

winner 稳健医疗

Purcotton 全棉时代



*Caring Health,
Cherishing Life, And
Protecting The Environment*

For A Better World !



2024

Annual Report

Winner Medical Co., Ltd.

Respected Shareholders, Dear Partners,

The year turns, a new chapter begins. As we review the achievements of 2024 and look ahead to the future, on behalf of Winner Group, I would like to extend my sincerest greetings and heartfelt gratitude to all our shareholders for your continued support and trust!

The past year witnessed a complex and ever-changing global economic landscape and increasingly fierce market competition. Thanks to the tireless efforts of all our colleagues and the steadfast support of our shareholders, Winner Group has maintained overall stable operations and achieved steady progress on our path of high-quality development.

Throughout 2024, we remained true to the Winner Group's vision of "Caring Health, Cherishing Life, and Protecting the Environment for A Better World" as we forged ahead with perseverance. It is a beacon illuminating our path forward amidst challenges. We firmly believe that a company's value lies not only in generating economic benefits but also in making positive contributions to society and well-being of human. Therefore, **we consistently adhere to our core business principles "Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value" throughout our operations** to provide consumers with the highest quality, safest, and most environmentally friendly products and services.

Embracing the wave of innovation-driven development, Winner Group remains at the forefront of ongoing technological innovation and product upgrades through research and development. In the medical sector, our dedicated R&D team has achieved significant breakthroughs in the independent supply of base materials for product such as advanced wound dressings, PC substrates, and radiation-protective clothing. Our collaborative project with universities on biomimetic artificial corneas has made key progress, with successful pilot testing of the collagen extraction process, opening up exciting possibilities for future diversification in the field of biomaterials. In the consumer sector, Purcotton has independently developed six Cotton Tech technologies focusing on Cotton Soft, Cotton Breathable, Cotton Warm, Cotton Cool, Cotton Anti-UV, Cotton Anti-Bacterial, maximizing the inherent benefits of cotton and establishing a robust technological moat. These new fabrics significantly enhance the comfort and functionality of our pure cotton products, perfectly aligning with consumer aspirations for a high-quality lifestyle. Additionally, we actively promote intelligent and green manufacturing. By

introducing advanced production equipment and processes, we optimize production workflows and enhance production efficiency. Through the utilization of photovoltaic green electricity, heat energy recovery, and energy-saving and emission reduction measures, we reduce energy consumption and pollution, and achieve a win-win outcome for both economic and environmental benefits.

Brand is the soul of an enterprise and the emotional bond between enterprises and consumers. Therefore, **we have actively expanded brand communication channels to enhance brand awareness and reputation.** At the second China International Supply Chain Expo, we, as a representative of the industry, offered insights and suggestions for China's supply chain development, and showcased the unique charm of Chinese cotton and the exceptional quality of our pure cotton products under the theme "Chinese Cotton: One Cotton, One World". In 2024, Winner Medical conducted over 350 professional product training sessions for domestic and foreign medical professionals, contributing to the advancement of medical and nursing techniques within the industry. Through innovative campaigns, Purcotton solidified its brand image as comfort commitment, health assurance, eco-consciousness, warm, and empowering. The Purcotton 15th Anniversary Celebration and "Cotton Field Runway Show" was a spectacular fusion of fashion and environmental consciousness, captivating countless consumers. At the Purcotton Home Textiles and Loungewear Global Brand Ambassador meeting, the ambassador unveiled the secrets of cotton's softness and comfort, further elevating brand visibility.

Global presence was another key strategic initiative for Winner Medical in the past year. The successful acquisition of the USA-based GRI filled our production capacity gaps in the US, Vietnam, and the Dominican Republic, optimizing our supply chain structure and opening new doors to international markets. Our own brands have now entered numerous international markets, steadily increasing our global brand influence as Winner Medical confidently strides onto the world stage.

As the "14th Five-Year Plan" nears its end and the "15th Five-Year Plan" is on the horizon, 2025 represents a pivotal year. We are full of confidence in the development of the Chinese economy and firmly believe that Winner Group will continue its steady sustainable progress on the path of high-quality development.

Currently, the medical sector faces numerous opportunities related to aging populations, chronic diseases, domestic substitution, and internationalization. The consumer sector is also experiencing renewed vitality with the rise of the Guochao economy and the growing preference for green and low-carbon consumption. Our products are characterized by high and essential demand, excellent brand reputation and product quality, and our commitment to environmental protection resonates deeply with doctors and patients and consumers, granting us a unique competitive advantage.

This year, I put forward the goal of “Centennial Visionary Winner – Brand Advancement”. This serves as both a summary of Winner Group’s past and a roadmap for future development. To achieve this goal, we have formulated six strategic directions:

Product Leadership: Focus on technological innovation to enhance product value and differentiation, breaking free from the constraints of homogenized competition and injecting strong momentum into high-quality development.

Operational Excellence: Integrate digitalization and AI technologies to comprehensively improve production efficiency and product quality control precision. Establish seamless internal data links, refine operations, implement precision marketing, and enhance customer satisfaction.

Global Strategy: Optimize global resource allocation and directly engage in international collaborations to overcome trade barriers and establish unique international trade models, propelling our brand onto the global stage.

Brand Advancement: Cultivate a lasting positive impression in the minds of consumers through unique brand symbolism and cultural connotations. Differentiated brand advantages will strengthen market competitiveness and help us avoid price wars.

Talent Strategy: Adhere to a “Four-High” Talent Strategy to attract and cultivate talent characterized by “High Personal Quality; High Academic Qualifications; High Performance; High Reward”, so as to provide intellectual support for our growth and stimulating employee creativity and enthusiasm.

Green Development: Utilize digitalization and artificial intelligence technologies to drive the construction of a green ecosystem across the entire industrial chain, achieve a virtuous cycle between economic development and environmental protection, and establish a resource-conserving and environmentally friendly company.

Looking back at our journey, Winner Group has weathered five economic cycles and navigated numerous economic crises. Throughout the journey, we have remained steadfast in our original aspirations, and continuously accumulated, inherited, and carried forward our values. We understand that corporate success is not achieved overnight but is the result of consistent efforts and relentless dedication over time.

In the days to come, we will be driven by product leadership, supported by operational excellence, guided by global presence, led by brand building, secured by talent strategy, and grounded in the principles of green development, steadfastly advancing towards our “Centennial Visionary Winner” goal.

Finally, I would like to once again express my sincere gratitude to all our shareholders for your trust and support. In the future, we will continue to strive to meet the needs of customers, enhance our core competitiveness and market value, and make even greater contributions to society. Let us work together to create a brighter future for Winner Group!

Li Jianquan

Chairman and General Manager

April 29, 2025



Brand Vision

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

Core Business Principles

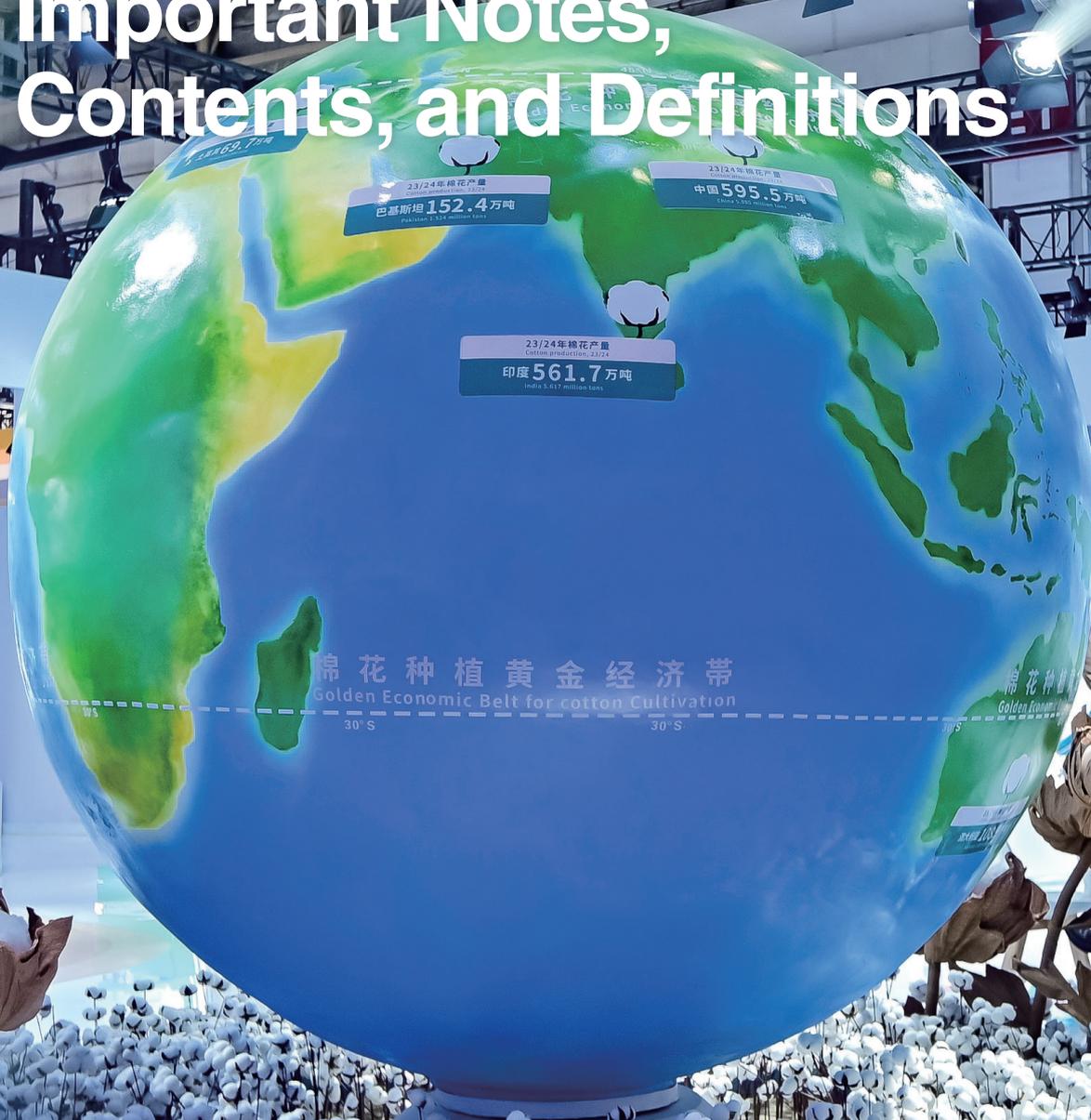
Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value

Brand Ethics

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

Section I

Important Notes, Contents, and Definitions



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 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, the person in charge of accounting affairs and Zhao Yan, the person in charge of the accounting department (chief accounting officer) declare that they guarantee the truthfulness, accuracy, and completeness of the financial report in this annual report.

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

The forward-looking statements contained in this 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 RMB2.50 (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.

The Company's total cash dividend for 2024 amounted to RMB378,514,375.20 (tax inclusive), accounting for 54.43% of the net profit attributable to ordinary shareholders of the listed company for the year 2024, which includes (1) the total cash dividend of RMB232,931,923.20 (tax inclusive) for the 2024 interim period to all shareholders with a cash dividend of RMB4.00 (tax inclusive) per 10 shares; (2) the proposed total cash dividend of RMB145,582,452.00 (tax inclusive, subject to approval by the general meeting) to all shareholders with a cash dividend of RMB2.50 per 10 shares.



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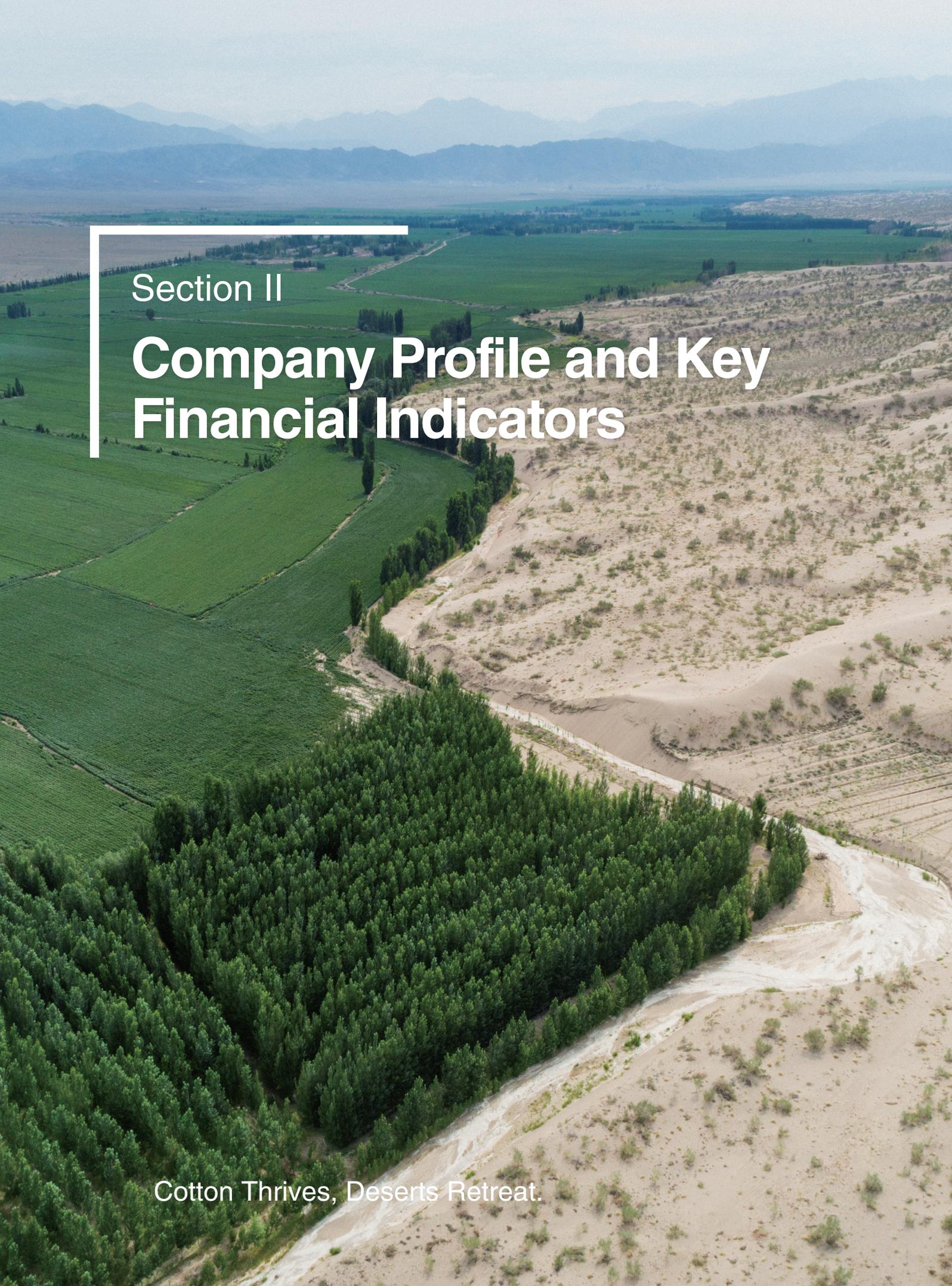
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List of Documents Available for Inspection

- (I) Financial statements signed and sealed by the Company's principal executive officer, the person in charge of accounting affairs, and the head of the accounting department (chief accounting officer).
- (II) The original audit report bearing the seal of the accounting firm and the signature and seal of the certified public accountants.
- (III) Originals of all documents and announcements of the Company publicly disclosed during the Reporting Period.

