive) distributed to all shareholders. The restricted stock dividend resulted in a decrease of RMB88,375.00 in treasury stock.

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## 57. Other comprehensive income

Unit: RMB

Items	Opening balance	Amount for the current period						Closing balance
		Amount incurred before income tax in the current period	Less: Reclassification from other comprehensive income to profit or loss	Less: Reclassification from other comprehensive income to retained earnings	Less: Income tax expenses	Attributable to parent company after tax	Attributable to non-controlling interests after tax	
I. Other comprehensive income that will not be reclassified to profit or loss	-378,274.91							-378,274.91
Including: Remeasurement of a defined benefit plan	-378,274.91							-378,274.91
II. Other comprehensive income that may be reclassified to profit or loss	-2,259,552.19	2,654,748.45				-2,122,693.34	4,777,441.79	-4,382,245.53
Exchange differences on translation of foreign currency financial statements	-2,259,552.19	2,654,748.45				-2,122,693.34	4,777,441.79	-4,382,245.53
Total other comprehensive income	-2,637,827.10	2,654,748.45				-2,122,693.34	4,777,441.79	-4,760,520.44

Other descriptions, including the adjustment to the amount initially recognised when the effective portion of the profit or loss on the cash flow hedge is transferred to the hedged item:

## 58. Specialised reserves

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance
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Other descriptions, including the changes in the current period and the reasons for the changes:

## 59. Surplus reserves

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	420,212,778.13			420,212,778.13
Total	420,212,778.13			420,212,778.13

Description of surplus reserves, including changes in the current period and reasons for changes:

## Section VIII Financial Report

## 60. Unappropriated profit

Unit: RMB

Items	Current period	Last period
Undistributed profit at the end of previous period before adjustment	6,780,116,870.53	6,608,834,768.99
Undistributed profits at the beginning of the period after adjustment	6,780,116,870.53	6,608,834,768.99
Add: Net profit attributable to owners of the parent company in the current period	491,998,009.07	384,150,379.21
Dividends payable on common stock	145,582,452.00	291,164,904.00
Undistributed profits at the end of the period	7,126,532,427.60	6,701,820,244.20

Details of undistributed profits at the beginning of the adjustment period:

- 1). Due to retrospective adjustment of Accounting Standards for Business Enterprises and related new regulations, the undistributed profit at the beginning of the period is RMB0.00.
- 2). Due to the change of accounting policy, the undistributed profit at the beginning of the period is RMB0.00.
- 3). Due to the correction of major accounting errors, the undistributed profit at the beginning of the period is affected by RMB0.00.
- 4). Changes in the scope of consolidation due to the same control affect the opening undistributed profit of RMB0.00.
- 5). The total impact of other adjustments on the opening undistributed profit is RMB0.00.

## 61. Revenue and cost of sales

Unit: RMB

Items	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Primary business	5,260,562,564.63	2,710,598,502.93	4,000,365,794.92	2,047,427,786.26
Other businesses	35,649,392.29	25,796,277.79	33,139,309.41	21,042,656.32
Total	5,296,211,956.92	2,736,394,780.72	4,033,505,104.33	2,068,470,442.58

Breakdown of revenue and cost of sales:

Unit: RMB

Contract classification	Segment 1		Segment 2		Medical consumables		Healthy consumer goods		Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Business type					2,550,904,405.05	1,600,658,539.50	2,745,307,551.87	1,135,736,241.22	5,296,211,956.92	2,736,394,780.72
Including:										
Primary business					2,515,255,012.76	1,574,862,261.71	2,745,307,551.87	1,135,736,241.22	5,260,562,564.63	2,710,598,502.93
Other businesses					35,649,392.29	25,796,277.79			35,649,392.29	25,796,277.79
Classification by region of operation					2,550,904,405.05	1,600,658,539.50	2,745,307,551.87	1,135,736,241.22	5,296,211,956.92	2,736,394,780.72
Including:										
Domestic sales					1,014,367,414.61	636,842,477.34	2,745,307,551.87	1,135,736,241.22	3,759,674,966.48	1,772,578,718.56
Overseas					1,536,536,990.44	963,816,062.16			1,536,536,990.44	963,816,062.16
Market or customer type										
Including:										
Contract type										
Including:										
Classification by time of goods transfer										
Including:										
Classification by contract term										
Including:										
Classification by sales channel										
Including:										
Total										

Information relating to performance obligations:

Items	Time of fulling performance obligations	Signicant terms	payment	Nature of the goods that the entity promised transfer	Whether it is a principal	Returns, refunds and other similar obligations	Types of quality assurance provided by the Company and related obligations
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Other description

## Section VIII Financial Report

Information relating to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue related to performance obligations that have been contracted but not yet performed or partially performed is RMB0.00. Of this amount: RMB0.00 is expected to be recognised in YYYY, and RMB0.00 is expected to be recognised in YYYY.

Information about variable consideration in the contract:

Significant contract changes or significant transaction price adjustments

Unit: RMB

Items	Accounting treatment	Amount affected on revenue
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Other description

## 62. Taxes and surcharges

Unit: RMB

Items	Amount for the current period	Amount for the last period
Urban maintenance and construction tax	16,943,704.74	12,232,083.46
Education surcharge	7,700,584.35	5,524,309.32
Property tax	10,314,447.25	9,072,652.85
Land use tax	3,200,049.68	3,825,434.01
Stamp duty	3,735,171.94	2,246,687.40
Local education surcharge	5,146,119.47	3,682,872.65
Others	166,588.15	72,239.43
Total	47,206,665.58	36,656,279.12

Other descriptions:

## Section VIII Financial Report

## 63. Administrative expenses

Unit: RMB

Items	Amount for the current period	Amount for the last period
Employee benefits	251,518,957.88	167,526,769.22
Depreciation and amortisation expenses	100,415,385.08	85,253,977.21
Consulting and intermediary service fees	18,381,220.78	6,336,530.64
Maintenance and repair expenses	5,007,138.76	13,992,875.34
Communication and network services, cloud service fees, etc.	12,101,926.68	9,159,179.36
Utility bills	5,659,637.32	5,008,979.02
Material consumption	3,919,752.37	2,497,021.75
Travel expenses	3,583,340.61	2,413,859.67
Office expenses	8,549,393.50	1,330,225.54
Others	27,036,373.74	15,926,608.65
Total	436,173,126.72	309,446,026.40

Other description

## 64. Selling expenses

Unit: RMB

Items	Amount for the current period	Amount for the last period
Employee benefits	351,756,153.04	308,895,689.06
Travel expenses	15,038,995.11	11,089,494.35
Office communication expenses	8,503,507.92	6,712,347.78
Sales commissions and charges by E-commerce platform	144,526,632.13	150,321,611.77
Depreciation and amortisation	121,179,518.36	117,958,551.43
Advertising and promotion expenses	501,245,493.81	339,609,578.47
Lease and property management fees	68,438,212.02	76,942,306.30
Others	44,215,140.42	44,211,505.06
Total	1,254,903,652.81	1,055,741,084.22

Other descriptions:



## Section VIII Financial Report

## 65. Research and development expenses

Unit: RMB

Items	Amount for the current period	Amount for the last period
Employee benefits	90,467,325.35	73,541,069.28
Depreciation and amortisation	11,527,447.14	10,391,587.90
Materials	37,106,947.90	28,030,881.87
Other miscellaneous expenses	55,275,846.51	31,179,413.28
Total	194,377,566.90	143,142,952.33

Other description

## 66. Finance expenses

Unit: RMB

Items	Amount for the current period	Amount for the last period
Interest expenses	32,211,146.81	24,015,659.66
Including: Interest expense on lease liabilities	11,474,345.41	11,651,258.00
Less: Interest income	40,152,719.55	57,012,846.01
Exchange gains or losses	-4,046,409.42	-5,279,738.42
Others	655,601.21	834,384.93
Total	-11,332,380.95	-37,442,539.84

Other description

## 67. Other revenue

Unit: RMB

Items	Amount for the current period	Amount for the last period
Government grants	29,417,982.09	22,618,569.68
Tax credits and exemptions	15,105,319.97	14,664,363.42
Total	44,523,302.06	37,282,933.10

## Section VIII Financial Report

**68. Net position hedging gains**

Unit: RMB

Items	Amount for the current period	Amount for the last period
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Other description

**69. Fair value gains**

Unit: RMB

Items	Amount for the current period	Amount for the last period
Bank financial products and trust products	8,043,719.46	7,577,712.84
Total	8,043,719.46	7,577,712.84

Other descriptions:

**70. Investment income**

Unit: RMB

Items	Amount for the current period	Amount for the last period
Long-term equity investment income under the equity method	-12,839,023.48	-7,669,213.76
Investment income from purchasing financial products	23,089,639.93	41,114,309.95
Total	10,250,616.45	33,445,096.19

Other description

**71. Credit impairment loss**

Unit: RMB

Items	Amount for the current period	Amount for the last period
Impairment loss for accounts receivable	-11,702,418.09	-7,704,855.99
Impairment loss for other receivables	465,138.14	-590,961.45
Impairment loss for long-term receivables	-260,524.10	
Total	-11,497,804.05	-8,295,817.44

Other description

## Section VIII Financial Report

## 72. Impairment losses of assets

Unit: RMB

Items	Amount for the current period	Amount for the last period
I. Loss for write-down of inventories and impairment loss for costs to fulfil a contract	-28,797,662.46	-55,628,797.66
II. Impairment loss for fixed assets	-3,504,483.05	-346,705.50
III. Others	40,880.55	
Total	-32,261,264.96	-55,975,503.16

Other descriptions:

The others are impairment losses on prepaid accounts

## 73. Gains on disposal of assets

Unit: RMB

Items	Amount for the current period	Amount for the last period
Net gain or loss on disposal of long-term assets	1,518,248.05	1,930,800.28

## 74. Non-operating revenue

Unit: RMB

Items	Amount for the current period	Amount for the last period	Included in the non-recurring profit or loss in the current period
Government grants	182,000.00	3,000.00	182,000.00
Income from compensation or fines	444,471.56	396,911.10	444,471.56
Gains on retirement of non-current assets	146,846.93	989,144.70	146,846.93
Others	2,208,547.64	4,754,300.71	2,208,547.64
Total	2,981,866.13	6,143,356.51	2,981,866.13

Other descriptions:

## Section VIII Financial Report

## 75. Non-operating expense

Unit: RMB

Items	Amount for the current period	Amount for the last period	Included in the non-recurring profit or loss in the current period
External donations	1,867,517.79	14,646.56	1,867,517.79
Losses on damage and retirement of non-current assets	8,519,605.93	5,451,144.32	8,519,605.93
Compensation or amercement outlay	4,189,848.71	285,600.58	4,189,848.71
Others	1,841,351.15	466,768.55	1,841,351.15
Total	16,418,323.58	6,218,160.01	16,418,323.58

Other descriptions:

## 76. Income tax expenses

## (1) Table of income tax expenses

Unit: RMB

Items	Amount for the current period	Amount for the last period
Current tax	132,152,672.92	59,844,908.34
Deferred tax	-4,711,231.02	7,306,141.90
Total	127,441,441.90	67,151,050.24

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

(3) Unit: RMB

Items	Amount for the current period
Profit before income tax	645,628,904.70
Tax at the statutory/applicable tax rate	96,844,335.71
Effect of different tax rates for subsidiaries	23,299,986.45
Effect of adjustments in respect of tax of previous periods	11,378,012.84
Effect of income not subject to tax	-842,165.74
Effect of costs, expenses and losses not deductible for tax	1,143,572.00
Effect of tax losses for which deferred tax assets were not recognised in prior periods	-1,011,340.68
Effect of deductible temporary differences or tax losses for which deferred tax assets were not recognised in the current period	10,682,999.93
Effect of additional deductions for research and development expenses	-19,006,404.29
Impact of Share-based Payment in Current Period	4,998,441.60
Impact of weighted deduction of wages for the disabled	-45,995.92
Income tax expenses	127,441,441.90

Other descriptions:

## 77. Other comprehensive income

Refer to Note 57. Other comprehensive income for details.