Definitions

Term	Definition
Winner Group, Company	Winner Medical Co., Ltd.
Reporting Period	January 1, 2024 to December 31, 2024
Winner Medical	Serious medical care under the medical sector and consumer medical care sector
Purcotton	Shenzhen Purcotton Technology Co., Ltd., a wholly-owned subsidiary of the Company
Longterm Medical	Zhejiang Longterm Medical Technology Co., Ltd., a company in which the Company acquired a 55% stake in 2022
Winner Medical (Hunan)	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	Winner Guilin Latex Co., Ltd., a company in which the Company acquired a 91.74% stake in 2022
Junjian Medical	Shenzhen Junjian Medical Device Co., Ltd., a company in which the Company acquired a 100% stake in 2022
GRI	Global Resources International, Inc., a company in which the Company acquired a 75.20% stake in 2024
Winner Medical (Huanggang)	Winner Medical (Huanggang) Co., Ltd., a wholly-owned subsidiary of the Company
Winner Medical (Jiayu)	Winner Medical (Jiayu) Co., Ltd., a wholly-owned subsidiary of the Company
Winner Medical (Chongyang)	Winner Medical (Chongyang) Co., Ltd., a wholly-owned subsidiary of the Company
Winner Medical (Jingmen)	Winner Medical (Jingmen) Co., Ltd., a wholly-owned subsidiary of the Company



Section II

Company Profile and Key Financial Indicators

Cotton Thrives, Deserts Retreat.

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. 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 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 — committed to delivering safe, premium-quality, cost-effective, and experience-driven products and services for global users.

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

winner
稳健医疗

To build a “one-stop solution for medical consumables” through both organic and inorganic growth

Purcotton
全棉时代

To embrace pure cotton and maximize the potential of each piece of cotton towards the vision of “Pure Cotton Changes the World”

Product Leadership

- 1) Commitment to innovation in basic materials under the 246+6 principle
- 2) Focus on core popular products to ensure a leading market share in strategic categories and drive growth in niche segments

Operational Excellence

- 1) Brand advancement with emphasis on continuous interpretation and communication of brand philosophy and values
- 2) Standardization of basic management processes, digitization of process management, implementation of intelligent digital management, and optimization of omni-channel basic operational management

Global Vision

- 1) A global vision means having a worldwide vision and paving the way for robust internationalization
- 2) Robust internationalization is not simply about exporting products, but about becoming a truly international brand

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

Section II Company Profile and Key Financial Indicators

Product Portfolio



Global Production Capacity

Establishing a Leading Global Product Supply Chain System

Entity	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 (estimated to start production in July 2025)
● Winner Medical (Hunan)	Li County, 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

Awards

- 01 Three product categories of Purcotton were awarded the “2024 Top Ten Textile Innovative Products” by the Productivity Promotion Department of the China National Textile and Apparel Council, highlighting market-demand-driven technological innovation and design creativity
- 02 Two products of Purcotton received CBME awards: Hanging Baby Pure Cotton Tissues won the “Innovation Star Hygiene Award” and Baby Cotton Tissues of Purcotton won the “Green Star Award”, demonstrating industry recognition of Purcotton’s commitment to sustainability
- 03 Purcotton was awarded the “2024 Leading Consumer Brand” by Trendy New Consumption
- 04 Awarded the title of “Global No. 1 – Purcotton Cotton Tissues/Facial Cleansing Towelettes Industry Status Statement” by Euromonitor International
- 05 Awarded the CPEO Gold Award for Health & Personal Care Brand at the 16th China Health Industry Ecological Conference (CPEO 2024)
- 06 Winner Medical (Wuhan) was awarded the “Green Factory” title by the Ministry of Industry and Information Technology
- 07 Winner Medical (Wuhan) was awarded the second prize in the Science and Technology Progress Awards by the China National Textile and Apparel Council for joint project
- 08 Winner Medical (Tianmen) and Winner Medical (Wuhan) passed the National AAA Certification for Integration of Information Technology and Integration of Industrialization
- 09 The Company was awarded the highest A rating for information disclosure of listed companies by the Shenzhen Stock Exchange for 2023
- 10 The Company was awarded “2023 Best Practices in Investor Relations Management” by the China Association for Public Companies
- 11 Selected for 2024 Outstanding Practice Cases in Sustainability of Listed Companies by the China Association for Public Companies
- 12 Selected for 2024 Best Practice Cases in Director’s Office of Listed Companies by the China Association for Public Companies



Section II Company Profile and Key Financial Indicators

I. Company Information

Stock Abbreviation	Winner Medical	Stock Code	300888
Chinese Name	稳健医疗用品股份有限公司		
Abbreviated Chinese Name	稳健集团		
English Name	Winner Medical Co., Ltd.		
Abbreviated English Name	Winner Medical		
Legal Representative	Li Jianquan		
Registered Address	F42, Building 2, Huilong Business Center, Beizhan Community, Minzhi Subdistrict, Longhua District, Shenzhen; Winner Industrial Park, 660 Bulong Road, Longhua District, Shenzhen		
Postal Code for Registered Address	518131		
Registered Address Change History	On June 1, 2021, the Company's registered address was officially changed from "Winner Industrial Park, 660 Bulong Road, Longhua New District, Shenzhen" to "F42, Building 2, Huilong Business Center, Beizhan Community, Minzhi Subdistrict, Longhua District, Shenzhen; Winner Industrial Park, 660 Bulong Road, Longhua District, Shenzhen"		
Office Address	F42, Building 2, Huilong Business Center, Beizhan Community, Minzhi Subdistrict, Longhua District, Shenzhen		
Postal Code for Office Address	518131		
Website	https://winnermedical.cn		
Email	investor@winnermedical.com		

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. Designated Locations for Information Disclosure and for Keeping Records

Stock Exchange Website for Disclosure of the Company's Annual Reports	Shenzhen Stock Exchange (http://www.szse.cn/)
Media Name and Website for Disclosure of the Company's Annual Reports	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily, CNINFO (http://www.cninfo.com.cn/new/index)
Location for Keeping the Company's Annual Reports	Securities Department of the Company

Section II Company Profile and Key Financial Indicators

IV. Other Relevant Information

Accounting firm appointed by the Company

Name of Accounting Firm	Ernst & Young Hua Ming LLP
Office Address of Accounting Firm	Rooms 01-12, 17/F, Ernst & Young Tower, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing
Name of Signing Accountant	Liao Wenjia, Chen Huijin

Sponsor appointed by the Company for continuous supervision during the Reporting Period

 Applicable N/A

Financial advisor appointed by the Company for continuous supervision during the Reporting Period

 Applicable N/A

V. Key Accounting Data and Financial Indicators

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

 Yes No

	2024	2023	YOY change	2022
Operating revenue (RMB)	8,977,853,631.73	8,185,022,057.20	9.69%	11,351,331,545.08
Net profit attributable to shareholders of the listed company (RMB)	695,378,928.72	580,403,232.37	19.81%	1,650,717,282.64
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	590,858,058.78	412,027,497.25	43.40%	1,561,049,828.29
Net cash flow from operating activities (RMB)	1,265,755,266.70	1,063,326,232.23	19.04%	2,983,472,230.27
Basic earnings per share (RMB/share)	1.19	0.98	21.43%	2.7900
Diluted earnings per share (RMB/share)	1.19	0.98	21.43%	2.7900
Weighted average return on net assets	6.07%	5.03%	1.04%	14.87%

	End of 2024	End of 2023	Change from the end of last year	End of 2022
Total assets (RMB)	18,391,855,961.52	17,112,022,449.97	7.48%	18,252,727,626.66
Net assets attributable to shareholders of the listed company (RMB)	11,151,279,644.56	11,533,224,328.00	-3.31%	11,719,585,811.13

Note 1: Net profit after deducting non-recurring gains and losses this year increased by 43.4% year-over-year, primarily due to: 1. substantial impairment losses on goodwill last year; and 2. significant losses incurred from the disposal of infection control products and related equipment last year.

Section II Company Profile and Key Financial Indicators

The lower of the Company's net profit before and after deducting non-recurring gains and losses was negative for each of the most recent three fiscal years, and the audit report for the most recent year indicates that there is uncertainty about the Company's ability to continue as a going concern

Yes No

The lowest value among the Company's audited profit before tax, net profit, and net profit excluding non-recurring gains and losses for the most recent fiscal year is negative

Yes No

VI. Quarterly Key Financial Indicators

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	1,909,017,281.07	2,124,487,823.26	2,036,537,874.74	2,907,810,652.66
Net profit attributable to shareholders of the listed company	182,424,811.95	201,725,567.26	168,816,611.93	142,411,937.58
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	144,201,815.60	182,713,299.22	144,916,756.25	119,026,187.71
Net cash flow from operating activities	-163,462,761.04	356,796,277.80	294,326,265.64	778,095,484.30

Note: Revenue increased in Q4 2024, while profit declined. This was primarily due to a RMB90.74 million impairment charge on goodwill recognized during Q4.

Are the aforementioned financial indicators or their aggregate amount materially different from the relevant financial indicators in the Company's previously disclosed quarterly and interim reports

Yes No

VII. 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.

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.

Section II Company Profile and Key Financial Indicators

VIII. Items and Amounts of Non-recurring Gains and Losses

 Applicable N/A

Unit: RMB

Item	Amount in 2024	Amount in 2023	Amount in 2022	Explanation
Gains and losses on disposal of non-current assets (including reversal of previously recognized impairment losses)	-2,083,378.10	-46,464,882.49	-39,993,220.64	Primarily due to a larger volume of disposals of infection control product-related equipment in the previous year
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)	37,931,590.29	74,822,989.42	84,859,103.35	
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)	87,767,017.20	172,439,376.04	78,921,808.85	Primarily due to a decrease in the purchase of wealth management products and changes in their yields
Reversal of impairment losses on individually assessed receivables		0.00	0.00	
Gain/loss on debt restructuring	1,788,767.41			
Other non-operating income and expenses, excluding the items above	1,445,748.24	10,371,355.38	-13,810,132.25	
Less: Income tax effect	20,765,995.02	35,321,337.22	17,067,455.98	
Effect on non-controlling interests (after tax)	1,562,880.08	7,471,766.01	3,242,648.98	
Total	104,520,869.94	168,375,735.12	89,667,454.35	--

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

Item	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



Purcotton

全棉时代



Section III

**Management
Discussion and Analysis**

Section III Management Discussion and Analysis

I. Overview of the Company's Industry during the Reporting Period

The Company is subject to the disclosure requirements for "Medical Device Businesses" as outlined in the Shenzhen Stock Exchange Listed Company Self-Regulation Guidelines No. 4 – ChiNext Industry Information Disclosure

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

1. Industry Classification

According to the Medical Device Classification Rules (2015) (Order No. 15 of the China Food and Drug Administration) and the Medical Device Classification Catalog (Announcement No. 104 of 2017 of the China Food and Drug Administration), the medical consumables manufactured and sold by the Company belong to the injection, care, and protective equipment category of medical devices. According to the National Economic Industry Classification (GB/T4754-2017) and the Guidelines for the Industry Classification of Listed Companies (as revised in 2012), the Company's industry is classified under Specialized Equipment Manufacturing (C35) within Manufacturing (C).

The Company's consumer segment includes non-woven consumer products such as pure cotton tissues, pure cotton cotton-top sanitary napkins, and pure cotton wet wipes, as well as textile consumer products such as baby products, baby apparel, and adult apparel. According to the National Economic Industry Classification (GB/T4754-2017) and the Guidelines for the Industry Classification of Listed Companies (as revised in 2012), these consumer goods primarily fall under Textile Industry (C17) and Textile, Garment, and Apparel Industry (C18) within Manufacturing (C).

2. Industry Developments

The Company operates as a holistic health enterprise, synergistically converging medical innovation and consumer wellness ecosystems. Our operations are firmly anchored in the life and health field while also catering to the people's desire for a better life. The industries we operate in address essential needs and offer significant growth potential.

(1) Medical consumables

Medical consumables are essential for the daily medical and nursing work of healthcare institutions. With the increasing trends of aging and chronic diseases, rising public awareness of healthcare, and increasing per capita healthcare expenditure, the market demand for medical consumables is steadily expanding. In terms of market size, the global market for low-value medical consumables is vast, and the Chinese market maintains rapid growth, providing opportunities for high-quality domestic medical consumables companies. In terms of the competitive landscape, while the traditional low-value medical consumables sector is highly competitive, the supply of high-quality products remains limited. Benefiting from demand growth and national policy support, domestic companies with stable quality, fast supply capabilities, and R&D and innovation capabilities are emerging. Furthermore, niche segments such as disposable customized surgical packs and advanced wound dressings have promising growth prospects. These segments are currently in their nascent stages in China, and capabilities in clinical research, digital healthcare, and product innovation are expected to drive brand development. Overall, the medical consumables industry is expected to maintain sustainable healthy growth in the future.

① Global and Domestic Developments of Low-value Medical Consumables Industry

Medical consumables refer to medical and sanitary materials used in clinical diagnosis, nursing, testing, and repair procedures. These products are diverse, widely used, and essential for daily medical and nursing work in healthcare institutions. Medical consumables are categorized into high-value and low-value consumables based on their clinical value. Compared with high-value consumables, low-value consumables primarily comprise seven categories: injection and puncture devices, medical sanitary materials and dressings, medical polymer materials, medical disinfectants, anesthesia consumables, operating room consumables, and medical technology consumables. Currently, Winner Medical's business covers six of these seven categories, excluding medical technology consumables.



Section III Management Discussion and Analysis

Low-value medical consumables are essential for medical activities, and the industry demand is characterized by high frequency and necessity. According to YHResearch, the global market for low-value consumables reached US\$72 billion in 2023 and is projected to reach US\$129.8 billion by 2030, with a compound annual growth rate (CAGR) of approximately 9.1% from 2024 to 2030. This vast global market exhibits a diversified competitive landscape. International companies from developed countries dominate the market through their technological, distribution, and scale advantages, while shifting the production of low-value-added products to emerging countries with cost and manufacturing advantages.

The current domestic low-value medical consumables market is highly fragmented, characterized by regional competition and product homogeneity, leading to significant industry polarization. On the one hand, traditional low-end products are impacted by volume-based procurement and bidding mechanisms, intensifying

price competition. The "price for volume" strategy exacerbates competition, squeezing the profit margins of small and medium-sized enterprises lacking technical barriers. Leading companies, however, leverage their scale and cost control advantages to gradually build competitive barriers and steadily increase industry concentration. On the other hand, companies with strong R&D capabilities are accelerating their transformation towards mid-to-high-end segments. For example, through functional iteration of medical dressings, basic hemostatic products are being upgraded to wound repair solutions, significantly increasing product value. This competition driven by technological innovation not only helps companies escape the price war dilemma but also promotes the formation of a virtuous cycle of "product quality – clinical value – brand premium" within the industry. Under the dual influence of policy guidance and market forces, China's low-value consumables industry is rapidly transitioning from a "manufacturing advantage" to an "innovation advantage".



Source: YHResearch Research Report

② Developments of Surgical Site Infection Control Product Market

Surgical site infection control products are a vital component of the low-value medical consumables market, primarily used in surgical settings as indispensable medical consumables for invasive surgical procedures. According to statistics from the National Health Commission, the compound annual growth rate of inpatient surgical procedures in China was 7.9% from 2017 to 2022. This sustained growth in surgical volume lays the foundation for the steady expansion of the surgical site infection control product market.

Surgical site infection control products can be classified into reusable and disposable types. Disposable products, with their key advantage of significantly reducing the risk of cross-infection, are gradually replacing traditional reusable products. According to the research data of Coherent, using disposable surgical site infection control products can reduce the incidence of intraoperative cross-infection by 60%. Furthermore, disposable products demonstrate significant advantages in clinical practice, such as improved preoperative preparation efficiency and intraoperative convenience, further driving their market penetration.

Section III Management Discussion and Analysis

Regarding product iteration, customized surgical packs are systematically replacing the traditional single-product supply model. Compared to individual products, customized surgical packs can be tailored to specific surgical types and surgeon preferences, better improving surgical efficiency and safety while avoiding instrument and material waste, thus lowering hospital costs and environmental impacts. The customized surgical pack market has grown rapidly in recent years. According to CMI, the global customized surgical pack market is projected to reach US\$21.347 billion by 2026, with a CAGR of 10.2%. In China, this market is expected to reach US\$1.504 billion, with a CAGR of 12.2%, promising a substantial market opportunity.

③ Developments of Advanced Wound Dressing Product Market

Advanced wound dressings, with their clinical advantages in controlling wound exudate, maintaining a moist healing environment, preventing adhesions, and inhibiting bacterial growth, are gradually replacing traditional dressings and becoming the standard solution for managing chronic and complex wounds. Representative products include hydrogels, hydrocolloids, and foam dressings. Continuous material innovation and functional integration are driving industry upgrades.

Currently, the Chinese advanced wound dressing market is in a period of both demand upgrade and import substitution, offering broad prospects for future growth. The increasing elderly population, rising consumer spending, and growing healthcare awareness in China, coupled with the popularization of home care systems and the adoption of advanced international medical and nursing knowledge, are expected to drive the gradual replacement of traditional dressings with higher-performance advanced wound dressings. On the policy front, the establishment of green channels for innovative medical device approvals and reforms in the medical insurance payment system provide dual support. With industry trends focused on cost control and quality upgrades, the growth of advanced wound dressings in the domestic market is expected to accelerate.

With the increasing aging population, rising healthcare awareness, and a growing number of surgical procedures in developed countries, the demand for multifunctional, innovative, and high-value-added medical dressings is growing rapidly, presenting excellent opportunities for the advanced medical dressings industry. According to QYResearch, the global market for advanced wound dressings reached US\$6.56 billion in 2024 and is projected to reach US\$7.779 billion by 2031, demonstrating a steady growth in market demand.



Section III Management Discussion and Analysis

(2) Developments of Consumer Goods Segment

Driven by policies to expand domestic demand and consumption upgrading, China's consumer goods industry is experiencing a recovery characterized by "steady growth, quality improvement, and structural optimization". In terms of national policies, the enhanced and broadened trade-in programs for consumer goods and the newly issued Special Action Plan to Boost Consumption are significantly stimulating domestic demand and consumption. In terms of consumer demand, people's aspirations for a better life continue to grow, with consumer preferences shifting from "having it" to "having it good". Rational consumption and a focus on quality have become mainstream trends. With increasing health awareness, a growing focus on self-care, and the emergence of the silver economy, the demand for products and services centered on quality, health, and environmental protection is continuously increasing. Simultaneously, growing national cultural confidence is driving the popularity of domestic brands and fueling the growth of the "Guochao" economy.

Aligned with contemporary consumer trends, Purcotton leverages its three competitive edges – "Medical Heritage; Cotton-Centric Philosophy; Quality DNA" – to pursue its vision of "Pure Cotton Changes the World". Since its inception, Purcotton has focused on "pure cotton", adhering to high quality, craftsmanship, and standards (exceeding industry standards), providing consumers with comfortable, healthy, and environmentally friendly products. Purcotton has built a diversified product matrix encompassing both non-woven (cotton tissues, sanitary napkins, disposable travel products, etc.) and woven (baby apparel and products, adult apparel, bedding, etc.) categories.

① Developments of Cotton Tissues Industry

With increasing health awareness and consumer spending power, pure cotton tissues, due to their eco-friendliness and hypoallergenic properties, are rapidly replacing traditional fabrics and becoming a strong alternative to traditional paper tissues and towels, resulting in a steady growth in market penetration. According to the 2019-2025 China Cotton Tissues Industry Status and Development Trend Research Report by Zhongyan Puhua Industry Research Institute, cotton tissues, with their superior physical properties, high production efficiency, and environmental advantages, have become deeply integrated into baby care, maternity care, sensitive skin management, and beauty and skincare routines. The core consumer group's willingness to pay a premium continues to strengthen, driving up both product awareness and demand.

According to Euromonitor, the global retail market size for cotton tissues reached approximately 78 billion pieces in 2024 and is experiencing a rapid growth. As a pioneer in this category, Purcotton continues to lead industry development through technological iteration and standard setting. In 2021, Purcotton served as the primary drafter for the national standard for cotton tissues. Driven by both the "dual carbon" policy and consumption upgrades, this niche segment is transitioning from rapid growth to a new stage of standardized development, with the potential for continuous optimization of industry concentration and profitability.



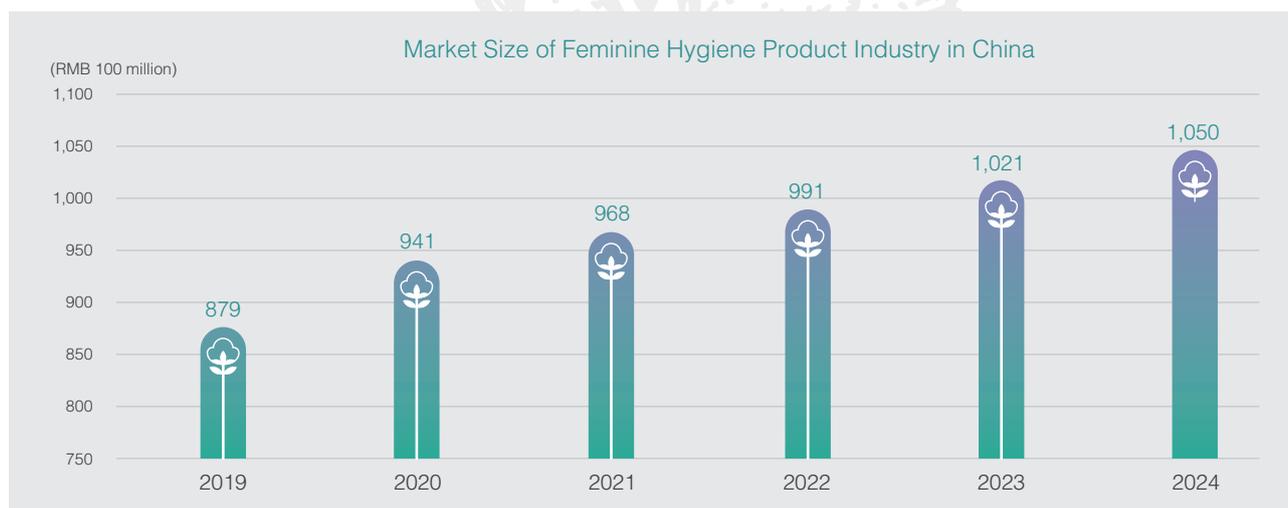
Section III Management Discussion and Analysis

② Developments of Feminine Hygiene Product Industry

China's feminine hygiene product industry has entered a stage of high-quality development. Trends such as product structure upgrades and increased health awareness are driving steady market growth. According to Euromonitor, the market size of China's feminine hygiene products reached approximately RMB105 billion in 2024 and is projected to reach RMB122 billion by 2029, with a CAGR of approximately 3.0% from 2024 to 2029.

With the continuous improvement of Chinese women's health awareness and purchasing power, consumer demand for product quality continues to upgrade. Functionality, material safety, and user experience have become core concerns, driving the increasing consumption of mid-to-high-end products. According

to Euromonitor, the average price per piece increased from RMB0.74 to RMB0.93 between 2019 and 2024, demonstrating the accelerating trend of quality-focused consumption. Currently, there is a growing demand for "safe" sanitary napkins among female consumers, leading to a preference for medical-grade and sterilized products. This premiumization is becoming a new engine for value growth in the feminine hygiene product industry. On the supply side, leading companies are building supply chain and technological moats through vertical integration from raw materials to manufacturing and the application of innovative bioengineering technologies. This premiumization trend will continue to increase market concentration and drive the industry towards a development paradigm centered on technology and quality.



Source: Euromonitor Database

③ Developments of Baby & Child and Adult Apparel Industry

Driven by the changing consumption patterns of modern families, the children's apparel market is evolving towards quality and refinement. With the deepening of the "refined parenting" concept, parents' demand focus is shifting from basic functionality to comprehensive considerations of quality and safety. Strict standards such as Class A safety standards, eco-friendly fabric certifications, and durable craftsmanship are increasingly becoming key purchasing decision factors. According to Euromonitor, the Chinese children's apparel market grew from RMB239.1 billion in 2019 to RMB260.7 billion in 2024 and is projected to reach RMB296.4 billion by 2029. The children's apparel industry still holds significant growth potential, particularly for brands with guaranteed quality and strong reputations.

According to Euromonitor, China's underwear market reached RMB254.3 billion in 2024, a year-on-year increase of 2.1%. Driven by rising consumer awareness and advancements in production technology, the Chinese underwear market is expected to expand further. Influenced by increased health consciousness and changing lifestyles, consumer evaluation criteria for underwear have shifted from a singular focus on price to a comprehensive consideration of safety, comfort, and functionality. On the one hand, basic safety attributes have become a baseline requirement, with standards such as zero formaldehyde and no fluorescent agents transitioning from recommendations to mandatory requirements. On the other hand, the demand for comfort is driving material innovation, including increased use of natural organic cotton, adoption of plant-based dyeing processes, and the implementation of details like seamless labels and boneless stitching. This consensus on quality baselines and technological innovation is creating sustainable value growth opportunities in the underwear market.

Section III Management Discussion and Analysis

II. Main Operations of the Company during the Reporting Period

The Company is subject to the disclosure requirements for "Medical Device Business" in the Shenzhen Stock Exchange Listed Company Self-Regulation Guidelines No. 4 – Industry Information Disclosure for 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.

1. 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 "Purcoiton", 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 the 34 years 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 and 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 approach: “overseas business + domestic professional medical market + daily consumer medical market”. 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

2. 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 and personal care, and other products. The products in the consumer segment include dry and wet cotton tissues, feminine hygiene products, 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

Specific Products

Medical cotton, gauze, bandage



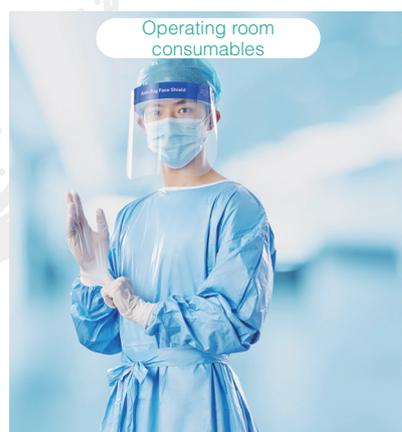
Advanced wound dressings

Main Applications

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

Specific Products

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



Operating room consumables

Main Applications

Applied in prevention of surgical site infections

Specific Products

Surgical gloves, surgical packs, surgical gowns, etc.



Infection prevention

Main Applications

Applied in occupational protection for medical personnel and patient isolation

Specific 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

Specific Products

Oral and nasal care, medical-aesthetic personal care, nursing aids, etc.

Other products



Main Applications

Applied in health management to meet medical needs

Specific 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

Specific Products
Cotton tissues, wet wipes, etc.



Feminine hygiene products

Specific Products
Sanitary napkins, overnight pads, etc.



Other non-woven products

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



Baby and child apparel and products

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



Adult apparel

Specific Products
Adult sleepwear, outerwear, underwear, socks, etc.



Other woven products

Specific Products
Bedding, bath products, etc.

Section III Management Discussion and Analysis

3. Main business model

Over the 34 years 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

4. 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 health-focused 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 34 years. 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 and personal care products, increasing the proportion of high-value-added products. Winner Medical pursues a three-pronged distribution strategy: "overseas business + domestic professional medical market + daily consumer medical market". In particular, the Company's rapid provision of high-quality products during the public health events 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 apparel. Many of these categories hold leading market positions, driving overall sales growth. In terms of distribution, Purcotton employs an omni-channel 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

III. 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 Group-wide "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. Offline 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 Reward" – 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.

IV. Analysis of Main Business

1. Overview

(1) Financial performance analysis

In 2024, facing a complex and volatile external environment, Winner Group, operates as a holistic health enterprise, synergistically converging medical innovation and consumer wellness ecosystems, maintained its strategic focus, actively forged ahead and embraced innovation, as guided by the three core business principles of “Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value”. Throughout the year, the Company consistently adhered to the development strategy of “Product Leadership, Operational Excellence, Global Vision”, persisted in independent innovation and research and development of basic materials, and continuously improved product competitiveness, with focus on core popular products, and comprehensive channel development. These efforts enhanced our brand recognition and reputation. In 2024, the Company achieved a cumulative operating revenue of RMB8.98 billion, representing a year-on-year growth of 9.7% (excluding infection prevention products, the Company’s operating revenue reached RMB8.62 billion, representing a year-on-year increase of 18.6%); the net profit attributable to shareholders of the listed company for the whole year was RMB700 million, or RMB590 million after deducting the non-recurring gains and losses, representing a year-on-year increase of 19.8% and 43.4%, respectively. Overall, the second half of the year witnessed a return to normalized growth as the impact of the public health emergency subsided.

In 2024, the Company achieved a cumulative operating revenue of

8.98 billion, representing a year-on-year growth of 9.7%

The net profit attributable to shareholders of the listed company for the whole year

was **700** million

① Medical consumables business: dual-engine growth driven by organic and inorganic strategies, as high base effect gradually diminishes

Driven by factors such as stricter global medical regulations, aging populations, and the increasing prevalence of chronic diseases, the medical device industry has entered a period of rapid growth in recent years. Within this landscape, the medical consumables sector, characterized by high usage frequency and relatively low industry concentration, is experiencing particularly robust expansion. Compared to the global market, the Chinese medical consumables market presents even more significant scale and growth potential.

Winner Medical, the Company’s medical consumables brand, has been deeply involved in the industry for 34 years, steadily navigating multiple economic and industrial cycles. Following the high-speed growth experienced during the public health emergency in the past few years, the medical consumables business underwent a series of in-depth adjustments in 2023 based on market insights, including business model upgrades, product structure optimization, organizational restructuring, and key talent development and recruitment. Compared to 2019, the business has reached new heights in terms of product category composition, channel capabilities, and brand recognition and reputation. In 2024, with a clear medical sector strategy and well-defined execution, the sector achieved an operating revenue of RMB3.91 billion. Despite the high base effect from infection prevention products (RMB620 million) in the first quarter of the previous year, the business maintained positive growth (1.1% year-on-year) for the whole year, demonstrating its long-term resilience. Driven by a dual-engine growth strategy combining organic and inorganic growth (M&A integration), the Company supplemented overseas production capacity and expanded sales channels, advancing towards its strategic goal of becoming a “one-stop solution for medical consumables”.