## 78. Items of the statement of cash flows

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

Other cash receipts relating to operating activities

Unit: RMB

Items	Amount for the current period	Amount for the last period
Guarantee deposit, deposit and quality guarantee deposit received	50,106,046.07	15,819,980.09
Interest income received	11,503,565.45	12,258,055.28
Government grants received	76,617,449.78	17,870,988.05
Others	17,565,207.69	9,945,725.42
Total	155,792,268.99	55,894,748.84

Descriptions of other cash receipts relating to operating activities:

Other cash payments relating to operating activities

Unit: RMB

Items	Amount for the current period	Amount for the last period
Management and R&D costs paid in cash	95,577,535.04	79,791,733.60
Selling expenses paid in cash	126,907,306.06	136,729,766.24
Deposit, guarantee deposit and quality guarantee deposit paid	18,713,013.96	20,215,667.66
Bank handling charge	655,601.21	834,384.92
Others	96,564,124.15	109,911,168.01
Total	338,417,580.42	347,482,720.43

Description of other cash payments relating to operating activities:

## Section VIII Financial Report

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

Other cash receipts relating to investing activities

Unit: RMB

Items	Amount for the current period	Amount for the last period
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Cash receipts relating to significant investing activities

Unit: RMB

Items	Amount for the current period	Amount for the last period
-------	-------------------------------	----------------------------

Description of other cash received relating to investing activities:

Other cash payments relating to investing activities

Unit: RMB

Items	Amount for the current period	Amount for the last period
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Significant cash payments relating to investing activities

Unit: RMB

Items	Amount for the current period	Amount for the last period
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Description of other cash payments relating to investing activities:

**(3) Cash related to financing activities**

Other cash receipts relating to financing activities

Unit: RMB

Items	Amount for the current period	Amount for the last period
L/C loan deposit recovered		180,000,000.00
Total		180,000,000.00

Description of other cash received relating to financing activities:

## Section VIII Financial Report

Other cash payments relating to financing activities

Unit: RMB

Items	Amount for the current period	Amount for the last period
Principal and interest paid on lease liabilities	142,325,856.76	113,647,443.24
Treasury shares repurchase paid		194,981,835.21
Guarantee deposit paid on bills and letters of credit (for financing purposes)	27,651,448.11	0.00
Total	169,977,304.87	308,629,278.45

Description of other cash payments relating to financing activities:

Changes in various liabilities arising from financing activities

√Applicable ☐ N/A

Unit: RMB

Items	Opening balance	Increase		Decrease		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	1,969,044,164.65	1,443,534,035.41	3,292,170.40	1,615,025,715.46		1,800,844,655.00
Dividends payable	164,868,250.80		145,637,011.00	206,574,610.05		103,930,651.75
Long-term payables	48,544,431.64			21,651,892.46	409,178.73	26,483,360.45
Non-current liabilities due within one year	396,768,243.67		133,173,725.30	323,767,464.90		206,174,504.07
Long-term borrowings	53,000,000.00			3,000,000.00		50,000,000.00
Lease liabilities	440,876,652.33				27,962,962.13	412,913,690.20
Total	3,073,101,743.09	1,443,534,035.41	282,102,906.70	2,170,019,682.87	28,372,140.86	2,600,346,861.47

## (4) Description of cash flows presented on a net basis

Items	Relevant facts	Basis for presentation on a net basis	Financial impact
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(5) Significant activities and financial effects that do not involve current cash receipts and payments but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future



## Section VIII Financial Report

## 79. Supplemental information for the statement of cash flows

## (1) Supplemental information for the statement of cash flows

Unit: RMB

Supplemental information	Amount for the current period	Amount for the last period
1. Reconciliation of profit to net cash flows from operating activities		
Net profit	518,187,462.80	406,230,227.59
Add: Provisions for asset impairment	43,759,069.01	64,271,320.60
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	151,182,762.40	131,079,340.88
Depreciation of right-of-use assets	109,888,719.38	102,793,692.82
Amortisation of intangible assets	48,375,479.79	37,516,560.07
Amortisation of long-term prepaid expenses	29,807,533.80	28,616,313.68
Losses on disposal of fixed assets, intangible assets and other long-term assets (Gains are indicated by "-")	-1,518,248.05	-1,930,800.28
Losses on retirement of fixed assets (Gains are indicated by "-")	8,372,759.00	4,461,999.62
Losses from changes in fair value (Gains are indicated by "-")	-8,043,719.46	-7,577,712.84
Losses from changes in fair value (Gains are indicated by "-")	-3,561,992.71	-30,678,568.15
Investment losses (Gains are indicated by "-")	-10,250,616.45	-33,445,096.19
Decrease in deferred income tax assets (Increase is indicated by "-")	6,833,291.49	13,627,828.25
Increase in deferred tax liabilities (Decrease is indicated by "-")	-11,633,284.57	-6,322,317.19
Decrease in inventories (increase is indicated by "-")	-38,054,042.96	-74,485,225.30
Decrease in operating receivables (increase is indicated by "-")	-271,120,354.80	-125,258,959.44
Increase in operating payables (Decrease is indicated by "-")	-253,098,192.32	-313,349,779.33
Others	20,799,147.72	-2,215,308.03
Net cash flows from operating activities	339,925,774.07	193,333,516.76
2. Significant investing and financing activities not involving cash receipts and payments:		
Debts converted to capital		
Convertible corporate bonds due within one year		
Fixed assets under finance leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	1,487,086,387.91	3,893,999,245.96
Less: Opening balance of cash	1,357,097,385.35	4,677,340,782.45
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	129,989,002.56	-783,341,536.49

## Section VIII Financial Report

## (2) Net cash paid for acquisition of subsidiaries in the current period

Unit: RMB

Amount

Including:

Including:

Including:

Other descriptions:

## (3) Net cash received from disposal of subsidiaries in the current period

Unit: RMB

Amount

Including:

Including:

Including:

Other descriptions:

## (4) Composition of cash and cash equivalents

Unit: RMB

Items	Amount for the current period	Amount for the last period
I. Cash	1,487,086,387.91	1,357,097,385.35
Including: Cash on hand	156,754.00	152,838.15
Bank deposits on demand	1,468,255,959.55	1,348,440,889.85
Other currency funds on demand	18,673,674.36	8,503,657.35
III. Closing balance of cash and cash equivalents	1,487,086,387.91	1,357,097,385.35

## (5) Limited scope of use but still classified as cash and cash equivalents

Unit: RMB

Items	Amount for the period	Amount for the prior period	Reason for remaining cash and cash equivalents
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## Section VIII Financial Report

## (6) Currency funds that do not belong to cash and cash equivalents

Unit: RMB

Items	Amount for the period	Amount for the prior period	Reasons for not being classied as cash and cash equivalents
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Other descriptions:

## (7) Description of other significant activities

## 80. Notes to items in the statement of changes in equity

Description of “Other” items and adjustment amount that adjust the ending balance of the previous year:

## 81. Monetary items measured in a foreign currency

## (1) Monetary items measured in a foreign currency

Unit: RMB

Items	Closing foreign currency balance	Translation exchange rate	Closing balance in RMB
Currency fund			607,068,275.94
Including: USD	76,582,444.05	7.1586	548,223,083.98
Euro	3,134,124.98	8.4024	26,334,171.69
HKD	27,288,193.88	0.91195	24,885,468.40
JPY	45,147,450.00	0.049594	2,239,042.64
GBP	547,955.26	9.83	5,386,400.17
CAD	20.83	5.2358	109.06
Accounts receivable			324,453,853.18
Including: USD	43,283,817.19	7.1586	309,851,533.75
Euro	1,231,391.09	8.4024	10,346,640.52
HKD	3,881.78	0.91195	3,539.99
GBP	416,323.00	9.83	4,092,455.07
CAD	29,680.09	5.2358	155,399.02
JPY	86,398.32	0.049594	4,284.84
Other receivables		7.1586	5,178,214.47
USD	723,355.75	7.1586	5,178,214.47

## Section VIII Financial Report

Items	Closing foreign currency balance	Translation exchange rate	Closing balance in RMB
Accounts payable			30,002,056.28
USD	3,799,581.71	7.1586	27,199,685.63
Euro	333,520.26	8.4024	2,802,370.65
Other payables			30,538,929.02
USD	4,180,018.35	7.1586	29,923,079.36
HKD	503,359.77	0.91195	459,038.94
Euro	18,662.61	8.4024	156,810.71
Long-term borrowings			
Including: USD			
Euro			
HKD			

Other descriptions:

**(2) Description of overseas operating entities, including for important overseas operating entities, disclosure of their main overseas business locations, functional currency and selection basis, and disclosure of reasons for changes in functional currency.**

√Applicable ☐ N/A

The important overseas operating entities included in the consolidated financial statements of the Company are the Company's subsidiaries GRI USA, Allet Inc, GRI Allet, and GRI VN. Their main overseas places of business are located in the United States, Hong Kong, Vietnam, etc. Each operating entity takes the currency used in its principle business activities as the functional currency for accounting purposes. In 2025, there were no changes to the functional currencies used for accounting by the above-mentioned important overseas operating entities.

## 82. Leases

### (1) The Company as lessee

√Applicable ☐ N/A

Variable lease payments not included in the measurement of the lease liabilities

√Applicable ☐ N/A

Items	January-June 2025
Interest expense on lease liabilities	11,474,345.41
Expenses relating to short-term leases that are included in costs of related assets or profit or loss and accounted for applying practical expedients	12,932,952.22
Variable lease payments that are included in costs of related assets or profit or loss and not included in the measurement of lease liabilities	7,457,579.11
Cash outflow from fixed lease payments	142,325,856.76
Total cash outflow for leases	162,716,388.09

## Section VIII Financial Report

The Company has lease contracts for various items of houses and buildings, machinery and vehicles used in its operations. Leases of houses and buildings and machinery generally have lease terms of 1-15 years, while those of vehicles generally have lease terms of 5-6 years.

Lease payments on short-term leases and leases of low-value assets applying practical expedients

☒ Applicable ☐ N/A

Please refer to the table above for details

Leases involving sale and leaseback transactions

### (2) The Company as lessor

Operating leases – the Company as lessor

☒ Applicable ☐ N/A

Unit: RMB

Items	Rental income	Including: Income relating to variable lease payments not included in the lease receivables
Rental income	91,743.12	0.00
Total	91,743.12	0.00

Finance leases – the Company as lessor

☐ Applicable ☒ N/A

Annual undiscounted lease receivables for the next five years

☐ Applicable ☒ N/A

Reconciliation between undiscounted lease receivables and net investment in the lease

### (3) Selling profit or loss recognised by the Company on finance leases as a manufacturer or dealer

☐ Applicable ☒ N/A

## 83. Data resources

## 84. Others

## VIII. Research and Development Expenditure

Unit: RMB

Items	Amount for the current period	Amount for the last period
Employee benefits	90,467,325.35	73,541,069.28
Depreciation and amortisation	11,527,447.14	10,391,587.90
Materials	37,106,947.90	28,030,881.87
Other miscellaneous expenses	55,275,846.51	31,179,413.28
Total	194,377,566.90	143,142,952.33
Including: Research and development expenditure expensed as incurred	194,377,566.90	143,142,952.33

### 1. Research and development items eligible for capitalisation

Unit: RMB

Items	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Internal development expenditures	Others	Recognised as intangible assets	Transferred to profit or loss	
Total						

Significant capitalised research and development items

Items	Research and development progress	Estimated completion date	How economic benefits are expected to be generated	Commencement date of capitalisation	Specific basis for commencement of capitalisation
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Provision for impairment of development expenditures

Unit: RMB

Items	Opening balance	Increase	Decrease	Closing balance	Impairment test
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### 2. Important outsourced research projects

Item	How economic benefits are expected to be generated	Judgment criteria and specific basis for capitalisation or being expensed
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Other descriptions:

## Section VIII Financial Report

## IX. Changes in the Scope of Consolidation

## 1. Business combination not involving entities under common control

## (1) Business combination not involving entities under common control for the period

Unit: RMB

Name of the acquiree	Time of equity acquisition	Cost of equity acquisition	Equity acquisition ratio (%)	Method of equity acquisition	Acquisition date	Basis for determination of acquisition date	Revenue of the acquiree from the acquisition date to the end of the period	Profit of the acquiree from the acquisition date to the end of the period	Cash flows of the acquiree from the acquisition date to the end of the period
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Other descriptions:

There were no business combinations not under common control during the current period

## (2) Cost of the combination and goodwill

Unit: RMB

Cost of the combination
- Cash
- Fair value of non-cash assets
- Fair value of debt issued or assumed
- Fair value of equity securities issued
- Fair value of the contingent consideration
- Fair value of equity interest held before the acquisition date
- Others
Total cost of the combination
Less: Interest in the fair value of the net identifiable assets acquired
Excess of interest in the fair value of the net identifiable assets acquired over goodwill/cost of the combination

Basis for determining the fair value of the cost of the combination:

Disclosure of contingent consideration and the related changes

Main reasons for the formation of large goodwill:

Other descriptions:

## Section VIII Financial Report

## (3) Identifiable assets and liabilities of the acquiree at the acquisition date

Unit: RMB

	Fair value at the acquisition date	Carrying amount at the acquisition date
Assets:		
Currency fund		
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Borrowings		
Accounts payable		
Deferred tax liabilities		
Net assets		
Less: Non-controlling interests		
Net assets acquired		

Methods for determining the fair values of identifiable assets and liabilities:

Contingent liabilities of the acquiree assumed in a business combination:

Other descriptions:

## (4) Gains or losses recognised as a result of remeasuring to fair value the equity interest held before the business combination

Whether there are cases where business combinations are achieved in stages with the control being obtained during the reporting period

☐ Yes ☒ No

## (5) Description regarding the combination consideration or fair value of the acquiree's identifiable assets and liabilities that cannot be reasonably determined at the acquisition date or at the end of the current period

## (6) Other description



## Section VIII Financial Report

**2. Business combination involving entities under common control****(1) Business combination involving entities under common control during the period**

Unit: RMB

Name of the entity absorbed	Proportion of interest acquired in a business combination (%)	Basis for constituting a business combination involving entities under common control	Combination date	Basis for determining the combination date	Revenue of the entity being absorbed from the beginning of the period in which the combination occurs to the combination date	Prot of the entity being absorbed from the beginning of the period in which the combination occurs to the combination date	Revenue of the entity being absorbed during the comparative accounting period	Prot of the entity being absorbed during the comparative accounting period
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Other descriptions:

There were no business combinations under common control during the current period

**(2) Cost of the combination**

Unit: RMB

Cost of the combination
- Cash
- Carrying amount of non-cash assets
- Carrying amount of debt issued or assumed
- Face value of equity securities issued
- Contingent consideration

Disclosure of contingent consideration and the related changes:

Other descriptions:

## Section VIII Financial Report

## (3) Carrying amount of assets and liabilities of the entity being absorbed on the combination date

Unit: RMB

	Combination date	At end of the prior period
Assets:		
Currency fund		
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Borrowings		
Accounts payable		
Net assets		
Less: Non-controlling interests		
Net assets acquired		

Contingent liabilities of the entity being absorbed assumed in a business combination:

Other descriptions:

**3. Reverse acquisitions**

Basic information of the transaction, the basis for the transaction to constitute a reverse acquisition, whether the assets and liabilities retained by the listed company constitute a business and the related basis, the determination of the cost of the combination, the amount of equity adjustment when accounted for as an equity transaction and the related calculation:

N/A

**4. Disposal of a subsidiary**

Whether there are transactions or events that result in the loss of control over subsidiaries in the current period

☐ Yes ☒ No

Whether there is disposal of a subsidiary in stages in a bundled transaction with a loss of control in the current period

☐ Yes ☒ No

## Section VIII Financial Report

## 5. Changes in scope of consolidation for other reasons

Disclose the changes in the scope of consolidation (e.g., new subsidiaries, liquidation of subsidiaries) due to other reasons and the relevant information:  
None

## 6. Others

None

## X. Interests in Other Entities

## 1. Interests in a subsidiary

## (1) Composition of enterprise group

Unit: RMB

Name of the subsidiary	Registered capital	Place of business	Registered address	Nature of business	Proportion of ownership interest (%)		Method of acquisition
					Direct	Indirect	
Shenzhen Purcotton	130,000,000.00	Shenzhen Guangdong Province	City, Shenzhen Guangdong Province	Sale of Purcotton products	100.00%	0.00%	Establishment
Beijing Purcotton	3,000,000.00	Beijing	Beijing	Sale of Purcotton products	0.00%	100.00%	Establishment
Guangzhou Purcotton	1,000,000.00	Guangzhou Guangdong Province	City, Guangzhou Guangdong Province	Sale of Purcotton products	0.00%	100.00%	Establishment
Shanghai Purcotton	3,000,000.00	Shanghai	Shanghai	Sale of Purcotton products	0.00%	100.00%	Establishment
Qianhai Purcotton	10,000,000.00	Shenzhen Guangdong Province	City, Shenzhen Guangdong Province	Sale of Purcotton products	0.00%	100.00%	Establishment
Winner Medical (Huanggang)	259,459,200.00	Huanggang Hubei Province	City, Huanggang Hubei Province	Production and sales of pure cotton spunlace non-woven fabric, medical consumables and Purcotton products	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Jingmen)	23,000,000.00	Jingmen City, Hubei Province	Jingmen City, Hubei Province	Production and sales of medical consumables and Purcotton products	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Chongyang)	28,550,000.00	Chongyang County, Hubei Province	Chongyang County, Hubei Province	Production and sales of medical consumables	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Jiayu)	233,040,000.00	Jiayu County, Hubei Province	Jiayu County, Hubei Province	Production and sales of medical consumables and Purcotton products	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Yichang)	12,413,669.00	Zhi Jiang City, Hubei Province	Zhi Jiang City, Hubei Province	Production and sales of medical gray cloth	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Tianmen)	37,670,000.00	Tianmen City, Hubei Province	Tianmen City, Hubei Province	Production and sales of pure cotton spunlace non-woven fabric and Purcotton products	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Hong Kong)	897,570.00	Hong Kong	Hong Kong	Sales of medical consumables and healthy consumer goods	60.00%	0.00%	Business combination involving entities under common control

## Section VIII Financial Report

Name of the subsidiary	Registered capital	Place of business	Registered address	Nature of business	Proportion of ownership interest (%)		Method of acquisition	of control
					Direct	Indirect		
Winner Medical Malaysia	4,943,266.40	Malaysia	Malaysia	No actual business operation	100.00%	0.00%	Business combination not involving entities under common control	
Winner (Heyuan) Medical	100,000,000.00	Heyuan City, Guangdong Province	Heyuan City, Guangdong Province	No actual business operation	100.00%	0.00%	Establishment	
Winner (Wuhan) Medical	800,000,000.00	Wuhan City, Hubei Province	Wuhan City, Hubei Province	Production and sterilization of pure cotton spunlace non-woven fabric and Purcotton products	100.00%	0.00%	Establishment	
PureH2B	150,000,000.00	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Sales of personal care products and other products	100.00%	0.00%	Establishment	
Purunderwear	5,000,000.00	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Sales of cotton lining products	0.00%	100.00%	Establishment	
Huanggang Purcotton	10,000,000.00	Huanggang City, Hubei Province	Huanggang City, Hubei Province	Sale of Purcotton products	0.00%	100.00%	Establishment	
Longterm Medical	50,000,000.00	Huzhou City, Zhejiang Province	Huzhou City, Zhejiang Province	Production and sales of medical consumables	55.00%	0.00%	Business combination not involving entities under common control	
Hangzhou Shengyi	5,000,000.00	Hangzhou City, Zhejiang Province	Hangzhou City, Zhejiang Province	Other technology promotion services	0.00%	55.00%	Business combination not involving entities under common control	
Xi'an Longtemu	5,000,000.00	Xi'an City, Shaanxi Province	Xi'an City, Shaanxi Province	Engineering technical research and experimental development	0.00%	55.00%	Business combination not involving entities under common control	
Deqing Longterm	2,000,000.00	Huzhou City, Zhejiang Province	Huzhou City, Zhejiang Province	Manufacturing of medical instruments, equipment and device	0.00%	55.00%	Business combination not involving entities under common control	
US Longterm		the United States	the United States	Manufacturing of medical instruments, equipment and device	0.00%	55.00%	Business combination not involving entities under common control	
Zhejiang Honglan	10,651,163.00	Wenzhou City, Zhejiang Province	Wenzhou City, Zhejiang Province	Software and information technology services	0.00%	31.35%	Business combination not involving entities under common control	
Winner Guilin	86,600,997.00	Xiufeng District, Guilin City, Guangxi Zhuang Autonomous Region	Xiufeng District, Guilin City, Guangxi Zhuang Autonomous Region	Rubber products	91.74%	0.00%	Business combination not involving entities under common control	
Winner (Hunan) Medical	44,000,111.00	Changde City, Hunan Province	Changde City, Hunan Province	Production and sales of medical consumables	68.70%	0.00%	Business combination not involving entities under common control	
Ruian Device Medical	2,000,000.00	Changsha City, Hunan Province	Changsha City, Hunan Province	Engineering technical research and experimental development	0.00%	68.70%	Business combination not involving entities under common control	

## Section VIII Financial Report

Name of the subsidiary	Registered capital	Place of business	Registered address	Nature of business	Proportion of ownership interest (%)		Method of acquisition	of
					Direct	Indirect		
Junjian Medical	20,120,000.00	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Sales of medical consumables	100.00%	0.00%	Business combination not involving entities under common control	
Mexico Longterm	138,467,940.00	Mexico	Mexico	Production and sales of medical consumables	0.00%	55.00%	Establishment	
Shanghai Hongsong	2,000,000.00	Shanghai	Shanghai	Sales of medical consumables	60.00%	0.00%	Business combination not involving entities under common control	
Winner Jinzhou	87,500,000.00	Jingzhou City, Hubei Province	Jingzhou City, Hubei Province	Production and sale of rubber products	0.00%	91.74%	Business combination not involving entities under common control	
Wuhan Purcotton	20,000,000.00	Wuhan City, Hubei Province	Wuhan City, Hubei Province	Sale of Purcotton products	0.00%	100.00%	Establishment	
Hong Kong Purcotton	2,768,100.00	Hong Kong	Hong Kong	Sale of Purcotton products	0.00%	100.00%	Establishment	
Pan-China (H.K.)	1,285,531,260.00	Hong Kong	Hong Kong	Trade and consultancy services	100.00%	0.00%	Establishment	
Winner Biomedical	5,000,000.00	Wuhan City, Hubei Province	Wuhan City, Hubei Province	Research and experimental development	0.00%	67.00%	Establishment	
Purcotton Agricultural	5,000,000.00	Wuhan City, Hubei Province	Wuhan City, Hubei Province	Research and experimental development	0.00%	58.00%	Establishment	
Hubei Zhongfu	10,000,000.00	Wuhan City, Hubei Province	Wuhan City, Hubei Province	Manufacturing of chemical raw materials and chemical products	0.00%	67.00%	Business combination not involving entities under common control	
GRI METC	46,248,859.96 <sup>Note 1</sup>	Jiaxing City, Zhejiang Province	Jiaxing City, Zhejiang Province	Medical devices and special industrial protective products		75.20%	Business combination not involving entities under common control	
GRI Alletset	926,040.00 <sup>Note 2</sup>	Hong Kong	Hong Kong	Sales of medical products		75.20%	Business combination not involving entities under common control	
Alletset Inc	3,503.70 <sup>Note 3</sup>	the United States	the United States	Sales of medical products		75.20%	Business combination not involving entities under common control	

Note: Note 1 The registered capital of GRI METC is USD6.6 million

Note 2 The registered capital of GRI Alletset is HKD1 million

Note 3 The registered capital of Alletset Inc is USD500

Description of the difference between the percentage of equity interest and the proportion of voting rights held in subsidiaries:

Basis for holding half or less than half of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

For the important structured entity included in the scope of consolidation, the control basis is as follows:

N/A

Basis for determining whether the company is an agent or a principal:

N/A

Other descriptions:

## Section VIII Financial Report

N/A

## (2) Material non-wholly owned subsidiary

Unit: RMB

Name of the subsidiary	Percentage of equity interests held by non-controlling interests	Profit or loss for the period allocated to non-controlling interests	Dividends paid to non-controlling interests	Closing balance of non-controlling interests
Longterm Medical	45.00%	28,046,435.20	0.00	396,258,821.43

Description of the difference between the percentage of equity interest held by non-controlling interests and the proportion of voting rights held in subsidiaries:

Other descriptions:

## (3) Summarised financial information of material non-wholly owned subsidiaries

Unit: RMB

Name of the subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Longterm Medical	308,964,374.40	720,261,528.96	1,029,225,903.36	114,363,148.40	37,007,719.40	151,370,867.80	260,695,340.14	730,160,168.87	990,855,509.01	141,735,028.57	44,087,161.99	185,822,190.56

Unit: RMB

Name of the subsidiary	Amount for the current period				Amount for the last period			
	Operating revenue	Net profit	Total comprehensive income for the period	Net cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income for the period	Net cash flows from operating activities
Longterm Medical	270,387,739.98	62,273,639.59	62,273,639.59	79,957,769.06	245,923,791.11	40,799,744.35	40,799,744.35	71,463,917.34

Other descriptions:

## (4) Significant restrictions on the Company's ability to use the assets and settle the liabilities of the Group

## (5) Financial or other support provided to structured entities included in the scope of consolidated financial statements

Other descriptions:

## 2. Transactions in which the share of equity in subsidiaries changes and the control is not affected

## (1) Description of changes in the share of equity in subsidiaries

N/A

## Section VIII Financial Report

## (2) Effect of the transaction on non-controlling interests and equity attributable to owners of the parent

Unit: RMB

Purchase cost/consideration for the disposal
- Cash
- Fair value of non-cash assets
Total purchase cost/consideration for the disposal
Less: share of net assets of the subsidiary calculated at the proportion of equity acquired/disposed
Differences
Including: Adjustment to capital reserves
Adjustment to surplus reserve
Adjustment to retained earnings
Other description

## 3. Equity in joint ventures and associates

## (1) Important joint ventures or associates

Name of joint ventures and associates	Place of business	of Registered address	Nature of business	Proportion of ownership interest (%)		Accounting for joint ventures and associates
				Direct	Indirect	
Company S	the States	United Cayman Islands	Sales of medical products		35.21%	Accounted for as long-term equity investments

Description of the difference between the percentage of equity interest and the proportion of voting rights held in joint ventures or associates:

Basis for having significant influence even though holding less than 20% of the voting rights, or not having significant influence even though holding 20% or more of the voting rights:

## Section VIII Financial Report

## (2) Summarised financial information of material joint ventures:

Unit: RMB

	Closing balance/amount for the current period	Opening balance/amount for the prior period
Current assets		
Including: Cash and cash equivalents		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Non-controlling interests		
Equity attributable to shareholders of the parent		
Net assets calculated by the proportion of ownership interests		
Adjustments		
- Goodwill		
- Unrealised profit on inter-company transactions		
- Others		
Carrying amount of investments in joint ventures		
Fair value of the equity investment in joint ventures at quoted market price		
Operating revenue		
Finance expenses		
Income tax expenses		
Net profit		
Profit from a discontinued operation		
Other comprehensive income		
Total comprehensive income for the period		
Dividends received from joint ventures during the year		
Other description		