In terms of product development, Winner Medical is committed to developing into a brand that provides a “one-stop solution for medical consumables”, offering a comprehensive product portfolio encompassing traditional wound care and bandaging products, advanced wound dressings, operating room consumables, infection prevention products, and personal health and hygiene products. The Company prioritizes R&D investment and possesses a significant competitive advantage in the number of medical product registration certificates, together creating competitive barriers for Winner Medical. As of the end of the Reporting Period, the medical sector held 1,087 patents and 649 medical product registration certificates (including 25 Class III medical product registration certificates).

Section III Management Discussion and Analysis

During the Reporting Period, market demand for infection prevention products normalized, contributing RMB350 million in revenue, a year-on-year growth of 137.5% compared to RMB150 million in 2019. Excluding the fluctuations in infection prevention products (high base effect of RMB910 million in 2023), other medical consumable categories achieved a total operating revenue of RMB3.55 billion, representing a year-on-year growth of 20.4%. Supported by organic growth acceleration and strategic acquisitions, core categories experienced rapid development and maintained strong growth momentum during the Reporting Period. Advanced wound dressings, operating room consumables, and healthcare & personal care products achieved operating revenues of RMB780 million, RMB830 million, and RMB400 million, respectively, representing year-on-year growth rates of 31.2%, 48.8%, and 35.0%. Driven by the “Product Leadership, Operational Excellence” strategy, multiple product categories maintained strong competitiveness in their respective segments.

In September 2024, the Company acquired GRI, a US-based medical consumables company. This acquisition, as an important measure, strengthened the Company's overseas production capacity, sales channels, and localized operations, marking a significant milestone in its globalization strategy. GRI's product portfolio focuses on operating room consumables, contributing RMB290 million in revenue from the date of equity acquisition to the end of the Reporting Period. Looking ahead, Winner Medical anticipates synergies with GRI in manufacturing, procurement, R&D, and sales, leveraging GRI as a crucial pillar in its globalization strategy to jointly build a globally influential medical consumables brand.

In terms of channel development, in 2024, the Company continued to cultivate and expand its marketing channels through various approaches. The second half of the year saw a return to a normalized revenue structure for medical sector channels as the impact of the public health emergency receded.

Despite the challenges posed by the complex international landscape during the Reporting Period, Winner Medical's overseas sales channels (including cross-border e-commerce, consolidated) maintained strong growth momentum. Bolstered by the acquisition of GRI, overseas operating revenue reached RMB2.13 billion, a year-on-year increase of 37.7%, accounting for 54.4% of the medical sector revenue, demonstrating the Company's resilient international market foundation.

Domestic channels expanded steadily, achieving an operating revenue of RMB1.78 billion. Domestic hospital channel expansion focused on penetrating key and strategic hospitals. In terms of domestic pharmacies, we had achieved coverage of 226,000 OTC pharmacies as of the end of the Reporting Period. The popular product strategy for domestic e-commerce platforms became more focused and refined, with the establishment of a healthcare & personal care matrix to capitalize on new trends in medical consumer goods. As of the end of the Reporting Period, the total number of fans exceeded 17 million.

② Consumer products business: differentiated by pure cotton products, led by core popular products

According to data released by the National Bureau of Statistics, total retail sales of consumer goods reached RMB48.8 trillion in 2024, a year-on-year increase of 3.5%. Underlying this overall growth in the consumer market is a coexistence of self-care and rationality, with trends towards health, self-care, and a relaxed lifestyle profoundly influencing competition within specific market segments. Within this environment, the Company's focus on premium domestic products aligns with the burgeoning trend of Guochao economy, demonstrating continuous upward momentum.

Purcotton, the Company's consumer product brand, leverages the 34-year medical heritage of its parent company. Starting with its core technology of pure cotton spunlace non-woven fabric, Purcotton has continuously enriched its product categories, covering a wide range of family consumption scenarios including maternity and baby, feminine care, and home textiles. Its three core competitive edges – “Medical Heritage; Cotton-Centric Philosophy; Quality DNA” – have attracted a loyal customer base seeking “Reassurance, Wellbeing, Sustainability”. In 2024, Purcotton implemented a popular product strategy, refined channel operations, and continuously strengthened brand building. During the Reporting Period, the brand achieved an operating revenue of RMB4.99 billion, a year-on-year increase of 17.1%, demonstrating strong growth resilience.

In terms of product development, Centered on “one cotton flower, one fiber”, Purcotton persists in R&D investment, focusing on its proprietary Cotton Tech technologies focusing on Cotton Soft, Cotton Breathable, Cotton Warm, Cotton Cool, Cotton Anti-UV, Cotton Anti-Bacterial, and having established a differentiated and competitive product matrix. In 2024, the Company continued to refine its focus on strategic products, steadily improving industry rankings of core product categories through R&D innovation and integrated marketing. Through diverse brand marketing activities, the Company continuously reinforced Purcotton's 15-year commitment 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”, promoting the ecological value of cotton and its brand vision of “Pure Cotton Changes the World”, thereby enhancing brand visibility.

In terms of category development, Purcotton launched the cotton tissue category in 2009 and led the formulation of the national standard for “Soft Tissues” as the primary drafting unit in late 2021, further solidifying its industry leadership. During the Reporting Period, the Company strengthened communication with consumers, actively promoted the benefits of pure cotton materials, and continuously expanded product usage scenarios. **Sales of core popular dry and wet cotton tissues drove significant growth across the entire category, reaching a total operating revenue of RMB1.56 billion, representing a year-on-year increase of 31.2%.** In terms of sanitary napkin, “Nice Princess”, with its “Five Supers” pure cotton sensory technology (super absorption, super breathability, super softness, super eco-friendliness, and super convenience) and Winner Medical's safe and hygienic production

Section III Management Discussion and Analysis

environment, gained significant recognition from consumers and retailers for its product quality over the years amidst heightened consumer demand for safety at the end of the year, resulting in a significant improvement in industry ranking. During the Reporting Period, Sanitary napkins achieved a cumulative operating revenue of RMB700 million, a year-on-year increase of 18.0%, highlighting the growth potential of the core strategic product. In terms of adult apparel, the Company strategically focused on close-fitting categories such as underwear and loungewear, leveraging pure cotton fabric technology, and achieved a cumulative operating revenue of RMB960 million, a year-on-year increase of 15.4%.

As of the end of the Reporting Period, Purcotton held a total of 513 patents, with 21 new patents added in 2024. The Company continues to promote green product certification, product carbon footprint screening, biodegradable product R&D, and the breeding and application of organic cotton, leading the industry in green development.

In terms of channel development, Purcotton employs a diversified online and offline channel strategy. Online channels include traditional third-party e-commerce platforms like Tmall, JD.com, and Vipshop, as well as social commerce platforms like Douyin and Xiaohongshu, and its own website and mini-programs. Offline strategy focuses on increasing store density in Tier 1 and 2 cities and franchise expansion in key Tier 3 and 4 cities. By integrating offline experience with online repurchases, Purcotton leverages multi-channel synergy and cross-platform advantages. As of the end of the Reporting Period, Purcotton's total membership reached nearly 61 million, a 15.8% increase compared to the previous year-end, indicating continued brand penetration.

In 2024, Purcotton continued to cultivate its online channels, focusing on new product and popular product matrix to build competitive advantages for strategic products. The brand also strengthened cross-category penetration and implemented refined operations through brand activities, content communities, and membership systems to improve new customer acquisition and repeat purchase rates. During the Reporting Period, online channels achieved an operating revenue of RMB3.07 billion, representing a year-on-year increase of 18.9%. Notably, social commerce platforms experienced breakthrough growth (e.g., Douyin saw a year-on-year increase of nearly 109%). As important touchpoints for brand promotion, product experience, and customer service, Purcotton's offline stores accelerated their development, actively expanding physical stores while striving to improve profitability. As of the end of 2024, the Company had 487 stores (including 384 directly-operated stores and 103 franchised stores), with 92 new stores opened during the year (62 directly-operated and 30 franchised). During the Reporting Period, offline stores achieved an operating revenue of RMB1.49 billion, a year-on-year increase of 9.3%. The supermarket channel also saw positive development, contributing RMB320 million in revenue in 2024, a year-on-year increase of 33.4%.

③ Profitability analysis

During the Reporting Period, the profitability of the Company's two main business segments showed a stable upward trend.

In terms of medical consumables business, in 2024, demand for infection prevention products returned to normal levels. Amidst proactive sales promotions, prices adjusted to market conditions. Coupled with the abnormally high gross profit margin in the same period last year, the gross profit margin for infection prevention products decreased from 44.7% in the same period last year to 21.2% in the current period, dragging down the overall gross profit margin of the medical consumables business by 3.9 percentage points to 36.5%. Excluding infection prevention products, the gross profit margin of other medical sector categories was 38.0%, a year-on-year decrease of 1.1 percentage points as compared to the same period last year.

In terms of consumer goods business, in 2024, Purcotton continued to implement initiatives such as new product iterations, product structure optimization, discount control, cost reduction and efficiency improvement, and refined operational management, driving a steady increase in profitability. During the Reporting Period, influenced by cotton price fluctuations, Purcotton achieved a gross profit margin of 55.9%, representing a year-on-year decrease of 1.0 percentage points. Operating profit margin reached 12.1%, a 0.7 percentage point increase compared to 2023. With growth in both revenue and profit, Purcotton's expansion does not come at the expense of profitability. The Company remains committed to sourcing high-quality cotton globally, focusing on product innovation, and prioritizing advanced manufacturing processes to deliver superior products to consumers. Internally, Purcotton continuously enhances its operational management capabilities, demonstrating a sustainable and high-quality development trajectory.

The public health emergency has significantly impacted the medical consumables industry and market, leading to decreased demand for the core products of Winner Guilin during the Reporting Period, which was acquired by the Company in 2022. This downturn has resulted in a potential goodwill impairment. A prudent assessment by Yinxin Appraisal Co., Ltd. indicated a goodwill impairment of RMB90.74 million for Winner Guilin, materially impacting the income statement for the current period. Winner Guilin will introduce two state-of-the-art production lines in 2025 to bolster capacity and reduce costs. The Company will continue to invest in automation upgrades for improved quality and efficiency, expedite new product validation, and expand its overseas channels. Overall, the Company will implement a range of operational measures to ensure a smooth transition for Winner Guilin's performance and solidify its foundation for long-term growth.

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(2) Operational management**① Brand building**

Winner Medical continued to solidify its brand image as a trusted choice for medical professionals and a beloved brand among consumers. It strengthened professional standing in the academic field through clinical outreach, empowered its terminal marketing efforts through content-driven operations, demonstrated its values through public welfare initiatives, and leveraged brand marketing to drive growth and support the realization of its corporate strategy.

① Winner Group participated in the 2nd China International Supply Chain Expo in Beijing and attended the corporate symposium chaired by the Premier of the State Council, where it offered insights and suggestions for China's supply chain development as a representative of the industry, and jointed 12 other enterprises, including China Resources Pharmaceutical Group, in issuing a joint initiative for exhibitors focused on building a healthy lifestyle supply chain. ② In clinical outreach, in 2024, Winner Medical conducted over 350 professional product training sessions for domestic and foreign medical professionals to advance medical and nursing techniques within the industry. The brand collaborated with key opinion leaders (KOLs) among doctors to educate the public on "physiological saline" product series, penetrating product awareness among Generation Z and promoting access to professional medical knowledge for the general public. ③ In content marketing, Winner Medical partnered with CCTV.com to launch a promotional campaign for "cotton inner layer masks", further enhancing its brand influence. Throughout the year, Winner Medical participated in 17 large and medium-sized exhibitions domestically and internationally, and was awarded the CPEO Gold Award for Health & Personal Care Brand at the 16th China Health Industry Ecological Conference (CPEO 2024), promoting brand building within the pharmaceutical retail ecosystem and demonstrating its strong comprehensive strength. ④ In public welfare activities, Winner Medical actively launched a series of public welfare activities, including "Incontinence Awareness Week", Charity Bazaar at International Women's Day, and flood relief efforts, demonstrating the care and compassion of a medical enterprise. Throughout the year's brand building initiatives, Winner Medical not only showcased its extensive product line and enhanced product credibility but also demonstrated its intelligent manufacturing capabilities, R&D innovation capabilities, and industry leadership.

Purcotton continues to deepen its emotional bond and interactive communication with consumers, solidifying its brand image as comfort commitment, health assurance, eco-consciousness, warm, and empowering. ① In terms of brand ambassadors, Purcotton celebrated its 15th anniversary with a "Cotton Field Runway Show", featuring brand ambassador Guo Jingjing, who visited the cotton fields to share the transformative potential of a single piece of cotton. The event, centered on a fashion show, showcased the quality and charm of cotton while conveying Purcotton's sustainable philosophy of coexisting with nature. A meet-and-greet event with Purcotton's home textiles and loungewear global ambassador, Zhao Liying, was held at Purcotton Lifestyle Store at Chongqing MixC, where she shared her "more comfortable life with Purcotton at home" and revealed the secrets of softness and comfort of pure cotton products. The "Every Generation Has Purcotton" CNY campaign, continuing for the second year, featured New Year greetings from Guo Jingjing and Zhao Liying, conveying Purcotton's brand philosophy of Reassurance, Wellbeing, Sustainability during this traditional Chinese festival. ② In terms of consumer communication, Purcotton launched a special "Listen to the Children" campaign at Children's Day, featuring a themed collection, creative subway exhibitions, a themed video, and offline children's fashion shows. This campaign conveyed a brand image attentive to and understanding of children, building a bridge between

adults and children and further strengthening consumer recognition and affinity for the brand. During the 818 Members' Day, the "Healing in Cotton Colors" themed exhibition was held at the Shenzhen Women and Children's Building. Inspired by the nine colors of cotton during its growth cycle, the exhibition included fun cotton knowledge popularization, parent-child reading activities, child-friendly stores, and interactive areas, conveying positive emotional value and promoting happiness and healing. ③ In terms of public welfare activities, Purcotton launched the "Mountain and Sea Healing Plan" for Earth Day (April 22nd), which included in-store upcycled clothing, and plogging events, and donations of summer protective gear to forest rangers and sanitation workers. High-quality original content and concrete actions attracted environmental advocates from various fields. Purcotton's sanitary napkin brand, Nice Princess, launched the "Nice For Her" project, an action friendly for women during menstruation, in partnership with the China Women's Development Foundation and Ai Xiaoya, to distribute "Menstrual Care Packages" of Nice Princess to girls from primary and secondary schools in underprivileged areas, and conducted menstrual health education classes. The brand also provided emergency sanitary napkins to universities, primary and secondary schools, and shopping malls across the country, taking concrete action to improve the environment for women.

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. ① Winner Medical concentrates on researching the application of functional materials, such as pure cotton spunlace non-woven fabric, in operating room consumables, encompassing key product lines like surgical gowns, isolation gowns, and surgical drapes. Through technological advancements, these products feature improved comfort and optimized production costs, and enhance the user experience for healthcare professionals, leading to greater overall competitiveness. ② In terms of advanced wound dressing, Winner Medical continuously optimizes processes and innovates formulations. Its core materials have established a unique competitive advantage in differentiated niche markets. The flagship silicone gel foam dressing has been iterated to its fourth generation and officially launched, further expanding the Company's market influence in advanced wound care. ③ Winner Medical actively expands its international presence. Our hydrophilic fiber dressings have obtained CE certification under the latest EU MDR regulations, officially entering the European advanced medical dressing market. Hydrophilic gel wound dressings for medical purpose have achieved mass production and successfully launched in overseas markets, further enriching the Company's global product portfolio. ④ Looking towards the future, Winner Medical proactively invests in research and development of cutting-edge biomaterials, and collaborated with the universities on the Shenzhen Major Science and Technology Project, "Bionic Artificial Cornea Research and Development Project". The project's core process, "collagen extraction technology", has achieved a breakthrough in pilot-scale trials, providing key technical support for the research and development of bionic artificial corneas and expanding the application of collagen in various fields such as medical devices, regenerative medicine, and skincare.