## Section VIII Financial Report

## (3) Summarised financial information of material associates:

Unit: RMB

	Closing balance/amount for the current period	Opening balance/amount for the prior period
	Company S	Company S
Current assets	313,372,709.51	290,143,817.75
Non-current assets	218,293,809.23	229,332,861.79
Total assets	531,666,518.74	519,476,679.54
Current liabilities	239,998,215.23	174,562,102.54
Non-current liabilities	18,777,671.03	18,526,435.94
Total liabilities	258,775,886.26	193,088,538.48
Net assets	272,890,632.49	326,388,141.06
Non-controlling interests		
Equity attributable to shareholders of the parent		
Net assets calculated by the proportion of ownership interests	96,072,511.62	114,906,577.00
Adjustments	308,242,072.68	308,242,072.68
- Goodwill		
- Unrealised profit on inter-company transactions		
- Others		
Carrying amount of equity investments in associates	404,314,584.30	423,148,649.68
Fair value of equity investments in associates at quoted market price		
Operating revenue	239,573,520.31	93,641,295.02
Net profit	-35,522,800.70	-22,111,407.13
Profit from a discontinued operation		
Other comprehensive income		
Total comprehensive income for the period	-35,522,800.70	-22,111,407.13
Dividends received from associates during the year		

Other description

## Section VIII Financial Report

## (4) Aggregate financial information of individually immaterial joint ventures and associates

Unit: RMB

	Closing balance/amount for the current period	Opening balance/amount for the prior period
Joint ventures:		
Total based on shareholding ratios		
Associates:		
Total carrying amount of the investment	21,871,851.43	22,207,128.32
Total based on shareholding ratios		
- Net profit	-333,043.88	115,196.26
- Total comprehensive income	-333,043.88	115,196.26

Other description

## (5) Description of significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

## (6) Excess losses incurred by joint ventures or associates

Unit: RMB

Name of joint ventures and associates	Cumulative unrecognised losses at prior period	Unrecognised losses (or net profit) for the current period	Cumulative unrecognised losses at end of the current period
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Other description

## (7) Unrecognised commitments related to investments in joint ventures

## (8) Contingent liabilities related to the investments in joint ventures or associates

## 4. Material joint operation

Name of the joint operation	Place of business	Registered address	Nature of business	Percentage of ownership interest/equity interest	
				Direct	Indirect

Description of the difference between the percentage of ownership interest or equity interest and the proportion of voting right held in the joint operation:

When the joint operation is a separate entity, the basis for classifying it as a joint operation is as below:

Other description

## Section VIII Financial Report

**5. Interests in structured entities not included in the scope of consolidated financial statements**

Description of structured entities not included in the scope of consolidated financial statements:

**6. Others****XI. Government Grants****1. Government grants recognised at the amount receivable at the end of the reporting period**

☐ Applicable ☒ N/A

Reasons for failing to receive the estimated amount of government grants at the estimated time point

☐ Applicable ☒ N/A

**2. Liability items relating to government grants**

☒ Applicable ☐ N/A

Unit: RMB

Item	Opening balance	Addition of grants in the current period	Amounts recognised as non-operating income in the current period	Amounts transferred in other income in the current period	Others changes in the current period	Closing balance	Related to assets/ income
Deferred income	157,154,401.72	27,198,600.00		6,399,452.28	177,953,549.44		Related to assets

**3. Government grants included in profit or loss**

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Other revenue	29,417,982.09	22,618,569.68
Non-operating revenue	182,000.00	3,000.00

Other description

## XII. Risks Related to Financial Instruments

### 1. Risks arising from financial instruments

#### 1. Risks of financial instruments

The Company's daily activities expose it to risks arising from various financial instruments, mainly including credit risk, liquidity risk and market risk. The Company's risk management policy to address these risks are described as follows:

The Board of Director is responsible for planning and establishing the Company's risk management framework, formulating risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Company has risk management policies to identify and analyse risks faced by the Company, which set rules for specific risks, covering market risk, credit risk and liquidity risk management. The Company regularly assesses changes in the market environment and its operating activities to determine whether to update risk management policies and systems. The Company's risk management is carried out by the Group's Risk Control Department in accordance with the policies approved by the Board of Directors. The department identifies, evaluates and mitigates risks through close cooperation with other business units of the Company. The Internal Audit Department of the Company reviews risk management control and procedures on a regular basis and reports the results to the Audit Committee of the Company.

The Company diversifies the risk of financial instruments through various appropriate investment and business portfolios and mitigates the risk of concentration in a single industry, specific region or specific counterparty by formulating corresponding risk management policies.

#### • Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation.

The Company's credit risk mainly arises from currency funds, notes receivable, accounts receivable, receivables financing and other receivables, as well as debt investments at fair value through profit or loss that are not included in the scope of impairment assessment, etc. At the balance sheet date, the carrying amount of the Company's financial assets is equal to its maximum credit exposure.

The Company believes that there is no significant credit risk associated with currency funds as they are deposited with well-established state-owned banks and other large and medium-sized commercial banks with high credit rating. Management does not expect that there will be any significant credit losses from non-performance by these counterparties

In addition, the Company has policies to limit the credit exposure on notes receivable, accounts receivable, receivables financing, contract assets and other receivables. The Company assesses the credit quality of and sets credit periods for its customers based on their financial position and credit records, the availability of third-party guarantees, and other factors such as current market conditions. The credit records of customers are regularly monitored by the Company. For customers with poor credit records, the Company uses written payment reminders, or shortens or cancels credit periods, to ensure that the Company's credit risk is overall controllable.

The Company does not require collateral as it only trades with recognised and creditworthy third parties. Credit risk concentration is managed according to customers/counterparties, geographic regions and industries. Since the customer base of the Company's accounts receivable is widely dispersed, the Company has no significant concentration of credit risk. The Company does not hold any collateral or other credit enhancements on the balance of accounts receivable.

## Section VIII Financial Report

### Criteria for determining significant increase in credit risk

At each balance sheet date, the Company assesses whether the credit risk on financial instruments has increased significantly since initial recognition. The principal criteria adopted by the Company in determining a significant increase in credit risk are more than 30 days overdue, or significant changes in one or more of the following indicators: material adverse changes in the debtor's operating environment, internal/external credit ratings, actual or expected operating results.

### Definition of credit-impaired assets

The main criterion adopted by the Company in determining credit impairment is more than 90 days overdue. However, in certain cases where internal or external information indicates that it may not be able to collect a contract amount in full before considering any credit enhancements held, the Company will also consider that credit impairment has occurred. It may not be possible to identify a single discrete event – instead, the combined effect of several events may have caused financial assets to become credit-impaired.

### • Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset.

The Company's policy is designed to ensure that sufficient cash is available to repay debts as they fall due. Liquidity risk is managed centrally by the Company's Finance Department. The department monitors rolling forecasts of cash balances, readily realisable securities and cash flows over the next 12 months, to ensure that the Group has sufficient funds to repay its debts under all reasonable forecasts. The department also continuously monitors whether the Group complies with the provisions of borrowing agreements and obtains commitments from major financial institutions to provide sufficient reserve funds to meet short-term and long-term liquidity requirements.

The maturity profile of financial liabilities based on undiscounted contractual cash flow is summarised as follows:

30 June 2025

Items	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term borrowings	1,800,844,655.00				1,800,844,655.00
Notes payable	357,293,200.97				357,293,200.97
Accounts payable	950,746,182.38				950,746,182.38
Other payables	581,576,308.72				581,576,308.72
Non-current liabilities due within one year	206,174,504.07				206,174,504.07
Long-term payables			26,483,360.45		26,483,360.45
Lease liabilities		156,777,917.94	167,202,656.39	88,933,115.88	412,913,690.20
Total	3,896,634,851.14	156,777,917.94	193,686,016.84	88,933,115.88	4,336,031,901.79

## Section VIII Financial Report

31 December 2024

Items	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term borrowings	1,972,918,549.76	-	-	-	1,972,918,549.76
Notes payable	431,873,210.11	-	-	-	431,873,210.11
Accounts payable	1,155,930,554.98	-	-	-	1,155,930,554.98
Other payables	516,522,493.00	-	-	-	516,522,493.00
Non-current liabilities due within one year	399,167,353.26	-	-	-	399,167,353.26
Long-term borrowings	-	4,346,397.26	3,990,000.00	53,869,753.42	62,206,150.68
Long-term payables	-	-	59,764,037.31	-	59,764,037.31
Lease liabilities	-	165,961,149.99	209,931,591.41	107,766,498.95	483,659,240.35
Total	4,476,412,161.11	170,307,547.25	273,685,628.72	161,636,252.37	5,082,041,589.45

## • Market risk

Market risk of a financial instrument is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, currency risk and price risk.

## (1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest-bearing financial instruments with fixed and floating interest rates expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the relative proportions of its instruments issued at fixed and floating interest rate based on market conditions and maintains an appropriate mix of such instruments through regular review and monitoring. The Company uses interest rate swaps to hedge interest rate risk, if necessary.

As at 30 June 2025, with other variables held unchanged, had the borrowing rate calculated at the floating interest rate risen or fallen by 100 basis points, the Company's profit would have decreased or increased by RMB2,508,115.6 (December 31, 2024: RMB3,257,632.71). Management believes that 100 basis points reflect a reasonable range of possible changes in interest rates for the next year.

## (2) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company continuously monitors transactions denominated in foreign currencies and the scale of foreign currency assets and liabilities to minimise the currency risk. The Group may also enter into forward foreign exchange contracts or currency swap contracts to avoid the currency risk. In the current and prior periods, the Company did not enter into any forward foreign exchange contracts or currency swap contracts.

## Section VIII Financial Report

The currency risk faced by the Company mainly comes from financial assets and liabilities denominated in USD. The amount of foreign currency financial assets and liabilities converted into RMB is as follows:

Items	USD/EUR Exchange Rate	Net Profit/Loss	Increase/(decrease) in other comprehensive income, net of tax	Total Shareholders' Equity
	Increase/(Decrease) %	Increase/(Decrease)		Increase/(Decrease)
Weaker RMB against USD	5%	40,306,503.36	-	40,306,503.36
Stronger RMB against USD	-5%	-40,306,503.36	-	-40,306,503.36
Weaker RMB against EUR	5%	1,686,081.54	-	1,686,081.54
Stronger RMB against EUR	-5%	-1,686,081.54	-	-1,686,081.54

31 December 2024

Items	USD/EUR Exchange Rate	Net Profit/Loss	Increase/(decrease) in other comprehensive income, net of tax	Total Shareholders' Equity
	Increase/(Decrease) %	Increase/(Decrease)		Increase/(Decrease)
Weaker RMB against USD	5%	24,387,578.87	-	24,387,578.87
Stronger RMB against USD	-5%	-24,387,578.87	-	-24,387,578.87
Weaker RMB against EUR	5%	867,409.48	-	867,409.48
Stronger RMB against EUR	-5%	-867,409.48	-	-867,409.48

As at 30 June 2025, with all other variables held unchanged, had RMB strengthened or weakened by 5% against the above foreign currencies, the Company's profit would have increased or decreased by RMB41,992,584.90 (31 December 2024: RMB25,254,988.35). Management believes that 5% reflects the reasonable range of possible changes in RMB against USD in the next year.

### (3) Price risk

The Company's exposure to price risk is the risk arising from changes in the fair value of trading financial assets and trading financial liabilities classified as financial assets and liabilities at fair value through profit or loss. The Company manages this exposure by maintaining a portfolio of investments with different risks.

The table below illustrates the sensitivity of the Company's net profit or loss and other comprehensive income net of tax to every 5% change in the fair value of trading financial assets, based on the carrying amounts as at the balance sheet date, with all other variables held constant.

## Section VIII Financial Report

30 June 2025

Items	Carrying amount of trading financial assets	Net Profit/Loss	Net amount of other comprehensive income after tax	Total Shareholders' Equity
		Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)
Trading financial assets				
Financial assets at fair value through profit or loss	2,124,524,520.71	103,933,549.92		103,933,549.92

31 December 2024

Items	Carrying amount of trading financial assets	Net Profit/Loss	Net amount of other comprehensive income after tax	Total Shareholders' Equity
		Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)
Trading financial assets				
Financial assets at fair value through profit or loss	2,921,341,484.39	123,525,008.09	-	123,525,008.09

**2. Capital management**

The primary objective of the Company's capital management is to safeguard its ability to continue as a going concern and to maintain healthy capital ratios to support its business development and maximise shareholders' value.

The Company manages and adjusts its capital structure in light of economic dynamics and changes in risk characteristics of relevant assets. To maintain or adjust the capital structure, the Company may adjust dividend payments, return capital or issue new shares to shareholders. The Company is not subject to external mandatory capital requirements. No changes in the objectives, policies or processes for managing capital were made in 2025 and 2024.

The Company monitors capital using an asset-liability ratio, which is calculated by dividing total liabilities by total assets. The Company's policies are designed to maintain the ratio at a reasonable level. The asset-liability ratio of the Company as at the balance sheet date is as follows:

Items	30 June 2025	31 December 2024
Total assets	18,017,761,901.94	18,391,855,961.52
Total liabilities	5,741,802,472.26	6,516,184,758.78
Asset-liability ratio	31.87%	35.43%



## Section VIII Financial Report

## 2. Hedge

## (1) The Company carries out hedging business for risk management

☐ Applicable ☒ N/A

## (2) The Company carries out qualified hedging business and applies hedging accounting

Unit: RMB

Items	Book value related to hedged items and hedging instruments	Cumulative fair value hedging adjustments of hedged items included in recognised carrying amounts	Some sources of hedging effectiveness and ineffectiveness	The impact of hedge accounting on a Company's financial statements
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Hedging risk type

Hedge type

Other description

## (3) The Company engages in hedging activities for risk management purposes and anticipates achieving risk management objectives but does not apply hedge accounting

☐ Applicable ☒ N/A

## 3. Financial assets

## (1) Transfer method classification

☒ Applicable ☐ N/A

Unit: RMB

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for derecognition
Endorsed bills	Notes receivable	11,287,766.20	Not derecognised	It has retained substantially all the risks and rewards, including related default risks
Endorsed bills	Receivables financing	194,524,604.01	Derecognition	It has transferred substantially all the risks and rewards
Total		205,812,370.21		

## (2) Financial assets derecognised due to transfers

☒ Applicable ☐ N/A

Unit: RMB

Items	Transfer method	Amount of financial assets derecognised	Gains or losses related to derecognition
Receivables financing	Endorsed bills	194,524,604.01	0.00
Total		194,524,604.01	0.00

## Section VIII Financial Report

## (3) Asset transfer financial assets that continue to be involved

□ Applicable √ N/A

Other description

## XIII. Fair Value Disclosure

## 1. Closing fair value of assets and liabilities measured with fair value

Unit: RMB

Items	Closing fair value			Total
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	
I. Recurring fair value measurements	--	--	--	--
(1) Trading financial assets		2,124,524,520.71		2,124,524,520.71
1. Financial assets at fair value through profit or loss		2,124,524,520.71		2,124,524,520.71
Receivables financing		44,592,896.78		44,592,896.78
Other non-current financial assets		30,746,095.73	76,673,047.39	107,419,143.12
Total assets continuously measured at fair value		2,199,863,513.22	76,673,047.39	2,276,536,560.61
II. Non-recurring fair value measurements	--	--	--	--

## 2. Basis of determining the market prices or recurring and non-recurring Level 1 fair value measurements

## 3. Valuation techniques and qualitative and quantitative information of key parameters adopted for recurring and non-recurring Level 2 fair value measurements

The Company enters into wealth management product contracts with various counterparties, principally financial institutions with high credit ratings. These financial instruments are not traded in active markets, but there are active market quotes for similar financial instruments. For wealth management products measured at fair value through profit or loss, the expected rate of return available in the market is used to estimate the future cash flows, and the fair value is determined by discounting the future cash flows at the interest rate determined based on the best estimates of the expected risk levels.

Convertible corporate bond investments measured at fair value through profit or loss are measured using the valuation technique of the binomial tree model. The model covers a number of market-observable inputs, including the underlying stock prices, exercise prices and maturities.

The fair value of receivables financing is measured at their par value.

In identifying similar financial instruments, the Company considers factors such as characteristics of assets or liabilities, contract terms and risks, to ensure that the selected instruments are highly similar to the valued instruments in key aspects. The Company regularly evaluates the effectiveness of the selected valuation model and adjusts model parameters in a timely manner in response to market changes to ensure the accuracy of fair value.

## Section VIII Financial Report

### 4. Valuation techniques and qualitative and quantitative information of key parameters adopted for recurring and non-recurring Level 3 fair value measurements

The Company's Finance Department headed by the finance controller is responsible for formulating policies and procedures for the fair value measurement of financial instruments. At each reporting date, the Finance Department analyses movements in the value of financial instruments and identifies the major inputs applied in the valuation. The valuation is reviewed and approved by the finance controller.

The fair value of the Company's unlisted fund investments using fair value measurement within Level 3 is determined based on the net asset value provided by the manager. This net asset value is determined based on the data of comparable companies and taking into account market multipliers such as the price-to-earnings (P/E) ratio and the price-to-book (P/B) ratio, or referring to the market value of comparable companies. The Company believes that the fair value estimated using the valuation technique and its changes are reasonable. It is the most appropriate value as at the balance sheet date.

### 5. Reconciliation between opening and closing carrying amounts, and sensitivity analysis of unobservable parameters for recurring Level 3 fair value measurements

### 6. Transfers between fair value levels for recurring fair value measurements: reasons and the policies for identifying the time of transfer

### 7. Changes in valuation techniques during the Period and reasons for changes

### 8. Fair value information of financial assets and liabilities not measured at fair value

### 9. Others

## XIV. Related Parties and Transactions

### 1. Parent

Name	Registered address	Nature of business	Registered capital	Proportion of ownership interest in the Company (%)	Proportion of voting power in the Company (%)
Winner Group Limited	Cayman Islands	Equity investment and management	HKD1,143,000.00	69.83%	69.83%

Information about the parent

The ultimate controlling party of the Company Li Jianquan.

Other descriptions:

### 2. Subsidiaries

Information about the subsidiaries of the Company is disclosed in "Note X. Interests in other entities".

### 3. Joint ventures or associates

Details of the major joint ventures or associates of the Company are set out in “Note X. Interests in other entities”.

The details of other joint ventures or associates that had related party transactions with the Company during the current period, or had outstanding balances arising from related party transactions with the Company in prior periods, are as follows:

Name	Related party relationships
Chengdu Winner Likang Medical Products Co., Ltd.	Associate
Hubei Xianchuang Technology Co., Ltd.	Associate
Zhejiang Shiyu Medical Materials Co., Ltd.	Associate
Company S	Associate

Other description

### 4. Other related parties

Name	Related party relationships
Glory Ray Holdings Limited	Controlled by the actual controller
Glory Ray Limited	Controlled by the actual controller through Glory Ray Holdings
Beijing Sequoia Xinyuan Equity Investment Center (limited partnership)	Shareholder of the Company
Xiamen Leyuan Investment Partnership (Limited Partnership)	Shareholder of the Company
Xiamen Yutong Investment Partnership (Limited Partnership)	Shareholder of the Company
Xiamen Huikang Investment Partnership (Limited Partnership)	Shareholder of the Company
Shenzhen Capital Group Co., Ltd.	Shareholder of the Company
Xiamen Zepeng Investment Partnership (Limited Partnership)	Shareholder of the Company
Chengdu Winner Likang Medical Products Co., Ltd.	Associate, with 49% of its equity hold by the Company
Company S	Associate
GRI-Alleset India Pvt Ltd.	Controlled by minority shareholders of GRI
Wuhan Zhuoling Packaging Co., Ltd.	Controlled by close family members of the Company's key management personnel
Hubei Zhuoling Packaging Co., Ltd.	Controlled by close family members of the Company's key management personnel
Glory Ray Holdings Limited	Controlled by the actual controller
Huang Jun	Original shareholder and original director of Winner Medical (Hunan)
Lixian SHRCB Rural Bank Co., Ltd.	Company in which Zheng Datian, Vice Chairman of Winner Medical (Hunan), serves as a director

## Section VIII Financial Report

Name	Related party relationships
Jingyun Biotechnology (Shanghai) Co., Ltd.	Actually controlled by Wu Kangping, a shareholder of Longterm Medical
Shenzhen Nine Stars Printing and Packaging Group Co., Ltd.	Controlled by the ultimate controller of Winner Guilin before merger
Shenzhen Junhesheng Technology Co., Ltd.	Controlled by the actual controller of Junjian Medical before merger
Shenzhen Shengtianning Medical Device Co., Ltd.	Controlled by the actual controller of Junjian Medical before merger
Shenzhen Zhengjun Medical Device Co., Ltd.	Controlled by the actual controller of Junjian Medical before merger
Zhejiang Kanglidi Medical Articles Co., Ltd.	Actually controlled by Wu Di, a shareholder of Longterm Medical
ZheJiang Longmed Medical Technology Co., Ltd.	Actually controlled by Wu Di, a shareholder of Longterm Medical
ZheJiang Longrising Medical New Materials Co., Ltd.	Actually controlled by Wu Kangping, a shareholder of Longterm Medical
Zheng Junhui	Controlling shareholder and actual controller of Junjian Medical before merger
Wu Kangping, Huang Lepei, Wu Di	Controlling shareholder of Longterm Medical before merger and its current minority shareholders
Cao Wensong, Zhang Yuqing	Controlling shareholders of Shanghai Hongsong before merger and its current minority shareholders
Guilin Golden Eagle Latex Technology Co., Ltd.	Minority shareholder of Winner Guilin, former shareholder of Winner Jingzhou
James Michael Mabry (Note)	Controlling shareholder of GRI before merger and its current minority shareholder
Min Tang (Note)	Controlling shareholder of GRI before merger and its current minority shareholder
Martin Dean Paugh (Note)	Controlling shareholder of GRI before merger and its current minority shareholder
John Brian Steward (Note)	Controlling shareholder of GRI before merger and its current minority shareholder
Mark Steven Fellows (Note)	Controlling shareholder of GRI before merger and its current minority shareholder

## Other description

Note: In September 2024, the Company acquired 75.2% of equity of GRI. According to the purchase agreement, the Company has forward acquisition obligations for the minority shareholders. See Note VII.52 for details.

## 5. Related party transactions

### (1) Related party transactions of sales and purchases of goods and provision and receipts of services

Purchases of goods/receipts of services from related parties

Unit: RMB

Related parties	Transactions	Amount for the current period	Approved transaction quota	Whether the transaction quota is exceeded	Amount for the last period
Wuhan Zhuoling Packaging Co., Ltd.	Purchasing goods or services			No	9,682,134.02
Chengdu Winner Likang Medical Products Co., Ltd.	Purchasing goods or services	22,153.50		No	27,437.96
Shenzhen Nine Stars Printing and Packaging Group Co., Ltd.	Purchasing goods or services	915,280.30		No	436,641.99
Zhejiang Kanglidi Medical Articles Co., Ltd.	Purchasing goods or services			No	45,884.88
ZheJiang Longrising Medical New Materials Co., Ltd.	Purchasing goods or services	535,459.40		No	81,773.40
ZheJiang Longmed Medical Technology Co., Ltd.	Purchasing goods or services	103,600.00		No	-2,082.00
Guilin Golden Eagle Latex Technology Co., Ltd.	Purchasing goods or services	496,956.32		No	2,033,435.71
Hubei Zhuoling Packaging Co., Ltd.	Purchasing goods or services	9,685,422.08		No	

Sales of goods/provision of services to related parties

Unit: RMB

Related parties	Transactions	Amount for the current period	Amount for the last period
Chengdu Winner Likang Medical Products Co., Ltd.	Selling goods or services	882,360.68	458,092.25
ZheJiang Longmed Medical Technology Co., Ltd.	Selling goods or services	252,342.87	307,413.91
Zhejiang Kanglidi Medical Articles Co., Ltd.	Selling goods or services	2,163,810.63	2,799,497.68
Company S	Selling goods or services	5,377,133.21	
Shenzhen Shengtianning Medical Device Co., Ltd.	Selling goods or services		1,419,274.31
GRI-Alleaset India Pvt Ltd	Selling goods or services	470,555.41	

Description of related party transactions of sales and purchases of goods and provision and receipts of services

## Section VIII Financial Report

## (2) Entrusted/contracted activities and delegated/outsourced activities with related party

Entrusted/contracted activities:

Unit: RMB

Entrusting/outsourcing party	Trustee/contractor	Type of entrusted/contracted assets	Commencement date	Termination date	Pricing basis for trusteeship/contracting fees	Trusteeship/contracting income recognised during the period
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Description of related party entrusted/contracted activities

Delegated/outsourced activities:

Unit: RMB

Entrusting/outsourcing party	Trustee/contractor	Type of delegated/outsourced assets	Commencement date	Termination date	Pricing basis for trusteeship/outsourcing fees	Trusteeship/outsourcing fees recognised during the period
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Description of related party delegated/outsourced activities

## (3) Related party leases

The Company as lessor:

Unit: RMB

Lessees	Type of leased assets	Rental income in the current period	Rental income in the previous period
Chengdu Winner Likang Medical Products Co., Ltd.	Plant	968,646.36	1,090,129.38

The Company as lessee:

Unit: RMB

Lessor	Type of leased assets	Lease payments for short-term leases and leases of low-value assets accounted for under the simplified approach (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Lease payments		Interest expense on lease liabilities		Additions to right-of-use assets	
		Amount for the current period	Amount for the last period	Amount for the current period	Amount for the last period	Amount for the current period	Amount for the last period	Amount for the current period	Amount for the last period	Amount for the current period	Amount for the last period

Description of related party leases

## Section VIII Financial Report

## (4) Related party guarantees

The Company as guarantor

Unit: RMB

Guaranteed party	Guarantee amount	Commencement date	Maturity date	Whether guarantee has been fulfilled
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The Company as guaranteed party

Unit: RMB

Guarantor	Guarantee amount	Commencement date	Maturity date	Whether guarantee has been fulfilled
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Description of related party guarantees

## (5) Related party fund lending

Unit: RMB

Related parties	Loan amount	Commencement date	Maturity date	Explanation
Funds borrowed				
Funds lent				

## (6) Related party asset transfers and debt restructuring

Unit: RMB

Related parties	Transactions	Amount for the current period	Amount for the last period
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## (7) Compensation of key management personnel

Unit: RMB

Items	Amount for the current period	Amount for the last period
Compensation of key management personnel	9,380,052.75	4,930,973.93

## (8) Other related party transactions

Items	30 June 2025	31 December 2024
Related party borrowings (Note)	31,685,319.26	32,094,498.00

Note: The borrowings refer to the interest-free borrowings from Pan-China (H.K.) to the controlling shareholder Winner Group Limited. See Note VII.48 for details.