In the health and consumer goods sector, Purcotton has independently developed and continues to upgrade the six Cotton Tech technologies focusing on Cotton Soft, Cotton Breathable, Cotton Warm, Cotton Cool, Cotton Anti-UV, Cotton Anti-Bacterial. Simultaneously, new breakthroughs have been achieved in functionalities such as quick-drying, odor control, water resistance,

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oil proof and stain resistance, gradually strengthening and refining the Cotton Tech system. In the non-woven product line, Purcotton pioneered the pure cotton, self-softening tissues, achieving a significant increase in softness without chemical additives and receiving BV certification. Replacing woven fabrics with non-woven fabrics, Purcotton innovatively developed travel products such as disposable sleeping bags and towels using pure cotton non-woven materials, which have been highly praised by consumers since their launch. It revolutionized baby wet wipes with a minimalist formula that passed skin irritation, sensitization, and oral mucosal safety tests, successfully launching the product overseas. The woven product line consistently selects premium cotton, promoting high-quality custom spun yarns, and driving innovation in gauze and elastic gauze development. Significant progress has been made in Wind Soft Cotton 4.0 and Pure Cotton Core Technology. In terms of industry-academia-research collaboration, Purcotton has worked with research institutions such as Huazhong Agricultural University to complete tasks such as the breeding of Pure Cotton 135 and the expansion of spunlace-specific cotton breeding. In partnership with Tianjin Polytechnic University, Purcotton established a scientific comfort evaluation system for sleepwear, promoting the standardization of comfort in the industry. Collaborating with Soochow University, Purcotton completed the design of an ergonomic pillow for children, utilizing 3D scanning and scientific zoning technology to achieve precise support for the head, neck, and shoulders of children in both supine and lateral sleeping positions, optimizing their sleep experience.

③ Digital transformation

The Company is driving a business-wide digital transformation centered on consumer needs and powered by AI. This involves building a digital ecosystem through marketing cloud system

upgrades, the establishment of an intelligent content middle platform, and the implementation of intelligent tax management, comprehensively enhancing operational efficiency and user experience. During the Reporting Period, the Company focused on the following digital projects: (1) Purcotton Marketing Cloud 4.0 Upgrade Project establishes a closed-loop digital marketing process encompassing "data – insights – reach – conversion". Key achievements include: ① Deep integration of CDP (Customer Data Platform), MA (Marketing Automation), CRM, and intelligent shopping guide systems, creating an omnichannel user operation hub and successfully integrating over 50 million data assets related to users, products, and scenarios. ② Construction of a user tagging system with over 400 dimensions, covering seven major aspects, including basic attributes, consumer behavior, and scenario preferences. Establishment of a matrix of over 10 user touchpoints, covering online and offline interaction scenarios across all channels. ③ Enhanced functionalities including globally visible user data, more precise and agile user analysis, more comprehensive multi-touchpoint marketing, and broader business scenario coverage. These upgrades comprehensively improve marketing reach and precision, facilitating integrated omnichannel user marketing. (2) Purcotton officially launched its enterprise-level intelligent content middle platform, enabling online content management and establishing a central content asset library. The platform connects five major brand touchpoints across mainstream media platforms such as Xiaohongshu, Weibo, WeChat Channels, and Douyin. Integration with leading large language models supports various business departments in generating marketing content, videos, and images, realizing AI-powered intelligent content creation. (3) The Company fully implemented the Taxcellent management function, ushering in a new era of intelligent tax management. This one-stop, fully integrated process reduces financial and tax operation costs and continuously improves tax compliance.



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2. Revenue and costs

(1) Breakdown of operating revenue

Overall operating revenue

Unit: RMB

	2024		2023		Year-on-year change
	Amount	Proportion of operating revenue	Amount	Proportion of operating revenue	
Total operating revenue	8,977,853,631.73	100%	8,185,022,057.20	100%	9.69%
By sector					
Medical consumables	3,905,583,866.46	43.50%	3,861,746,216.57	47.18%	1.14%
Consumer goods	4,990,886,442.62	55.59%	4,262,578,436.61	52.08%	17.09%
Other	81,383,322.65	0.91%	60,697,404.02	0.74%	34.08%
By product					
Medical consumables – traditional wound care and bandaging	1,194,898,393.06	13.31%	1,152,978,257.74	14.09%	3.64%
Medical consumables – advanced wound dressings	781,211,296.84	8.70%	595,391,352.74	7.27%	31.21%
Medical consumables – operating room consumables	826,303,419.14	9.20%	555,205,865.12	6.78%	48.83%
Medical consumables – infection prevention	354,415,027.53	3.95%	912,495,298.85	11.15%	-61.16%
Medical consumables – healthcare & personal care	403,442,451.30	4.49%	298,890,864.36	3.65%	34.98%
Medical consumables – other products	345,313,278.59	3.85%	346,784,577.76	4.24%	-0.42%
Consumer goods – dry and wet cotton tissues	1,557,408,801.27	17.35%	1,187,127,619.96	14.50%	31.19%
Consumer goods – sanitary napkins	699,946,767.87	7.80%	593,006,956.43	7.25%	18.03%
Consumer goods – other non-woven products	355,812,417.16	3.96%	381,405,875.17	4.66%	-6.71%
Consumer goods – baby and child apparel and products	963,131,460.70	10.73%	850,728,263.63	10.39%	13.21%
Consumer goods – adult apparel	964,897,782.52	10.75%	836,195,171.03	10.22%	15.39%
Consumer goods – other woven products	449,689,213.10	5.01%	414,114,550.39	5.06%	8.59%
Other business	81,383,322.65	0.91%	60,697,404.02	0.74%	34.08%
By region					
Domestic	6,846,740,826.92	76.26%	6,641,101,860.83	81.14%	3.10%
Overseas	2,131,112,804.81	23.74%	1,543,920,196.37	18.86%	38.03%

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(2) Sectors, products, regions, or sales models that contribute to 10% or more of the Company's operating revenue or operating profit

 Applicable N/A

Unit: RMB

	Operating revenue	Operating costs	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						
Medical consumables	3,905,583,866.46	2,480,575,473.20	36.49%	1.14%	7.83%	-3.94%
Consumer goods	4,990,886,442.62	2,201,330,303.93	55.89%	17.09%	19.70%	-0.96%
By product						
Medical consumables – traditional wound care and bandaging	1,194,898,393.06	822,353,781.48	31.18%	3.64%	8.74%	-3.23%
Consumer goods – dry and wet cotton tissues	1,557,408,801.27	809,762,855.83	48.01%	31.19%	44.37%	-4.75%
Consumer goods – baby and child apparel and products	963,131,460.70	395,251,796.23	58.96%	13.21%	9.40%	1.43%
Consumer goods – adult apparel	964,897,782.52	338,038,535.09	64.97%	15.39%	9.67%	1.83%
By region						
Domestic	6,846,740,826.92	3,386,882,781.33	50.53%	3.10%	2.95%	0.07%
Overseas	2,131,112,804.81	1,342,679,336.90	37.00%	38.03%	51.77%	-5.70%

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

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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 costs	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	4,990,886,442.62	2,201,330,303.93	55.89%	17.09%	19.70%	-0.96%
By product						
Consumer goods – dry and wet cotton tissues	1,557,408,801.27	809,762,855.83	48.01%	31.19%	44.37%	-4.75%
Consumer goods – baby and child apparel and products	963,131,460.70	395,251,796.23	58.96%	13.21%	9.40%	1.43%
Consumer goods – adult apparel	964,897,782.52	338,038,535.09	64.97%	15.39%	9.67%	1.83%
By region						
By sales model						
Consumer goods – online sales	3,069,985,803.04	1,487,464,648.31	51.55%	18.87%	21.56%	-1.07%
Consumer goods – physical store	1,491,814,266.30	508,503,924.38	65.91%	9.34%	4.23%	1.67%

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

Does the Company have physical store sales terminals?

Yes No

Physical store distribution

Store type	Number of stores	Store area	Number of new stores opened during the Reporting Period	Number of stores closed as of the end of the Reporting Period	Reason for closure	Brand involved
Directly operated	384	112,244	62	15	Store closure due to contract expiration and strategic planning	Purcotton
Franchised	103	22,546	30	1	Store closure due to contract expiration	Purcotton

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Total area of directly-operated stores and store efficiency

Area range	Number of stores	Total area	Operating revenue (RMB0'000)	Operating revenue in the same period last year	Average store efficiency Year-on-year change
Less than 300 square meters	186	39,578.73	60,718.70	57,339.29	5.89%
300-500 square meters	94	34,370.77	42,792.23	42,540.37	0.59%
500-800 square meters	23	14,141.58	14,125.47	15,005.70	-5.87%
More than 800 square meters	8	7,311.38	4,831.07	5,161.12	-6.39%
Total	311	95,402.46	122,467.47	120,046.48	2.02%

Explanation: The above data is for Purcotton stores that have been open for more than 12 months as of December 31, 2024.

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	October 25, 2017	13,336,447.32	32,986.51
2	Ranking second	August 6, 2012	12,738,041.85	21,782.25
3	Ranking third	July 20, 2016	12,113,294.74	29,773.37
4	Ranking fourth	November 11, 2017	11,347,041.81	10,231.78
5	Ranking fifth	May 15, 2010	10,270,088.23	15,787.99
Total			59,804,913.95	18,952.96

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New stores of listed companies

 Yes No

Store name	Store address	Opening date	Area in contract (Square meter)	Investment amount (RMB)	Product category	Business format	Business model	Property ownership status	Number of stores
Purcotton directly operated store	Central China	2024	1,474.45	9,062,490.86	Consumer goods	Retail	Directly operated store	Leased by Purcotton	6
Purcotton directly operated store	North China	2024	2,526.96	25,024,810.75	Consumer goods	Retail	Directly operated store	Leased by Purcotton	11
Purcotton directly operated store	West China	2024	2,946.12	23,170,307.05	Consumer goods	Retail	Directly operated store	Leased by Purcotton	11
Purcotton directly operated store	South China	2024	1,899.25	15,491,232.36	Consumer goods	Retail	Directly operated store	Leased by Purcotton	11
Purcotton directly operated store	East China	2024	4859.39	37,839,570.55	Consumer goods	Retail	Directly operated store	Leased by Purcotton	20
Purcotton directly operated store	Northeast China	2024	577.26	4,673,230.37	Consumer goods	Retail	Directly operated store	Leased by Purcotton	3
Purcotton franchised store	North China	2024	769	1,058,088.49	Consumer goods	Retail	Franchised store	Franchised by Purcotton	3
Purcotton franchised store	South China	2024	1778.23	4,054,367.21	Consumer goods	Retail	Franchised store	Franchised by Purcotton	8
Purcotton franchised store	West China	2024	1435.58	3,189,494.08	Consumer goods	Retail	Franchised store	Franchised by Purcotton	7
Purcotton franchised store	Central China	2024	1269.32	2,789,001.21	Consumer goods	Retail	Franchised store	Franchised by Purcotton	7
Purcotton franchised store	East China	2024	928	1,669,656.62	Consumer goods	Retail	Franchised store	Franchised by Purcotton	3
Purcotton franchised store	Northeast China	2024	276.42	690,851.64	Consumer goods	Retail	Franchised store	Franchised by Purcotton	2
Total			20,739.98	128,713,101.19					92

Explanation: The range of investment amount includes the ending inventory balance of the store, renovation costs, renovation deposit, lease expenses, and personnel costs.

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

Yes No

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(3) Is the Company's revenue from physical sales greater than the revenue from labor services?

Yes No

Classification of industry	Item	Unit	2024	2023	Year-on-year change
Medical consumables – gauze	Sales volume	Ton	6,548	7,044	-7.04%
	Production volume	Ton	6,337	6,983	-9.26%
	Inventory	Ton	507	718	-29.43%
Medical consumables – face masks	Sales volume	10,000 pieces	122,389	223,322	-45.20%
	Production volume	10,000 pieces	124,996	183,736	-31.97%
	Inventory	10,000 pieces	33,162	30,555	8.53%
Medical consumables – package	Sales volume	10,000 packages	4,656	4,049	14.97%
	Production volume	10,000 packages	4,717	4,127	14.30%
	Inventory	10,000 packages	485	424	14.46%
Consumer goods – cotton tissues	Sales volume	10,000 packages	23,887.04	18,058.51	32.28%
	Production volume	10,000 packages	23,979.83	18,537.53	29.36%
	Inventory	10,000 packages	2,825.79	2,733.00	3.40%
Consumer goods – sanitary napkins	Sales volume	10,000 pieces	92,446.09	74,976.64	23.30%
	Production volume	10,000 pieces	87,821.31	76,266.63	15.15%
	Inventory	10,000 pieces	15,920.74	20,545.53	-22.51%

Explanation of the reasons for a year-on-year change of more than 30% in the relevant data

Applicable N/A

Notes: 1. The significant decline in mask sales and production was primarily attributed to the impact of the public health emergency, which led to a decrease in market demand for masks.
2. The substantial increase in cotton tissue sales primarily due to enhanced consumer awareness through education on the material's benefits. Furthermore, continuous improvements in product offerings and product quality have driven the growth of cotton tissue sales.