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## 6. Amounts due from/to related parties

## (1) Receivables

Unit: RMB

Item	Related parties	Closing balance		Opening balance	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	GRI-Alleaset India Pvt Ltd	13,417,354.13	7,286,731.78	13,056,602.47	6,955,786.99
Accounts receivable	Zhejiang Kanglidi Medical Articles Co., Ltd.	2,063,356.00	103,167.80	1,870,228.80	93,511.44
Accounts receivable	Chengdu Winner Likang Medical Products Co., Ltd.	402,987.53	20,149.38	538,133.25	26,906.66
Accounts receivable	ZheJiang Longmed Medical Technology Co., Ltd.	11,316.00	565.80	37,705.56	1,885.28
Accounts receivable	Company S	3,639,881.77	181,994.09		
Long-term receivables	Chengdu Winner Likang Medical Products Co., Ltd.	32,054,602.69		31,209,579.38	
Current portion of non-current assets	Chengdu Winner Likang Medical Products Co., Ltd.	4,603,307.89		4,479,684.84	
Other receivables	GRI-Alleaset India Pvt Ltd	5,168,754.38	5,151,685.67	5,186,667.64	5,150,927.49
Other non-current assets	Guilin Golden Eagle Latex Technology Co., Ltd.	1,931,728.00			

## (2) Payables

Unit: RMB

Item	Related parties	Closing balance		Opening balance	
Accounts payable	Chengdu Winner Likang Medical Products Co., Ltd.		6,440.88		11,417.02
Accounts payable	Shenzhen Nine Stars Printing and Packaging Group Co., Ltd.		668,485.78		846,592.73
Accounts payable	Guilin Golden Eagle Latex Technology Co., Ltd.		0.00		623,503.50
Accounts payable	Hubei Zhuoling Packaging Co., Ltd.		3,824,770.71		5,962,746.26
Accounts payable	ZheJiang Longrising Medical New Materials Co., Ltd.		0.00		5,229.00
Contract liabilities	Company S		0.00		150,714.54
Contract liabilities	Shenzhen Capital Group Co., Ltd.		11,946.90		11,946.90
Contract liabilities	Shenzhen Shengtianning Medical Device Co., Ltd.		1,165.93		1,165.93
Dividends payable	Winner Group Limited		101,653,596.75		162,645,754.80
Long-term payables	Winner Group Limited		26,483,360.45		26,892,539.19
Other non-current liabilities	Minority shareholders of GRI		373,262,348.97		373,262,348.97

## 7. Commitments with related parties

## 8. Others

## XV. Share-based Payment

### 1. Share-based payments

☐ Applicable ☒ N/A

### 2. Equity-settled share-based payments

☒ Applicable ☐ N/A

Unit: RMB

Method for determining the fair value of equity instruments on the grant date	Calculated according to stock price agreement and B-S model
Significant parameters of determining the fair value of equity instruments on the grant date	Dividend yield ratio, expected and historical volatility, risk-free interest rate, expected term of share options, weighted average share price
Basis for the determination of the number of viable equity instruments	It is expected to meet the vesting conditions
Reasons for material differences between current and prior period estimates	None
Accumulated amount of equity-settled share-based payments recorded in capital reserves	133,779,835.94
Total expense recognised for equity-settled share-based payments during the period	27,348,053.65

Other description

#### (1) 2023 Employee Stock Ownership Plan (ESOP)

The Company held the 16th meeting of the third Board of Directors and the 11th meeting of the third Board of Supervisors on 15 August 2023, and held the 2nd Extraordinary General Meeting of Shareholders of 2023 on 5 September 2023, which reviewed and approved the Proposal on the First Grant of the Employee Stock Ownership Plan (Draft), the Proposal on the Management Measures for the First Grant of the Employee Stock Ownership Plan, and other related proposals.

The purchase price of the ESOP is RMB43.00 per share. The actual subscription funds totaled RMB21,715,000 (excluding reserved shares), and the actual number of shares subscribed were 21,715,000. The ratio of employee self-raised funds to incentive funds set aside by the Company is 1:1. The source of share is the Company's A-share ordinary shares repurchased in its special repurchase account. The Company completed the non-trading transfer of the 2023 ESOP on 11 October 2023.

The ESOP is valid for 60 months, calculated from the date when the plan is approved at the shareholders' meeting and the Company announces the transfer of the underlying shares to the ESOP. The corresponding equity interests will vest in three tranches to respective ESOP participants, contingent upon the performance assessment during the vesting period, namely, 12 months, 24 months, and 36 months from the date when the underlying shares are transferred to the ESOP. The vesting proportions will be 30%, 30%, and 40% of the total number of shares under the ESOP, respectively.

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(2) 2024 Class II Restricted Share Incentive Scheme

The Company held the 5th meeting of the fourth Board of Directors and the 5th meeting of the fourth Board of Supervisors on 15 November 2024, which reviewed and approved the Proposal on the Initial Grant of Restricted Shares to Participants of 2024 Restricted Share Incentive Scheme.

The purchase price of the scheme is RMB15.39 per share. The Company has granted 6,976,300 restricted shares to 308 participants. The Company shall recognise share-based payments of RMB124,383.1 thousand. The source of share is A-share ordinary shares issued by the Company to participants, and the grant date is 15 November 2024.

This scheme is valid from the date of initial grant to the date when all restricted shares granted to participants are vested or cancelled. The maximum period shall not exceed 60 months. The corresponding equity interests will vest in three tranches to respective participants, contingent upon the performance assessment during the vesting period. The first vesting period starts from the first trading day after 18 months since the initial grant to the last trading day within 30 months since the initial grant, with a vesting proportion of 40%; the second vesting period starts from the first trading day after 30 months since the initial grant to the last trading day within 42 months since the initial grant, with a vesting proportion of 30%; the third vesting period is from the first trading day after 42 months since the initial grant to the last trading day within 54 months since the initial grant, with a vesting proportion of 30%.

3. Cash-settled share-based payments

☐ Applicable ☒ N/A

4. Share-based payments in current period

☒ Applicable ☐ N/A

Unit: RMB

Categories of grantees	Equity-settled share-based payments	Cash-settled share-based payments
Management personnel	17,284,378.72	
Sales personnel	7,412,411.77	
R&D personnel	2,651,263.16	
Total	27,348,053.65	

Other description

5. Modifications and terminations of share-based payments

None

6. Others

None

## XVI. Commitments and Contingencies

### 1. Significant commitments

Significant commitments existing at the balance sheet date

Unit: RMB		
Items	30 June 2025	31 December 2024
Capital commitments	135,431,000.73	109,806,872.21
Total	135,431,000.73	109,806,872.21

### 2. Contingencies

#### (1) Significant contingencies existing at the balance sheet date

As at 30 June 2025, the Company had no significant contingencies to be disclosed.

#### (2) In cases where the Company has no significant contingences requiring disclosure, this fact should also be disclosed

The Company confirms that there are no significant contingencies that require disclosure.

### 3. Others

## XVII. Events after the Balance Sheet Date

### 1. Significant non-adjusting events

Unit: RMB			
Items	Events	Impact on financial position and operating results	Reasons for the inability to estimate the impact

2. Profit distribution

Proposed dividend per 10 shares (RMB)	4.5
Proposed bonus shares per 10 shares (shares)	0
Proposed capitalisation issue per 10 shares (shares)	0
Approved and declared dividend per 10 shares (RMB)	4.5
Approved and declared bonus shares per 10 shares (shares)	0
Approved and declared capitalisation issue per 10 shares (shares)	0

Profit distribution plan	<p>The Company’s profit distribution plan for 2025 is as follows: based on the current total share capital of 582,329,808 shares, a cash dividend of RMB4.50 (tax inclusive) will be distributed for every 10 shares held by shareholders, totaling RMB262,048,413.60 (tax inclusive) to be distributed. No share capital increase from capital surplus, and no distribution of bonus shares. The proportion of cash dividends for the first half of 2025 to the net profit attributable to shareholders of the listed company is 53.26%.</p> <p>During the period from the disclosure to the implementation of the profit distribution plan, if the total amount of shares enjoying the right to profit distribution changes, the company will make corresponding adjustments in accordance with the principle that the cash dividend ratio remains unchanged while the total amount of cash dividends changes.</p> <p>The company's 2024 annual shareholders' meeting has authorized the board of directors to, under the premise of meeting the profit distribution requirements, comprehensively consider the company's operating conditions, reasonable returns to shareholders, etc., to formulate the specific plan for the interim profit distribution in 2025 and handle the related matters of the interim profit distribution.</p>
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3. Sales return

4. Explanation for other events after the balance sheet date

XVIII. Other Significant Events

1. Correction of accounts prior period errors

(1) Retrospective restatement

Unit: RMB

Correction of errors	Processing procedures	Report item name of each affected comparison period	Cumulative influence number
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(2) Prospective application

Correction of errors	Approval procedures	Reason for adopting prospective application
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2. Debt restructuring

3. Asset replacement

## Section VIII Financial Report

## (1) Exchange of non-monetary assets

## (2) Other asset replacement

## 4. Annuity plan

## 5. Discontinued operation

Unit: RMB

Items	Revenue	Expenses	Profit before income tax	Income tax expenses	Net profit	Attributable to owners of the parent
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Other description

## 6. Segment information

## (1) Basis for determining reportable segments and accounting policies

According to its internal organisational structure, management requirements and internal reporting system, the Company has two reportable segments: medical consumables and healthy consumer goods. Reportable segments of the Company offer different products or services or operate in different regions. Since both segments require different techniques or marketing strategies, management of the Company manages operating activities of each reportable segment separately and regularly evaluates their operating results to determine the allocation of resources to them and evaluate their performance.

The inter-segment transfer price is determined on the basis of the actual transaction price, and the expenses indirectly attributable to each segment are distributed in proportion to the revenue (depending on specific facts and circumstances). Assets are allocated based on the performance of a segment and the location of the assets. Liabilities of a segment include liabilities attributable to that segment arising from its business operations. If expenses related to liabilities shared by multiple operating segments are allocated to those operating segments, the underlying liabilities are also allocated to those operating segments.

## (2) Financial information of reporting segments

Unit: RMB

Items	Medical consumables (Segment 1)	Consumer goods (Segment 2)	Unallocated	Offset between segments	Total
Operating revenue	2,550,904,405.05	2,745,307,551.87	0.00		5,296,211,956.92
Operating cost	1,600,658,539.50	1,135,736,241.22	0.00		2,736,394,780.72
Impairment losses of assets and credit impairment losses	17,247,064.31	26,512,004.70	0.00		43,759,069.01
Depreciation and amortisation	100,487,378.20	134,790,313.91	0.00		235,277,692.11
Operating profit/loss	220,257,774.87	384,722,317.71	54,085,269.57		659,065,362.15
Non-operating income and expenses	0.00	0.00	-13,436,457.45		-13,436,457.45
Assets and liabilities					
Total assets	8,598,055,259.81	3,822,081,114.72	5,597,625,527.41		18,017,761,901.94
Total liabilities	1,681,713,138.82	1,458,383,582.83	2,601,705,750.61		5,741,802,472.26

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(3) In cases where the Company has no reporting segments, or if it cannot disclose the total assets and total liabilities of each reporting segment, the reasons should be explained.

(4) Other description

### 7. Other important transactions and matters affecting the decision of investors

#### 7.1 Urban Renewal Project of Winner Industrial Park

##### (1) Overview

On 6 April 2017, the Company and Shenzhen Galaxy Real Estate Development Co., Ltd. (hereinafter referred to as “Galaxy Real Estate”) signed the Cooperation Agreement on Urban Renewal Project of Winner Industrial Park to apply for and implement the demolition and reconstruction of urban renewal and reconstruction of Winner Industrial Park in Longhua District, Shenzhen City (hereinafter referred to as “the Project”). The scope of land to be demolished for the Project is a state-owned land that has been transferred. The plot No. of the land is A819-0123, with a site area of 29,064.49 square metres, and the current use is industrial land. According to the statutory plan of [Pinus tabulaeformis area] of No.402-19&20&21, Bao'an District, Shenzhen City, the planned use of this plot is second-class residential land. The plot has been registered for title with a construction area of 36,625.89 square metres, used for office, plant and dormitory. The Company shall be the sole subject of rights to the said plot and all the buildings (structures) and appendages thereon. The first to sixth floors of the 2nd office building, the first to sixth floors of the 3rd dormitory building, and the first to sixth floors of the 4th dormitory building have been mortgaged at present.

##### (2) Cooperation method

The Company agrees to entrust the underlying plot and buildings to Galaxy Real Estate for application for approval of the urban renewal unit plan, and accepts the relocation compensation provided by Galaxy Real Estate according to the conditions agreed in the agreement. Galaxy Real Estate is responsible for all the work related to the declaration of renewal unit plan of the underlying plot and buildings and implementation of urban renewal, as well as the relocation compensation and demolition and reconstruction funds, and enjoys the interest in the renewal project as the single market implementer. After the renewal and reconstruction of the underlying plot and buildings is approved as an urban renewal unit plan, Galaxy Real Estate shall discuss with the Company, among others, the specific transformation and development intensity, planned purposes and indicators in advance of the formal application for construction, but the final details shall be subject to the approval of relevant government departments.

Considerations for the cooperation will be paid by Galaxy Real Estate to the Company through relocation compensations payment. The Company voluntarily chooses a relocation compensation method that combines monetary compensation and title exchange (relocation). Specifically: 1) the monetary compensations amount to RMB415 million; 2) the area of title exchange (relocation) attributable to Party B shall be determined at 40% of the gross floor area for sale based on the area determined in the final approval of the special planning of the renewal unit of the Project.

##### (3) Progress

The Company held the 14th meeting of the third session of Board of Directors on 12 June 2023, and the first Extraordinary General Meeting of Shareholders in 2023 on 7 July 2023, to review and approve the Proposal on Executing Relevant Agreements on Relocation Compensation and Resettlement for the Urban Renewal Units of the Winner Industrial Park. The Company cooperated with Shenzhen Xingda Real Estate Development Co., Ltd. (hereinafter referred to as “Xingda”) and signed the Agreement on Relocation Compensation and Resettlement for Urban Renewal Units of the Winner Industrial Park in Longhua District in Shenzhen, the Relinquishment of Real Estate Rights Statement and other relevant documents with Xingda on the plot and above-ground buildings of the Winner Industrial Park in Longhua District of Shenzhen City.

Upon signing the above documents, the Company and Xingda actively advanced the transaction. The Project received the Reply Letter from the Shenzhen Longhua District Urban Renewal and Land Preparation Bureau on the Approval Status of the “Urban Renewal Unit Planning of Winner Industrial Park in Longhua Street, Longhua District” (Shenhua Renewal Letter [2023] No. 25). According to the letter, the approval status indicates that the use of land in the Winner Industrial Park has been changed from current Class I industrial land to planned Class II residential land + commercial land. The Company vacated the industrial park and handed it over to Xingda on 17 July 2023. The two parties signed the Transfer Confirmation Letter and settled utility fees. Then Xingda began to demolish old buildings.

## Section VIII Financial Report

In light of the significant changes in the real estate market, following an amicable negotiation, the Company and Xingda signed the Confirmation Letter on the Revocation of the “Relinquishment of Real Estate Rights Statement” on 29 January 2024, which sets forth that: the Project will be temporarily halted, and the Company retrieved all Relinquishment of Real Estate Rights Statement according to the agreement, and rescinded all the statements therein.

The Company held the 23rd meeting of the third session of Board of Directors on 26 July 2024, and the second Extraordinary General Meeting of Shareholders in 2024 on 12 August 2024, to review and approve the Proposal on Executing Relevant Supplementary Agreements on Relocation Compensation and Resettlement for the Urban Renewal Units of the Winner Industrial Park. On 19 August 2024, the Company and Xingda and its subsidiary Galaxy Real Estate signed the Supplementary Agreement I and II to the Relocation Compensation and Resettlement Agreement and the Supplementary Agreement I to the Agreement (collectively referred to as the “Supplementary Agreements”). According to the Supplementary Agreements, the principles for distribution of compensations and titles of relocation properties had changed. The area of office properties and commercial properties attributable to the Company remains unchanged (39,240 square meters and 200 square meters, respectively), while the area of residential properties and the amount of compensations attributable to the Company are linked to the actual average transaction price of commercial housing obtained by Xingda. The Supplementary Agreements also stipulate that the office property, commercial property and residential property attributable to the Company shall be delivered within four years after the construction license is obtained for the plot, but the delivery date shall be postponed accordingly in case of force majeure or delay caused by changes in government policies and approvals during the above period.

As at 30 June 2025, the Company received a total of RMB250 million in cash, including: a deposit of RMB50 million in April 2017, a prepaid relocation compensation of RMB100 million in February 2020, and monetary compensation of RMB100 million in July 2023, as agreed upon in the Relocation Compensation and Resettlement Agreement, all of which were included into other payables at the end of year. As at 30 June 2025, the land was not transferred and was recorded in other non-current assets. At present, Xingda Company has obtained the confirmation letter of the implementing entity for this project and is currently engaged in the demolition of the building.

## 7.2 Heyuan Investment and Construction Project (Heyuan Project)

### (1) Background

In 2016, as guided and encouraged by the Shenzhen Longhua District Committee and District Government, the Company plans to move part of the production and logistics functions to Heyuan Zijin Linjiang Industrial Park in response to the policy of pairing assistance between Heyuan City and Shenzhen City. In May 2016, the Company and the People’s Government of Zijin County of Heyuan City signed the Agreement on Investment in the Construction of Medical Package and Cotton Household Goods Production Project (hereinafter referred to as the “Investment Agreement”), with a construction area of 200,000 square metres.

After the agreement was signed and the project started construction, the government required all construction in Zijin Linjiang Industrial Park to suspend due to conflicts between the project site and the planned Heyuan East Station of Jiangxi-Shenzhen Highspeed Railway and the High-speed Railway New Town. Meanwhile, the relevant land use procedures were suspended.

### (2) Progress

In June 2019, the Detailed Regulatory Planning and Detailed Constructional Urban Design of the Core Area of Heyuan High-speed Railway New Town was published for public notification from 22 June 2019 to 22 July 2019. According to the final public notification, it is determined that the square in front of Heyuan East Station of High-speed Railway, National Highway 205 and the High-speed Railway New Town overlaps with the land of Heyuan Project.

In October 2019, the Company signed a tripartite agreement with the People’s Government of Zijin County and the Management Committee of Heyuan Jiangdong New District to clarify the overall resolution plan. The land used for Heyuan Project and its aboveground buildings will be reclaimed by the People’s Government of Zijin County, and the three parties agreed to determine the amount of compensation through arbitration. The People’s Government of Zijin County paid RMB30 million to the Company as the performance bond.

In November 2019, International Arbitration Court of Ganjiang New District issued the Award ((2019) G.G.Z.Zi No.095), which confirmed the termination of the original Investment Agreement, and the People’s Government of Zijin County shall bear attorney fees, legal costs and other expenses totaling RMB2,655,320.00, return the guarantee deposits for land transfer of RMB3 million to the Company and compensate for the Company’s economic loss of RMB550 million. The People’s Government of Zijin County shall pay 50% of the amount before 31 December 2019 and 50% before 29 February 2020.



## Section VIII Financial Report

As at 30 June 2025, the Company received the guarantee deposits for land transfer of RMB3 million returned by the People's Government of Zijin County and the compensation of RMB335.5 million. The Company also handed over the project land, aboveground buildings, equipment and facilities and relevant supporting materials to the People's Government of Zijin County. Outstanding compensations of RMB217 million were included into other receivables at the end of the year.

### 8. Others

None

## XIX. Notes to Key Items of the Parent's Financial Statements

### 1. Accounts receivable

#### (1) Disclosure by aging

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year, inclusive	432,288,896.05	360,752,595.26
1-2 years	13,910,165.56	3,165,440.79
2-3 years	1,389,560.73	967,899.68
Over 3 years	2,673,860.37	2,490,041.24
3-4 years	305,521.66	171,106.91
4-5 years	107,304.75	57,900.37
Over 5 years	2,261,033.96	2,261,033.96
Total	450,262,482.71	367,375,976.97

#### (2) Disclosure by bad debt provision accrual method

Unit: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Provision for bad debt		Carrying amount	Gross carrying amount		Provision for bad debt		Carrying amount
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Including:										
Provision for bad debts made on a collective basis	450,262,482.71	100.00%	22,053,476.23	4.90%	428,209,006.48	367,375,976.97	100.00%	17,767,875.15	4.84%	349,608,101.82
Including:										
Aging analysis method	415,852,289.17	92.36%	22,053,476.23	5.30%	393,798,812.94	344,944,096.15	93.89%	17,767,875.15	5.15%	327,176,221.00
No credit risk group	34,410,193.54	7.64%			34,410,193.54	22,431,880.82	6.11%	0.00	0.00%	22,431,880.82
Total	450,262,482.71	100.00%	22,053,476.23	4.90%	428,209,006.48	367,375,976.97	100.00%	17,767,875.15	4.84%	349,608,101.82

## Section VIII Financial Report

Provision for bad debts made on a collective basis: Aging

Unit: RMB

Name	Closing balance		
	Gross carrying amount	Provision for bad debt	Provision ratio
Within 1 year	400,139,736.47	20,006,986.82	5.00%
1-2 years	13,910,165.56	1,391,016.56	10.00%
2-3 years	1,389,560.73	416,868.22	30.00%
3-4 years	305,521.66	152,760.83	50.00%
4-5 years	107,304.75	85,843.80	80.00%
Total	415,852,289.17	22,053,476.23	

Description of the basis for determining provision for bad debts on a collective basis:

Where the provision for bad debts are made based on the general ECL model:

☐ Applicable ☒ N/A**(3) Provision for bad debts accrued, recovered or reversed**

Provision for bad debts accrued:

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts	17,767,875.15	9,796,536.80	5,510,935.72			22,053,476.23
Total	17,767,875.15	9,796,536.80	5,510,935.72			22,053,476.23

Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount recovered or reversed	Reasons for reversal	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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## Section VIII Financial Report

## (4) Accounts receivable actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant accounts receivable:

Unit: RMB

Entity name	Nature of accounts receivable	Amount written off	Reasons for write-off	Write-off procedures performed	Whether due to/from related party transactions
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Description of write-off of accounts receivable:

## (5) Top 5 accounts receivable and contract assets with closing balances by debtor

Unit: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable and contract assets	Closing balance of bad debt provision for accounts receivable and impairment allowances for contract assets
Ranking first	22,570,208.55	0.00	22,570,208.55	5.01%	1,128,510.43
Ranking second	19,800,537.41	0.00	19,800,537.41	4.40%	990,026.87
Ranking third	18,645,910.15	0.00	18,645,910.15	4.14%	932,295.51
Ranking fourth	17,126,141.69	0.00	17,126,141.69	3.80%	1,103,504.17
Ranking fifth	13,284,548.73	0.00	13,284,548.73	2.95%	664,227.44
Total	91,427,346.53	0.00	91,427,346.53	20.30%	4,818,564.42

## 2. Other receivables

Unit: RMB

Items	Closing balance	Opening balance
Dividends receivable	3,333,744.00	9,404,946.00
Other receivables	236,616,522.66	157,621,914.96
Total	239,950,266.66	167,026,860.96

## Section VIII Financial Report

## (1) Interest receivable

## 1) Classification of interest receivable

Unit: RMB

Items	Closing balance	Opening balance
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## 2) Significant overdue interest

Unit: RMB

Borrower	Closing balance	Overdue time	Reason for overdue	Impairment or not and basis for judgment
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Other descriptions:

## 3) Disclosure by bad debt provision accrual method

☐ Applicable ☒ N/A

## 4) Provision for bad debts accrued, recovered or reversed

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Transfer/Write-off	Other changes	

Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount recovered or reversed	Reasons for reversal	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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Other descriptions:

## 5) Dividends receivable actually written off

Unit: RMB

Items	Amount written off
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## Section VIII Financial Report

Write-off of significant dividends receivable

Unit: RMB

Entity name	Nature of contract assets	Amount written off	Reasons for write-off	Write-off procedures performed	Whether due to/from related party transactions
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Description of write-off of receivables financing:

Other descriptions:

**(2) Dividends receivable****1) Classification of dividends receivable**

Unit: RMB

Item (or investee)	Closing balance	Opening balance
Longterm Medical		6,071,202.00
Hong Kong Winner	3,333,744.00	3,333,744.00
Total	3,333,744.00	9,404,946.00

**2) Significant dividends receivable aged over 1 year**

Unit: RMB

Item (or investee)	Closing balance	Aging	Reasons for non-recovery	Impairment or not and basis for judgment
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**3) Disclosure by bad debt provision accrual method**☐ Applicable ☒ N/A**4) Provision for bad debts accrued, recovered or reversed**

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Transfer/Write-off	Other changes	

Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount recovered or reversed	Reasons for reversal	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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Other descriptions:

## Section VIII Financial Report

## 5) Dividends receivable actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant dividends receivable

Unit: RMB

Entity name	Nature of contract assets	Amount written off	Reasons for write-off	Write-off procedures performed	Whether due to/from related party transactions
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Description of write-off of receivables financing:

Other descriptions:

## (3) Other receivables

## 1) Classification by nature

Unit: RMB

Nature of contract assets	Closing balance	Opening balance
Compensation for investment and construction project of Winner Medical (Heyuan)	217,155,320.00	217,155,320.00
Amounts due from/to related parties	121,362,446.71	43,000,000.00
Deposit and guarantee deposit	3,660,348.49	3,765,362.49
Employee pretty cash	332,085.50	340,211.01
Others	3,035,372.27	2,256,800.14
Total	345,545,572.97	266,517,693.64