(4) Performance of significant sales contracts and significant purchase contracts that the Company has signed as of the Reporting Period

Applicable N/A

Section III Management Discussion and Analysis

(5) Breakdown of operating costs

Classification of industry and product

Unit: RMB

Classification of industry	Item	2024		2023		Year-on-year change
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Medical consumables	Direct material	1,715,574,802.12	69.16%	1,554,038,332.02	67.55%	10.39%
Medical consumables	Direct labor	386,067,256.67	15.56%	373,090,284.06	16.22%	3.48%
Medical consumables	Manufacturing cost	378,933,414.41	15.28%	373,291,314.55	16.23%	1.51%
Subtotal of medical consumables		2,480,575,473.20	100.00%	2,300,419,930.63	100.00%	7.83%
Consumer goods	Direct material	1,634,502,196.35	74.25%	1,397,052,162.76	75.96%	17.00%
Consumer goods	Direct labor	197,612,092.06	8.98%	186,270,904.11	10.13%	6.09%
Consumer goods	Manufacturing cost	369,216,015.52	16.77%	255,759,657.81	13.91%	44.36%
Subtotal of consumer goods		2,201,330,303.93	100.00%	1,839,082,724.68	100.00%	19.70%
Other business		47,656,341.10	1.01%	35,094,632.43	0.84%	35.79%
Total		4,729,562,118.23	100.00%	4,174,597,287.74	100.00%	13.29%

Unit: RMB

Classification of product	Item	2024		2023		Year-on-year change
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Medical consumables	Traditional wound care and bandaging	822,353,781.48	17.39%	756,271,542.20	18.12%	8.74%
Medical consumables	Advanced wound dressings	350,734,908.16	7.42%	267,838,902.18	6.42%	30.95%
Medical consumables	Operating room consumables	546,142,103.25	11.55%	305,768,350.25	7.32%	78.61%
Medical consumables	Infection prevention	279,248,062.69	5.90%	504,221,134.36	12.08%	-44.62%
Medical consumables	Healthcare & personal care	236,774,847.29	5.01%	181,923,331.62	4.36%	30.15%
Medical consumables	Other products	245,321,770.33	5.19%	284,396,670.02	6.81%	-13.74%
Subtotal of medical consumables		2,480,575,473.20	52.45%	2,300,419,930.63	55.11%	7.83%
Consumer goods	Dry and wet cotton tissues	809,762,855.83	17.12%	560,892,390.86	13.44%	44.37%
Consumer goods	Sanitary napkins	231,649,418.86	4.90%	199,809,154.77	4.79%	15.94%
Consumer goods	Other non-woven products	225,753,984.48	4.77%	230,564,498.16	5.52%	-2.09%
Consumer goods	Baby and child apparel and products	395,251,796.23	8.36%	361,286,447.91	8.65%	9.40%
Consumer goods	Adult apparel	338,038,535.09	7.15%	308,237,685.37	7.38%	9.67%
Consumer goods	Other woven products	200,873,713.44	4.25%	178,292,547.61	4.27%	12.67%
Subtotal of consumer goods		2,201,330,303.93	46.54%	1,839,082,724.68	44.05%	19.70%
Other business		47,656,341.10	1.01%	35,094,632.43	0.84%	35.79%
Total		4,729,562,118.23	100.00%	4,174,597,287.74	100.00%	13.29%

Section III Management Discussion and Analysis

- Notes:
1. The cost of advanced dressings this year increased by 30.95% compared to last year, mainly due to the increase in revenue from advanced dressings this year;
 2. The cost of operating room consumables this year increased by 78.61% compared to last year, mainly due to: 1) the revenue from operating room consumables this year increased compared to last year; 2) the relatively high costs arising from the acquisition of GRI led to a further increase in costs; 3) the rise in latex prices led to an increase in the cost of surgical gloves;
 3. The cost of wet and dry cotton tissues this year increased by 44.37% compared to last year, primarily due to the combined impact of high cotton procurement prices and long delivery cycles in 2023;
 4. The cost of other business this year increased by 35.79% compared to last year, mainly due to the increase of 34.08% in revenue from other business this year.

(6) Has the scope of consolidation changed during the Reporting Period?

Yes No

See "Section X Financial Report – Notes X. Equity in Other Entities".

(7) Significant changes or adjustments to the Company's operations, products, or services during the Reporting Period

Applicable N/A

(8) Key customers and major suppliers

Key customers

Total sales amount from top five customers (RMB)	1,129,258,574.27
The total sales amount from the top five customers as a percentage of the total annual sales	12.58%
The sales amount from related parties within the top five customers as a percentage of the total annual sales	0.00%

Information on top 5 customers

Serial number	Customer name	Sales (RMB)	Percentage of the total annual sales
1	Ranking first	573,854,174.86	6.39%
2	Ranking second	226,438,357.88	2.52%
3	Ranking third	150,210,866.80	1.67%
4	Ranking fourth	94,943,236.55	1.06%
5	Ranking fifth	83,811,938.18	0.93%
Total	–	1,129,258,574.27	12.58%

Other information on key customers

Applicable N/A

Major suppliers

Total purchase amount from top five suppliers (RMB)	769,439,856.69
The total purchase amount from the top five suppliers as a percentage of the total annual purchase amount	20.92%
The purchase amount from related parties within the top five suppliers as a percentage of the total annual purchase amount	0.00%

Section III Management Discussion and Analysis

Information on top 5 suppliers

Serial number	Supplier name	Purchase amount (RMB)	Percentage of the total annual purchase amount
1	Ranking first	483,414,803.60	13.14%
2	Ranking second	78,567,746.31	2.14%
3	Ranking third	72,463,064.74	1.97%
4	Ranking fourth	72,462,593.58	1.97%
5	Ranking fifth	62,531,648.46	1.70%
Total	–	769,439,856.69	20.92%

Other information on major suppliers

 Applicable N/A

3. Expenses

Unit: RMB

	2024	2023	Year-on-year change	Explanation of significant changes
Sales expenses	2,264,147,324.64	2,090,492,506.10	8.31%	Without significant changes
Administrative expenses	673,737,166.83	693,647,621.42	-2.87%	Without significant changes
Financial expenses	-99,211,260.42	-61,858,959.93	60.38%	Mainly due to the increase in exchange earnings
Research and development expenses	348,163,926.01	322,051,868.43	8.11%	Without significant changes

Section III Management Discussion and Analysis

Composition of sales expenses:

Unit: RMB

Items	2024	2023	Year-on-year change	Explanation of significant changes
Advertising and promotional expenses	816,381,913.54	651,816,390.71	25.25%	Without significant changes
Employee compensation	645,869,958.89	643,446,712.68	0.38%	Without significant changes
Sales commission and e-commerce platform fees	288,464,170.25	261,088,807.68	10.49%	Without significant changes
Depreciation of right of use assets	193,347,920.14	196,694,977.33	-1.70%	Without significant changes
Lease and property management fees	139,382,565.32	118,909,705.83	17.22%	Without significant changes
Depreciation and amortization	60,007,324.01	54,120,612.33	10.88%	Without significant changes
Travel expenses	27,862,714.05	24,738,868.66	12.63%	Without significant changes
Office communication expenses	19,943,206.56	15,318,336.04	30.19%	Mainly due to the increase in investment in office network services in this period
Utilities	13,337,799.99	12,448,568.50	7.14%	Without significant changes
Service charge	16,252,474.59	17,439,391.54	-6.81%	Without significant changes
Premium	5,368,181.67	7,355,088.51	-27.01%	Without significant changes
Others	37,929,095.63	87,115,046.29	-56.46%	Mainly due to high material consumption in the previous period
Total	2,264,147,324.64	2,090,492,506.10	8.31%	Without significant changes

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

4. Other information required by the industry information disclosure guidelines

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

(1) Capacity

Self-owned capacity

	Reporting Period	Same period last year
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Capacity utilization changed by more than 10% year on year

Yes No

Section III Management Discussion and Analysis

Business category	Product category	Unit	2024			2023			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	38,169.00	23,980.00	62.83%	37,641.00	18,538.00	49.25%	13.58%	Increase in market demand leads to increase in orders
	Sanitary napkin	10,000 pieces	91,244.00	80,139.00	87.83%	63,738.00	53,012.00	83.17%	4.66%	

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.

Unit: RMB

Marketing channel	Operating revenue	Operating costs	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 (%)
Online sales	3,069,985,803.04	1,487,464,648.31	51.55%	18.87%	21.56%	-1.07%
Physical store	1,491,814,266.30	508,503,924.38	65.91%	9.34%	4.23%	1.67%

(3) Franchise and distribution

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

Yes No

Section III Management Discussion and Analysis

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	November 9, 2020	No	12,113,172.83	the first level
2	Ranking second	December 28, 2022	No	11,922,061.35	the first level
3	Ranking third	June 16, 2023	No	9,795,778.37	the first level
4	Ranking fourth	June 1, 2021	No	8,752,497.40	the first level
5	Ranking fifth	June 26, 2022	No	8,087,230.33	the first level
Total	-	-	-	50,670,740.29	-

Top five distributors

Serial number	Franchisee name	Date of start for cooperation	Is it a related party	Total sales amount (RMB)

(4) 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

Section III Management Discussion and Analysis

Date of start for operation	January 6, 2014
Number of registered users	15,599,334
Average number of monthly active users	1,553,296

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	1,603,375,769.76	2.71%

Opening or closing of online sales channels by the Company

Applicable N/A

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

N/A

(5) Outsourced operation model

Does it involve an outsourced operation model?

Yes No

(6) Inventory

Main products	Inventory turnover days	Inventory amount (RMB)	Inventory age	Year-on-year change in inventory balance	Reason
Raw materials and materials consigned for processing		412,490,625.78		168,540,604.13	
Work in process		236,173,968.11		69,646,766.78	
Goods on hand		1,244,239,829.93		261,772,228.20	
Goods in transit		48,244,017.80		23,527,859.78	
Low-value consumables		16,666,166.63		861.40	
Total	149	1,957,814,608.25		523,488,320.29	Mainly due to the new acquisition of GRI in current period

Section III Management Discussion and Analysis

Provision for inventory decline

Unit: RMB

Item	Beginning balance	Increase in current period	Decrease in current period	Closing balance
		Provision	Reversal or write-off	
Raw materials	13,590,764.92	14,460,044.82	18,281,350.66	9,769,459.08
Work in process	36,094,235.16	14,003,884.01	20,845,420.58	29,252,698.59
Goods on hand	205,259,954.93	121,099,652.07	158,689,893.31	167,669,713.69
Low-value consumables	1,598,990.58	2,479,535.48	1,787,718.70	2,290,807.36
Total	256,543,945.59	152,043,116.38	199,604,383.25	208,982,678.72

Inventory information of terminal channels such as franchisees or distributors

Purcotton has 103 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 December 31, 2024, the inventory balance was RMB45.10 million, averaging RMB440,000 per store.

(7) 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 napkin	Pure cotton surface layer (surface layer, partition edge, wing surface layer)	Age-appropriate female population	RMB1.5-4.99/pad	Nationwide	Second-tier, third-tier and above cities nationwide
Purcotton	Nice Baby	Cotton diaper	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/piece	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/apparel	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

Section III Management Discussion and Analysis

Brand name	Trademark name	Main product type	Characteristics	Target customer group	Price range of main products	Main sales area	City tier
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; age-appropriate adult men and women; Intimate clothing: all age groups of customers	Outwear: 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

Partner brands

Brand name	Trademark name	Main product type	Characteristics	Target customer group	Price range of main products	Main sales area	City tier	Brand and 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 range of main products	Main sales area	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 “Section III Management Discussion and Analysis” – “IV. Analysis of Main Business” of the Report. “III. Analysis of Main Business” of Management Discussion and Analysis.

Disputes related to trademark ownership

Applicable N/A

(8) 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

5. R&D investment

☑ Applicable □ N/A

Name of main R&D projects	Objective	Progress	Goal	Expected impact on the Company's future development
Upgrade of 2.0 Cotton Inner Layer Material for Masks	Optimize cotton blending technology and production processes to enhance smoothness of the cotton inner layer material and wearing comfort of the masks	Launched	Upgrade abrasion resistance from level 3 to 3.5 of the cotton inner layer material, further reduce fuzzing risk, and effectively improve wearing comfort of the masks	Create differentiated mask products, enhance market competitiveness, and promote green, resource-saving development of the Company's products
Upgrade of Uni-Directional Moisture-Wicking and Dry-Touch Pure Cotton Topsheet Material for Sanitary Napkins	Develop a dry-touch pure cotton topsheet material to enhance product dryness for sanitary napkins	Launched	By optimizing the dry-touch process, the dry-touch pure cotton topsheet material possesses certain hidden blood absorption properties. The moisture-wicking performance is significantly improved, greatly enhancing the comfort of pure cotton sanitary napkins	The dry-touch performance of the pure cotton topsheet material continues to improve, further enhancing the comfort of sanitary napkins and contributing to the increased market share of pure cotton topsheet sanitary napkins
Safe, Long-Lasting Antibacterial Pure Cotton Spunlace Non-Woven Fabric Material for Sanitary Napkin Topsheets	Develop a safe, long-lasting antibacterial pure cotton non-woven fabric to enhance the market competitiveness of sanitary napkins	Launched	Develop a pure cotton long-lasting antibacterial topsheet material through antibacterial technology selection	Create differentiated competitiveness for sanitary napkin products, meet users' differentiated needs, and further increase the market share of pure cotton sanitary napkins
Research and Development of the Fourth-Generation Soft Silicone Foam Dressing	Develop soft, comfortable, and highly stretchable soft silicone foam dressings to improve product performance and comfort	Launched	Product performance reaches international industry benchmark levels, available for sale domestically and internationally	Enhance the product competitiveness of soft silicone foam dressings to increase market share
Medical Hydrogel Dressing Research and Development	Research hydrogel formulation and polymerization molding process to develop a liquid-absorbing and moisturizing hydrogel dressing	Launched	Hydrogel material has a water content of over 50%, with cooling, liquid-absorbing and moisturizing functions	Enrich the high-end dressing product line
Bionic Wetting Structure Pure Cotton Spunlace Material and Wet Dynamic Embossing Products Development	Increase product fun, provide users with a unique interactive experience, and promote technological innovation and application expansion in the non-woven fabric field	Launched	Complete the development of wet dynamic embossing products, increasing the functionality of cotton tissues	Significantly improve the Company's technological leadership in the non-woven fabric field and expand the application scenarios of pure cotton spunlace non-woven fabrics
Disposable Degradable Series Medical Equipment Covers, Medical Injection Molding Series, and Combination Set Series Products	Develop degradable materials that meet the requirements of four processes: blowing, casting, injection molding, and non-woven fabrics. This combination of processes can generally make surgical packs with basic configuration products degradable	Launched	Meets 5-year shelf life research requirements Consistency maintained in performance, appearance, physical properties, processing technology, and sterilization methods	Meet market demands and enhance market competitiveness. Promote the Company's products towards a direction of green environmental protection and resource conservation

Section III Management Discussion and Analysis

Name of main R&D projects	Objective	Progress	Goal	Expected impact on the Company's future development
High Absorbency, Low Energy Consumption, Soft, Environmentally Friendly, and Safe Dyed 100% Polyester Spunlace Non-Woven Fabric	Optimize the dyeing process under wet conditions by using ultra-fine fiber combinations to achieve uniform dyeing, applied to highly hydrophilic and soft absorbent materials for surgical drapes	Launched	Liquid absorption performance increased by 21%, softness increased by 35%, and production energy consumption reduced by 10%	Product technology iteration and upgrades to solve users' core pain points; expand the medical supplies market; promote the Company's core products towards a direction of green environmental protection and resource conservation
Development of Double-Layer, Two-Color Surgical Gloves	Develop surgical gloves for scenarios such as orthopedic surgery, infectious disease surgery, and emergency surgery, where gloves are prone to breakage or pose a higher risk after breaking	Launched	Design enables easy detection of contamination during surgery, with color contrast and dual-layer protection working synergistically to significantly improve surgical safety and operational efficiency	Expand the category of surgical gloves to address the pain points of hand protection in orthopedic, infectious disease, and emergency surgeries
Disposable Metal Instruments	Innovate in process advancement – liquid metal casting and molding	Market promotion stage	Zero waste, low environmental pollution, easy to process, and cost-effective	Solve industry pain points – inconsistent quality control, insufficient regulation, outdated production technology, and reliance on exports
Key Technology Research and Application of Anti-Needle Stick Syringes (Phase 2)	Solve the problem of syringe reuse and accidental needle sticks for healthcare workers	Approved for registration	1. Develop a series of needle-stick resistant syringes (retractable self-destructive syringes); 2. Approved for registration (class III); 3. Mass production as needed (currently postponed).	Enrich the cutting-edge injection and puncture device products to enhance the Company's product competitiveness
Research and Development of Negative Pressure Drainage Dressing Materials	Develop polyurethane foam negative pressure drainage dressing materials for negative pressure therapy	Registration stage	Registered and available for sale domestically	Enrich the high-end dressing product line to boost sales of the Company's existing negative pressure products
Daily Disposable Cotton Inner Layer Sunscreen Mask	Develop a daily disposable cotton inner layer sunscreen mask, improving the product's wearing comfort and appearance, and solving the problems of poor hygiene and high usage costs of reusable sunscreen masks	Mass production	Through the design of cotton inner and outer layers, product texture, wearing comfort, and environmental properties are significantly improved, with SPF performance of UPF200+, industry-leading	Create differentiated mask products, enhance market competitiveness, and promote green, of the Company's products resource-saving development
Three-Anti Pure Cotton Surgical Gown 2.0	Develop a three-anti pure cotton surgical gown, enhancing comfort while maintaining product protection, and further reducing product usage costs	Mass production	By optimizing cotton fiber blending technology and three-anti treatment processes, effectively reducing the usage cost and improving wearing comfort of three-anti pure cotton materials, the product solution has unique industry characteristics	Create differentiated surgical gown products to reduce product usage costs, enhance market competitiveness, and promote green, of the Company's products resource-saving development
Gradient Construction Structural Yarn Spinning and Product Development	Improve the issue of ordinary cotton materials wrinkling, enhancing the appearance and functionality of the product	Completed	Complete the development of a rigid-outer-soft-inner pure cotton dust-free cooling and shape-retaining product	Meet the market demand for high-end textiles, expand product application fields, and enhance market competitiveness

Section III Management Discussion and Analysis

Name of main R&D projects	Objective	Progress	Goal	Expected impact on the Company's future development
Research and Development of Multi-Layer Structure Pure Cotton Heat and Moisture Control Materials	Solve the problem of rough touch and poor breathability in traditional pure cotton cooling mats, meeting consumers' diverse needs for comfort and functionality	Completed	Develop a pure cotton cooling material and product with differentiated effects on both sides	Meet the market demand for high-quality products, thereby enhancing brand influence and market share
Key Technology Research and Development of Bionic Artificial Cornea Type I Collagen Material	Research type I collagen extraction technology for the development of bionic artificial cornea products	Development stage	Master the key technology for extracting type I collagen, achieving mass production with collagen purity over 99%	Expand the application field of collagen, entering the research of high-value-added medical bionic implant materials
Electron Beam Modified Cotton Fiber and Functional Fabric Research and Development	Modify cotton fibers using electron beam technology to enhance the crosslinking effect between the finishing agents and cotton fibers, thus improving the wash resistance and water and oil repellent properties of pure cotton three-proof fabrics. This solves the industry challenge of wash resistance and water and oil repellent properties degradation after washing	In progress	Improve the wash durability of pure cotton three-proof fabrics, maintaining excellent water and oil repellency after multiple washes, enhancing product market competitiveness	Technological breakthroughs will significantly enhance the Company's core competitiveness in the pure cotton three-proof fabric field, meet customer demand for high-performance three-proof fabrics, improve product quality and performance, and help enhance brand image and customer satisfaction
Innovative Development of Super-Multi-Layer Jacquard Gauze Structure for Insulation Materials	Through weaving and structural innovation, combined with finishing technology, this project innovates the production process of soft-feel gauze fabric materials, especially the super-multi-layer jacquard soft-feel fabric for warmth, driving the wider application and innovation of gauze materials in various fields	In progress	Develop a new type of soft-feel gauze material with high insulation, strong soft feel, soft touch, and stable structure, filling the domestic market gap for soft gauze materials and enhancing the Company's technical competitiveness in related fields	The development of new materials will increase the added value and market competitiveness of the Company's products, bringing higher economic benefits to the Company
Research on Light-Stable Reactive Dyes and Development of Printing and Dyeing Crease Control Technology	Solve the issue of fabric streaks caused by specific blue dye degradation due to light, heat, and oxidation in the active dyeing process	In progress	Significantly reduce the occurrence of fabric and garment production flaws (wind marks) without affecting fabric performance	Improve product quality and consumer experience to enhance product market competitiveness

Section III Management Discussion and Analysis

R&D personnel

	2024	2023	Change ratio
Number of R&D personnel (person(s))	1,199	1,259	-4.77%
Proportion of R&D personnel	7.80%	9.67%	-1.87%
Education level of R&D personnel			
Bachelor's degree	324	314	3.18%
Master's degree	104	93	11.83%
Age distribution of R&D personnel			
Under 30	186	199	-6.53%
Aged 30-40	575	587	-2.04%

R&D investment amount and proportion to operating revenue in the past three years

	2024	2023	2022
R&D investment amount (RMB)	348,163,926.01	322,051,868.43	487,583,652.11
Proportion of R&D investment to operating revenue	3.88%	3.93%	4.30%
Capitalized R&D expenditure (RMB)	0.00	0.00	0.00
Proportion of capitalized R&D expenditure to total R&D investment	0.00%	0.00%	0.00%
Proportion of capitalized R&D expenditure to net profit for current period	0.00%	0.00%	0.00%

Reason and impact of significant changes in R&D personnel composition

Applicable N/A

Reason for significant change in the proportion of total R&D investment to operating revenue compared to last year

Applicable N/A

Reason for significant change in capitalization rate of R&D investment and explanation of its rationality

Applicable N/A

The Company is subject to the disclosure requirements for "Medical Device Business" in the Shenzhen Stock Exchange Listed Company Self-Regulation Guidelines No. 4 – Industry Information Disclosure for Growth Enterprise Market

Information related to medical devices

Applicable N/A

Specific details can be found in the appendix "Information Related to Medical Devices" at the end of this annual report.

Section III Management Discussion and Analysis

6. Cash flow

Unit: RMB

Item	2024	2023	Year-on-year change
Subtotal of cash inflows from operating activities	10,330,531,914.26	9,103,514,793.19	13.48%
Subtotal of cash outflows from operating activities	9,064,776,647.56	8,040,188,560.96	12.74%
Net cash flow from operating activities	1,265,755,266.70	1,063,326,232.23	19.04%
Subtotal of cash inflows from investing activities	3,586,950,149.18	6,589,667,664.51	-45.57%
Subtotal of cash outflows from investing activities	7,698,976,445.10	5,559,389,985.82	38.49%
Net cash flow from investing activities	-4,112,026,295.92	1,030,277,678.69	-499.12%
Subtotal of cash inflows from financing activities	1,984,570,746.59	2,303,457,500.00	-13.84%
Subtotal of cash outflows from financing activities	2,462,094,397.07	4,088,884,914.09	-39.79%
Net cash flow from financing activities	-477,523,650.48	-1,785,427,414.09	73.25%
Net increase in cash and cash equivalents	-3,320,243,397.10	306,518,824.28	-1,183.21%

Explanation of the main influencing factors for significant year-on-year changes in relevant data

Applicable N/A

- Cash inflows from investing activities decreased by 45.57%, primarily due to a reduction in the redemption of wealth management products during the period;
- The 38.49% increase in cash outflow from investing activities was primarily due to an increase in the purchase of wealth management products during the period;
- Net cash flow from investing activities decreased by 499.12%, primarily due to an increase in the purchase of wealth management products during the period;
- Cash outflow from financing activities decreased by 39.79%, primarily due to a reduction in cash payments for debt repayment during the period;
- Net cash flow generated from financing activities increased by 73.25%, primarily due to a decrease in cash payments for debt repayment during the period;
- The decrease in the net increase in cash and cash equivalents was primarily due to an increase in the purchase of wealth management products during the period;

Explanation of significant differences between net cash flow from operating activities during the Reporting Period and net profit for the year

Applicable N/A

For details, please refer to "Section X Financial Report – VII. Notes to Items in the Consolidated Financial Statements – 78. Supplemental information for the statement of cash flows".

Section III Management Discussion and Analysis

V. Non-Core Business Activities

☑ Applicable ☐ N/A

Unit: RMB

	Amount	Percentage of total profit	Reason	Sustainability
Investment income	75,387,830.93	8.30%	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	2,862,219.03	0.32%	Primarily due to changes in the fair value of structured deposits and other wealth management products	No
Asset impairment	-242,895,761.34	-26.74%	Primarily due to provision for inventory write-down, goodwill impairment, and fixed asset impairment	No
Non-operating revenue	11,926,122.62	1.31%	Primarily due to gains from the disposal of non-current assets and other non-operating revenue	No
Non-operating expense	18,440,910.03	2.03%	Primarily due to losses from the disposal of non-current assets	No
Credit impairment loss	444,626.25	0.05%	Primarily due to expected credit loss provisions for accounts receivable and other receivables	No
Gains on disposal of assets	5,877,157.55	0.65%	Primarily due to disposal of non-current assets	No
Other revenue	91,637,936.87	10.09%	Primarily due to receipt of government grants related to business operations	Tax relief and reductions and cotton transport subsidies are sustainable; others are not

VI. Analysis of Assets and Liabilities

1. Significant changes in asset composition

Unit: RMB

	End of 2024		Beginning of 2024		Change in percentage	Explanation of significant changes
	Amount	Percentage of total assets	Amount	Percentage of total assets		
Monetary capital	1,412,088,898.63	7.68%	4,706,132,071.27	27.50%	-19.82%	Primarily due to an increase in the purchase of wealth management products during the current period
Accounts receivable	980,617,641.38	5.33%	768,602,289.60	4.49%	0.84%	No significant change observed
Contract assets	0.00	0.00%			0.00%	
Inventories	1,957,814,608.25	10.65%	1,434,326,287.96	8.38%	2.27%	Primarily due to the new acquisition of GRI during the current period
Investment property	2,360,346.25	0.01%	7,693,341.79	0.04%	-0.03%	No significant change observed
Long-term equity investments	445,355,778.00	2.42%	20,879,244.20	0.12%	2.30%	Primarily due to the new investment in Company S during the current period
Fixed assets	3,354,304,108.81	18.24%	2,749,018,750.62	16.06%	2.18%	No significant change observed
Construction in progress	1,074,955,450.40	5.84%	984,571,329.05	5.75%	0.09%	No significant change observed

Section III Management Discussion and Analysis

	End of 2024		Beginning of 2024		Change in percentage	Explanation of significant changes
	Amount	Percentage of total assets	Amount	Percentage of total assets		
Right-of-use assets	595,222,623.66	3.24%	417,496,021.36	2.44%	0.80%	Primarily due to the new acquisition of GRI during the current period
Short-term borrowings	1,969,044,164.65	10.71%	1,493,238,955.00	8.73%	1.98%	No significant change observed
Contract liabilities	182,755,504.60	0.99%	193,262,892.15	1.13%	-0.14%	No significant change observed
Long-term borrowings	53,000,000.00	0.29%	170,000,000.00	0.99%	-0.70%	Primarily due to the reclassification of RMB170 million to non-current liabilities due within one year during the current period
Lease liabilities	440,876,652.33	2.40%	292,009,504.04	1.71%	0.69%	Primarily due to the new acquisition of GRI during the current period
Receivables financing	68,349,926.24	0.37%	29,348,618.44	0.17%	0.20%	Primarily due to the increase in payments for goods using bank acceptance bills
Non-current assets due within one year	345,468,268.20	1.88%	4,379,308.17	0.03%	1.85%	Primarily due to new purchase of large-denomination certificates of deposit during the current period
Other current assets	67,736,523.90	0.37%	378,853,652.64	2.21%	-1.84%	Primarily due to: 1) the release of pledged large-denomination certificates of deposit during the current period; and 2) a decrease in prepaid taxes
Long-term receivables	88,435,629.22	0.48%	35,689,264.21	0.21%	0.27%	Primarily due to the increase of long-term lease deposits
Other non-current financial assets	107,906,716.86	0.59%	70,000,000.00	0.41%	0.18%	Primarily due to the new addition of convertible bond investments during the current period
Goodwill	1,251,264,505.00	6.80%	864,289,002.45	5.05%	1.75%	Primarily due to the acquisition of GRI during the current period
Other non-current assets	2,012,299,546.63	10.94%	104,856,551.36	0.61%	10.33%	Primarily due to increased purchase of large-denomination certificates of deposit during the current period
Notes payable	431,873,210.11	2.35%	315,902,844.15	1.85%	0.50%	Primarily due to the increase in payments for goods using bank acceptance bills during the current period
Taxes payable	123,630,574.88	0.67%	62,877,779.86	0.37%	0.30%	Primarily due to an increase in value-added tax (VAT) and corporate income tax during the period
Non-current liabilities due within one year	396,768,243.67	2.16%	223,426,826.45	1.31%	0.85%	Primarily due to the reclassification of RMB170 million from Long-term borrowings to non-current liabilities due within one year during the current period
Long-term payables	48,544,431.64	0.26%		0.00%	0.26%	Primarily due to increase in borrowings from Winner Group and the acquisition of GRI
Long-term employee benefits payable	13,247,971.34	0.07%	8,511,000.00	0.05%	0.02%	Primarily due to the increase in acquisition of GRI during the current period
Other non-current liabilities	373,262,348.97	2.03%		0.00%	2.03%	primarily due to the increase in obligation to repurchase the remaining equity interest in GRI
Deferred tax liability	158,515,830.62	0.86%	138,520,778.30	0.81%	0.05%	Primarily due to the acquisition of GRI during the current period
Less: Treasury shares	7,282,100.00	0.04%	473,552,442.85	2.77%	-2.73%	Primarily due to the cancellation of treasury shares during the current period
Other comprehensive income	-2,637,827.10	-0.01%	2,215,369.44	0.01%	-0.02%	Primarily due to exchange rate fluctuations

A high proportion of foreign assets

Applicable N/A

Section III Management Discussion and Analysis

2. Assets and liabilities measured at fair value

Applicable N/A

Unit: RMB

Item	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)	2,850,058,540.71	-2,949,999.83			3,440,140,767.41	3,367,696,652.02	1,788,828.12	2,921,341,484.39
5. Other non-current financial assets	70,000,000.00	5,812,218.86			32,094,498.00			107,906,716.86
Subtotal of financial assets	2,920,058,540.71	2,862,219.03			3,472,235,265.41	3,367,696,652.02	1,788,828.12	3,029,248,201.25
Total of the above	2,920,058,540.71	2,862,219.03			3,472,235,265.41	3,367,696,652.02	1,788,828.12	3,029,248,201.25
Financial liabilities	0.00	0.00			0.00	0.00	0.00	0.00

Other changes: Others primarily due to the acquisition of GRI

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

Yes No

3. Restrictions on asset rights as of the end of the Reporting Period

For details, please refer to Section X 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
4,419,019,783.91	5,203,756,536.64	-15.08%

Section III Management Discussion and Analysis

2. Significant equity investments acquired during the Reporting Period

☑ Applicable ☐ N/A

Unit: RMB

Name of invested company	Main business	Investment method	Investment amount	Shareholding ratio	Source of funds	Partner	Investment period	Product type	Progress as of balance sheet date	Expected return	Investment gains and losses for the current period	Whether involved in litigation	Date of disclosure (if any)	Disclosure index (if any)
Global Resources International, Inc.	Research, development, production, and sales of surgical kits, surgical gowns, and other medical consumables	Acquisition	863,649,918.97	75.20%	Self-owned funds	N/A	N/A	N/A	Completed	N/A	Refer to the "Section X Financial Report" for more details	Yes ^{Note}	September 23, 2024	CNINFO (http://www.cninfo.com.cn)
Total	-	-	863,649,918.97	-	-	-	-	-	-	-	-	-	-	-

Note: During the Reporting Period, GRI is not involved in any major litigation or arbitration matters, with a minimal impact on the Company's financial position and ongoing operations.