## 2) Disclosure by aging

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year, inclusive	128,390,252.97	49,362,373.64
Over 3 years	217,155,320.00	217,155,320.00
Over 5 years	217,155,320.00	217,155,320.00
Total	345,545,572.97	266,517,693.64

3) Disclosure by bad debt provision accrual method

Unit: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Provision for bad debt		Carrying amount	Gross carrying amount		Provision for bad debt		Carrying amount
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Provision for bad debts made on an individual basis	217,155,320.00	62.84%	108,577,660.00	50.00%	108,577,660.00	217,155,320.00	81.48%	108,577,660.00	50.00%	108,577,660.00
Including:										
Provision for bad debts made on a collective basis	128,390,252.97	37.16%	351,390.31	0.27%	128,038,862.66	49,362,373.64	18.52%	318,118.68	0.64%	49,044,254.96
Including:										
Aging group	3,367,457.77	0.97%	168,372.89	5.00%	3,199,084.88	2,597,011.16	0.97%	129,850.56	5.00%	2,467,160.60
Deposit and guarantee deposit	3,660,348.49	1.06%	183,017.42	5.00%	3,477,331.07	3,765,362.48	1.42%	188,268.12	5.00%	3,577,094.36
No credit risk group	121,362,446.71	35.12%			121,362,446.71	43,000,000.00	16.13%			43,000,000.00
Total	345,545,572.97	100.00%	108,929,050.31	31.52%	236,616,522.66	266,517,693.64	100.00%	108,895,778.68	40.86%	157,621,914.96

Provision for bad debts made on an individual basis

Unit: RMB

Name		Opening balance		Closing balance			
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt	Provision ratio	Reasons for provision
Zijin County People's Government		217,155,320.00	108,577,660.00	217,155,320.00	108,577,660.00	50.00%	Government receivables, aged over 5 years
Total		217,155,320.00	108,577,660.00	217,155,320.00	108,577,660.00		

Category name of provision for bad debts by combination

Unit: RMB

Name	Closing balance		
	Gross carrying amount	Provision for bad debt	Provision ratio
Aging group	3,367,457.77	168,372.89	5.00%
Total	3,367,457.77	168,372.89	

Description of the basis for determining provision for bad debts on a collective basis:

## Section VIII Financial Report

Category name of provision for bad debts by combination: Margin / deposit combination

Unit: RMB

Name	Closing balance		
	Gross carrying amount	Provision for bad debt	Provision ratio
Deposit and guarantee deposit	3,660,348.49	183,017.42	5.00%
Total	3,660,348.49	183,017.42	

Description of the basis for determining provision for bad debts on a collective basis:

Category name of provision for bad debts by combination: No credit risk group

Unit: RMB

Name	Closing balance		
	Gross carrying amount	Provision for bad debt	Provision ratio
No credit risk group	121,362,446.71	0.00	0.00%
Total	121,362,446.71	0.00	

Description of the basis for determining provision for bad debts on a collective basis:

The no credit risk portfolio consists of intra-group related party transactions

Where the provision for bad debts are made based on the general ECL model:

Unit: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	
Balance at 1 January 2025	318,118.68	108,577,660.00		108,895,778.68
Balance at 1 January 2025				
Provision	106,697.98			106,697.98
Reversal	73,426.35			73,426.35
Balance at 30 June 2025	351,390.31	108,577,660.00	0.00	108,929,050.31



## Section VIII Financial Report

Criteria for stage classification and provision ratio for bad debts

Description of changes in the book balance of other receivables contributing to significant changes in the loss allowance in the current period

☐ Applicable ☒ N/A

#### 4) Provision for bad debts accrued, recovered or reversed

Provision for bad debts accrued:

Unit: RMB

Category	Opening balance	Changes for the Current Period				Closing balance
		Provision	Recovery or reversal	Transfer/Write-off	Others	
Provision for bad debt	108,895,778.68	106,697.98	73,426.35			108,929,050.31
Total	108,895,778.68	106,697.98	73,426.35			108,929,050.31

Significant recovery or reversal of provision for bad debts for the current period:

Unit: RMB

Entity name	Amount recovered or reversed	Reasons for reversal	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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#### 5) Other receivables actually written off

Unit: RMB

Items	Amount written off
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Write-off of significant dividends receivable:

Unit: RMB

Entity name	Nature of other receivables	Amount written off	Reasons for write-off	Write-off procedures performed	Whether due to/from related party transactions
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Description of write-off of other receivables:

## Section VIII Financial Report

## 6) Top 5 other receivables with closing balances by debtor

Unit: RMB

Entity name	Nature of other receivables	Closing balance	Aging	Proportion in total balance of other receivables (%)	Closing balance of provision for bad debts
Ranking first	Receivables related to Heyuan project	217,155,320.00	Over 5 years	62.84%	108,577,660.00
Ranking second	Amounts due from/to related parties	119,449,013.36	Within 1 year	34.57%	0.00
Ranking third	Deposit and guarantee deposit	2,311,115.80	4-5 years	0.67%	115,555.79
Ranking fourth	Amounts due from/to related parties	1,913,433.35	Within 1 year	0.55%	0.00
Ranking fifth	Others	784,886.41	Within 1 year	0.23%	39,244.32
Total		341,613,768.92		98.86%	108,732,460.11

## 7) Presented as “Other receivables” due to centralised management

8) Unit: RMB

Other descriptions:

## 3. Long-term equity investments

Unit: RMB

Items	Closing balance			Opening balance		
	Gross carrying amount	Impairment allowance	Carrying amount	Gross carrying amount	Impairment allowance	Carrying amount
Investment in subsidiaries	5,327,416,769.68	138,692,158.62	5,188,724,611.06	5,313,477,317.52	138,692,158.62	5,174,785,158.90
Investment in associates and joint ventures	20,926,314.64		20,926,314.64	20,712,599.93		20,712,599.93
Total	5,348,343,084.32	138,692,158.62	5,209,650,925.70	5,334,189,917.45	138,692,158.62	5,195,497,758.83

## Section VIII Financial Report

## (1) Investment in subsidiaries

Unit: RMB

Investee		Opening balance (Carrying amount)	Impairment allowance Opening balance	Changes for the period				Closing balance (Carrying amount)	Impairment allowance Closing balance
				Additional investment	Reduced investment	Provision for impairment	Others		
Winner (Huanggang)	Medical	267,797,569.52		917,825.21				268,715,394.73	
Winner (Jingmen)	Medical	27,430,498.28		563,210.93				27,993,709.21	
Shenzhen Purcotton		136,834,432.61		8,600,768.94				145,435,201.55	
Winner (Chongyang)	Medical	33,873,168.82		730,088.22				34,603,257.04	
Winner Medical (Jiayu)		236,645,191.92		625,789.90				237,270,981.82	
Winner (Tianmen)	Medical	39,947,592.24		750,947.88				40,698,540.12	
Winner Medical (Hong Kong)		1,456,720.00						1,456,720.00	
Winner (Yichang)	Medical	18,651,523.18		166,877.30				18,818,400.48	
Winner Malaysia	Medical	0.00	4,086,994.48					0.00	4,086,994.48
Winner (Heyuan)	Medical	100,000,000.00						100,000,000.00	
Winner (Wuhan)	Medical	800,166,877.31		500,631.92				800,667,509.23	
PureH2B		150,000,000.00						150,000,000.00	
Longterm Medical		727,540,000.00						727,540,000.00	
Winner Guilin		430,272,760.02	69,908,023.73	542,351.26				430,815,111.28	69,908,023.73
Winner Medical (Hunan)		687,339,783.06	64,697,140.41	346,270.43				687,686,053.49	64,697,140.41
Junjian Medical		192,041,719.33		69,532.20				192,111,251.53	
Shanghai Hongsong		39,255,994.87		125,157.97				39,381,152.84	
Pan-China (H.K.)		1,285,531,327.74						1,285,531,327.74	
Total		5,174,785,158.90	138,692,158.62	13,939,452.16				5,188,724,611.06	138,692,158.62

## Section VIII Financial Report

## (2) Investment in associates and joint ventures

Unit: RMB

Changes for the period												Closing balance	Closing balance of impairment provision
Investee	Opening balance (Carrying amount)	Opening balance of impairment provision	Additi onal invest ment	Reduc ed invest ment	Investment gains and losses recognised under the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends or prots declared	Provision for impaiment	Others	Closing balance (Carrying amount)	Closing balance of impairment provision	
I. Joint ventures:													
II. Associate													
Chengdu Likang Products Co., Ltd.	Winner Medical	20,712,599.93			213,714.71						20,926,314.64		
Sub-total		20,712,599.93			213,714.71						20,926,314.64		
Total		20,712,599.93			213,714.71						20,926,314.64		

The recoverable amount has been determined based on the fair value less costs of disposal

☐ Applicable ☒ N/A

The recoverable amount has been determined based on the present value of expected future cash flows

☐ Applicable ☒ N/A

Reasons for the difference between the above information and the information used in the prior year's impairment testing or external information  
Reasons for the difference between the information used in the prior year's impairment testing and the actual situation of the current year

## (3) Other description

## 4. Revenue and cost of sales

Unit: RMB

Items	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Primary business	1,321,615,084.12	924,739,742.32	1,108,269,598.31	842,869,692.65
Other businesses	85,665,531.38	5,809,198.94	34,615,567.06	1,013,798.51
Total	1,407,280,615.50	930,548,941.26	1,142,885,165.37	843,883,491.16

Breakdown of revenue and cost of sales:

Unit: RMB

Contract classification	Segment 1		Segment 2		Total			
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Business type								
Including:								
Classification by region of operation								
Including:								
Market or customer type								
Including:								
Contract type								
Including:								
Classification by time of goods transfer								
Including:								
Classification by contract term								
Including:								
Classification by sales channel								
Including:								
Total								
Information relating to performance obligations:								
Items	Time of fullling performance obligations	Signicant payment terms	Nature of the goods that the entity has promised to transfer	Whether it is a principal	Returns, refunds and other similar obligations	Types of quality assurance provided by the Company and related obligations		

Other description

Information relating to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue related to performance obligations that have been contracted but not yet performed or partially performed is RMB0.00. Of this amount: RMB0.00 is expected to be recognised in YYYY, and RMB0.00 is expected to be recognised in YYYY.

## Section VIII Financial Report

Significant contract changes or significant transaction price adjustments

Unit: RMB

Items	Accounting treatment	Amount affected on revenue
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Other descriptions:

**5. Investment income**

Unit: RMB

Items	Amount for the current period	Amount for the last period
Long-term equity investment income under the cost method	5,614,438.27	
Long-term equity investment income under the equity method	213,714.71	115,196.26
Investment income from purchasing financial products	21,883,880.59	38,973,085.80
Total	27,712,033.57	39,088,282.06

**6. Others****XX. Supplemental Information****1. Schedule of non-recurring profit or loss**√Applicable ☐N/A

Unit: RMB

Items	Amount	Explanation
Profit or loss on disposal of non-current assets	-6,664,001.60	
Government grants recognized in profit or loss (excluding those related to the company's normal operating activities, consistent with national policy, granted based on established criteria, and having a continuing impact on the Company's profit and loss)	19,741,844.15	
Changes in fair value and gains and losses from the disposal of financial assets and financial liabilities held by non-financial enterprises (excluding effective hedging transactions directly related to the Company's normal operating activities)	31,133,359.39	
Other non-operating income and expenses, excluding the items above	-5,436,207.80	
Less: Income tax effect	6,117,613.09	
Effect on non-controlling interests (after tax)	1,283,103.24	
Total	31,374,277.81	--

## Section VIII Financial Report

Details of other items classified as non-recurring gains and losses:

☐ Applicable ☒ N/A

The Company had no details of other items classified as non-recurring gains and losses.

Explanation on circumstances under which items specifically identified as non-recurring gains and losses in the Information Disclosure Interpretative Announcement No. 1 for Companies Publicly Issuing Securities – Non-recurring Gains and Losses are classified as items of recurring gains and losses

☒ Applicable ☐ N/A

Items	Reason
Cotton transportation subsidies	Complies with national policy regulations, meets established standards, and has a continuing impact on profit or loss
Interest income from large-denomination certificates of deposit	The Company's routine cash management practices, with a continuing impact on profit or loss

### 2. Return on equity (ROE) and earnings per share (EPS)

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Profit attributable to ordinary shareholders of the Company	4.32%	0.8449	0.8449
Profit attributable to ordinary shareholders of the Company after excluding non-recurring items	4.05%	0.7910	0.7910

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

#### (1) Differences in profit and net assets between financial reports prepared under IAS and CAS

☐ Applicable ☒ N/A

#### (2) Differences in profit and net assets between financial reports prepared under foreign accounting standards and CAS

☐ Applicable ☒ N/A

#### (3) Explanation of the reasons for differences in accounting information prepared under domestic and foreign accounting standards. Where accounting information audited by a foreign auditor is reconciled for differences, the name of the auditor shall be disclosed

☐ Applicable ☒ N/A

### 4. Others

**winner** 稳健医疗 Purcotton 全棉时代

Tel.: 0755-28066858

Email: investor@winnermedical.com

Address: F42, Building 2, Huilong Business Center, Beizhan Community, Minzhi Subdistrict, Longhua District, Shenzhen

Sales hotline: 400-689-2896

Quality service hotline: 400-689-2898