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

☑ Applicable ☐ N/A

Unit: RMB

Project name	Investment method	Is it fixed asset investment?	Industries involved in investment projects	Amount invested during the Reporting Period	Cumulative actual investment as of the end of the Reporting Period	Source of funds	Project progress	Expected return	Cumulative return achieved as of the end of the Reporting Period	Reasons for not meeting planned progress and expected return	Date of disclosure (if any)	Disclosure index (if any)
High-End Dressing Production Line Construction Project	Self-construction	Yes	Medical consumables	362,300.00	146,150,736.00	Raised funds	67.39%	0.00	27,065,199.91	N/A ^{Note 1}		
Marketing Network Development Project	Self-construction	Yes	Consumer goods	34,571,689.45	656,066,386.00	Raised funds	106.15%	0.00	0.00	N/A		
R&D Center Construction Project	Self-construction	Yes	Medical consumables + Consumer goods	14,048,250.69	203,618,049.00	Raised funds	94.52%	0.00	0.00	N/A		
Digital Management System Project	Self-construction	Yes	Medical consumables + Consumer goods	28,102,098.39	226,909,507.00	Raised funds	84.41%	0.00	0.00	N/A		
Winner Medical (Jiayu) Science and Technology Industrial Park Project	Self-construction	Yes	Medical consumables	1,558,311.00	436,619,700.73	Raised funds	103.96%	0.00	0.00	N/A		
Winner Medical (Wuhan) Phase II Expansion Project	Self-construction	Yes	Medical consumables + Consumer goods	4,491,950.00	614,007,730.73	Raised funds	102.33%	0.00	0.00	N/A		
Total	-	-	-	83,134,599.53	2,283,372,109.46	-	-	0.00	27,065,199.91	-	-	-

Note: In 2022, the Company acquired a 55% equity stake in Zhejiang Longterm Medical Technology Co., Ltd. as part of its strategic focus and business plan for the advanced medical dressing market. Due to this business development mentioned above, and in order to optimize resource allocation, the actual investment in the advanced dressing production line construction project was 32.61% lower than the committed total. Therefore, the project's performance in achieving expected returns is not applicable.

Section III Management Discussion and Analysis

4. Investment in financial assets

(1) Securities investment

Applicable N/A

Unit: RMB

Security type	Security code	Security abbreviation	Original investment cost	Accounting measurement model	Opening book value	Fair value changes recognized in profit or loss for the current period	Cumulative fair value changes recognized in equity	Purchases during the current period	Sales during the current period	Profit or loss during the Reporting Period	Closing book value	Accounting item	Source of funds
Convertible bonds	N/A	N/A	32,094,498.00	Measured at fair value		-860,828.53		32,094,498.00			31,233,669.47	Other non-current financial assets	Self-owned funds
Fund	N/A	Shenzhen Hongtu No. 1 Private Equity Investment Fund Partnership (Limited Partnership)	70,000,000.00	Measured at fair value	70,000,000.00	6,673,047.39					76,673,047.39	Other non-current financial assets	Self-owned funds
Total			102,094,498.00	-	70,000,000.00	5,812,218.86		32,094,498.00			107,906,716.86	-	-

(2) Derivatives investment

Applicable N/A

The Company had no derivatives investment during the Reporting Period.

5. Use of raised funds

Applicable N/A

Section III Management Discussion and Analysis

(1) Summary of use of raised funds

☑ Applicable ☐ N/A

Unit: RMB'000

Year of fundraising	Method of fundraising	Securities listing date	Total amount of raised funds	Net amount of raised funds (1)	Total amount of raised funds used in the current period	Total cumulative amount of raised funds used (2)	Percentage of raised funds used as of the end of the Reporting Period (3) = (2)/(1)	Total amount of raised funds with changed usage in the Reporting Period	Total cumulative amount of raised funds with changed usage	Percentage of total cumulative amount of raised funds with changed usage	Total amount of unused raised funds	Intended usage and destination of unused funds raised	Amount of raised funds idle for over two years
2020	IPO	September 17, 2020	371,500	355,884.93	8,313.46	354,881.08	99.72%	0	11,102.34	3.12%	0	0	0
Total	-	-	371,500	355,884.93	8,313.46	354,881.08	99.72%	0	11,102.34	3.12%	0	-	0

Explanation of the summary of use of raised funds

Approved by the China Securities Regulatory Commission (CSRC) under the document (CSRC Permit [2020] No. 1822), the Company issued 50 million RMB ordinary shares (A-shares) in its initial public offering at a price of RMB74.30 per share, raising a total of RMB3,715 million. After deducting issuance costs (excluding taxes) of RMB156.1507 million, the actual funds raised amounted to RMB3,558.8493 million. The status of the raised funds mentioned above has been audited by BDO China Shu Lun Pan Certified Public Accountants LLP, who issued the Capital Verification Report (Xin Kuai Shi Bao Zi [2020] No. Zi10584).

In 2024, the Company actually used RMB83.1346 million from the raised funds for the funded projects, and the balance of RMB169.1112 million was used to supplement working capital.

As of the year 2024, the Company has actually cumulatively used RMB3,548.8108 million of the raised funds, which includes RMB2,263.3721 million allocated to funded projects (including RMB1,949.4807 million cumulatively invested into the funded projects and RMB333.8914 million used to replace self-raised funds previously invested in the funded projects). A cumulative amount of RMB1,265.4387 million of the raised funds was used as permanent supplementation of working capital. The balance of RMB169.1112 million of the funded projects was used to supplement working capital.

(2) Committed projects funded with raised funds

☑ Applicable ☐ N/A

Unit: RMB'000

Financing project name	Securities listing date	Committed investment projects and use of over-raised funds	Project nature	Has the project been changed (including partial changes)	Total committed investment from raised funds	Adjusted total investment ⁽¹⁾	Amount invested during the Reporting Period	Cumulative investment as of the end of the Reporting Period ⁽²⁾	Investment progress as of the end of the Reporting Period (3) = (2)/(1)	Date when the project reaches the predetermined usable status	Benefits achieved during the Reporting Period	Cumulative benefits achieved as of the end of the Reporting Period	Have the expected benefits been achieved?	Has there been a major change in the feasibility of the project?
Committed investment projects														
High-End Dressing Production Line Construction Project	September 17, 2020	High-End Dressing Production Line Construction Project	Production and construction	No	21,685.86	21,685.86	36.23	14,615.07	67.39%	December 31, 2023	2,706.52	Note 1	N/A	No
Marketing Network Development Project	September 17, 2020	Marketing Network Development Project	Operational management	Yes	70,456.87	61,804.04	3,457.17	65,606.64	106.15%	September 30, 2024	N/A	N/A	N/A	No
R&D Center Construction Project	September 17, 2020	R&D Center Construction Project	R&D projects	Yes	23,542.15	21,542.15	1,404.83	20,361.8	94.52%	September 30, 2024	N/A	N/A	N/A	No
Digital Management System Project	September 17, 2020	Digital Management System Project	Operational management	No	26,881.05	26,881.05	2,810.21	22,690.95	84.41%	September 30, 2024	N/A	N/A	N/A	No
Supplement Working Capital	September 17, 2020	Supplement Working Capital	Supplement working capital	No		9,102.34	0	9,102.34			N/A	N/A	N/A	No
Subtotal of committed investment projects				-	142,565.93	141,015.44	7,708.44	132,376.8	-	-	2,706.52	N/A	-	-

Section III Management Discussion and Analysis

Financing project name	Securities listing date	Committed investment projects and use of over-raised funds	Project nature	Has the project been changed (including partial changes)	Total committed investment funds	Adjusted total investment ⁽¹⁾	Amount invested during the Reporting Period	Cumulative investment as of the end of the Reporting Period ⁽²⁾	Investment progress as of the end of the Reporting Period (3) = (2)/(1)	Date when the project reaches the predetermined usable status	Benefits achieved during the Reporting Period	Cumulative benefits achieved as of the end of the Reporting Period	Has there been a major change in the feasibility of the project?
				(including partial changes)	from raised funds	total investment ⁽¹⁾	Reporting Period	Reporting Period ⁽²⁾	(3) = (2)/(1)	Period	Period	Have the expected benefits been achieved?	
Pre-investment and replacement of the investment projects using raised funds		Applicable											
Temporary use of idle raised funds to supplement working capital		N/A											
Balance and reasons for surplus raised funds from project implementation		Applicable											
Usage and destination of unused funds raised		As of December 31, 2024, the Company's unused balance of raised funds was RMB0.00.											
Problems or other matters related to the use and disclosure of raised funds		None											

Note 1: In 2022, the Company acquired a 55% equity stake in Zhejiang Longterm Medical Technology Co., Ltd. as part of its strategic focus and business plan for the advanced medical dressing market. Due to this business development, and in order to optimize resource allocation, the actual investment in the advanced dressing production line project was 32.61% lower than the initially committed total. Therefore, the project's performance in achieving expected returns is not applicable.

Note 2: The Winner Medical (Jiayu) Science and Technology Industrial Park project utilizes a combination of raised funds and self-owned funds for comprehensive investment; economic benefits specifically attributable to raised funds are not calculated separately.

Note 3: The Winner Medical (Wuhan) Phase II Expansion Project utilizes a combination of raised funds and self-owned funds for comprehensive investment; economic benefits specifically attributable to raised funds are not calculated separately.

Section III Management Discussion and Analysis

(3) Change of projects funded with raised funds

 Applicable N/A

Unit: RMB'000

Financing project name	Method of fundraising	Project after change	Original committed project	Total planned investment of raised funds in changed projects (1)	Amount actually invested during the Reporting Period	Actual cumulative investment as of the end of the Reporting Period (2)	Investment progress as of the end of the Reporting Period (3) = (2)/(1)	Date when the project reaches the predetermined usable status	Benefits achieved during the Reporting Period	Have the expected benefits been achieved?	Has there been a major change in the feasibility of the changed projects?
Marketing Network Development Project	IPO	Marketing Network Development Project	Marketing Network Development Project	61,804.04	3,457.17	65,606.64	106.15%	September 30, 2024	0	N/A	No
R&D Center Construction Project	IPO	R&D Center Construction Project	R&D Center Construction Project	21,542.15	1,404.83	20,361.8	94.52%	September 30, 2024	0	N/A	No
Winner Medical (Jiayu) Science and Technology Industrial Park Project	IPO	Winner Medical (Jiayu) Science and Technology Industrial Park Project	Winner Medical (Jiayu) Science and Technology Industrial Park Project	42,000	155.83	43,661.97	103.96%	January 1, 2024	0	N/A	No
Total	-	-	-	125,346.19	5,017.83	129,630.41	-	-	0	-	-
Explanation of reasons for change, decision-making process, and information disclosure (by project)			<p>On April 20, 2022, the 6th meeting of the 3rd session of its Board of Directors and the 5th meeting of the 3rd session of its Supervisory Committee reviewed and approved the Proposal on Adjusting the Implementation Method of Certain Funded Projects, Extending the Construction Period, and Permanently Supplementing Working Capital. This proposal was reviewed and approved with immediate effect at the 2021 Annual General Meeting held on May 13, 2022. The Marketing Network Development Project has discontinued investment in PureH2B. The remaining unused raised funds allocated to the PureH2B portion of the Marketing Network Development Project, approximately RMB89,642,600 (including returns from wealth management products), will be permanently used to supplement working capital (Subsequently, a total of RMB91,023,400, including returns from wealth management products, will actually be added to working capital). (Announcement No. 2022-021)</p> <p>On May 5, 2023, the 12th meeting of the 3rd session of the Board of Directors and the 9th meeting of the 3rd session of the Supervisory Committee of the Company reviewed and approved the Proposal on Changes to the Use of Raised Funds and Extension of the Construction Period for Certain Funded Projects. This proposal was reviewed and approved with immediate effect at the 2022 Annual General Meeting held on May 16, 2023. The proposal approved the reallocation of a portion of the raised funds within the R&D Center Construction Project among the implementing entities, transferring these funds to the Winner Medical (Jiayu) Science and Technology Industrial Park Project. (Announcement No. 2023-018)</p>								
Instances and reasons for not meeting planned progress or expected returns (by project)			N/A								
Explanation of significant changes to the feasibility of changed projects			The feasibility of the Marketing Network Development Project, the R&D Center Construction Project, and the Winner Medical (Jiayu) Science and Technology Industrial Park Project has not undergone any significant changes								

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 (Huanggang) Co., Ltd.	Subsidiary	Primarily responsible for pure cotton jumbo rolls, cotton tissues and other products	259,459,200.00	1,194,424,909.37	987,957,329.57	1,148,475,253.02	151,198,702.04	127,606,394.71

Acquisition and disposal of subsidiaries during the Reporting Period

Applicable N/A

Company name	Methods of acquisition and disposal of subsidiaries during the Reporting Period	Impacts on overall production and operation and results
Global Resources International, Inc.	Acquisition	No direct material impact
Zhejiang Honglan Technology Co., Ltd.	Acquisition	No direct material impact
Hubei Zhongfu New Materials Co., Ltd.	Acquisition	No direct material impact
Winner Biomedical Technology (Wuhan) Co., Ltd.	Establishment	No direct material impact

Explanation of principal subsidiaries and affiliates

For detailed information regarding the Company's principal associates during the Reporting Period, please refer to the "Section X Financial Report".

X. Structured Entities Controlled by the Company

Applicable N/A

XI. Outlook for Future Development

1. Strategic planning

Since its establishment 34 years ago, Winner Group has remained steadfast in its vision of "Caring Health, Cherishing Life, and Protecting the Environment for A Better World", adhered to the three core business principles of "Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value", and upheld the corporate core values of "Relentless Endeavor; Pioneering Innovation; Self-Critique; Long-Termism", ensuring that Winner Medical and Purcotton remain on the right path of sustainable development.

Guided by the strategy of "Product Leadership, Operational Excellence, Global Vision", the Company is committed to building two flagship brands — "Winner Medical" and "Purcotton" — into global benchmarks in the healthcare sector. It implements a talent strategy rooted in the "Four-High" Talent Philosophy ("High Personal Quality; High Academic Qualifications; High Performance; High Reward"), cultivating business partners for the Winner and establishing an efficient and integrated organizational structure.

Section III Management Discussion and Analysis

(1) Medical consumables

For the coming years, the Company will continue innovating basic materials, focusing on three key scenarios — operating room consumables, wound care, and home care — to build a “one-stop solution for medical consumables”, while exploring cutting-edge areas such as biomedicine and tissue engineering. Through a dual approach of organic and inorganic growth, the Company will accelerate internationalization and realize global brand presence and growth.

(2) Consumer goods

Looking ahead, the Company will continue to uphold the vision that “Pure Cotton Changes the World”, and focus on brand advancement. By building a technological moat around “pure cotton-based materials” and driving category differentiation in strategic segments, it aims to establish a holistic brand image of “pure cotton, all categories” through the creation of multiple popular products and market penetration, striving to convey a philosophy of “Reassurance, Wellbeing, Sustainability” pure cotton lifestyle. Across all channels, efforts will focus on improving operational efficiency and profitability, while a leading end-to-end cotton product supply chain will provide long-term support for brand growth.

2. Operating plan for 2025

(1) Medical consumables

The domestic and international medical markets face both opportunities and challenges. Post centralized procurement, competition in homogenous products in the domestic medical industry has intensified, and innovative high-quality products remain scarce. Globally, demand for medical devices continues to grow steadily. Retaining existing clients while expanding new ones will be key to stable development.

In 2025, Winner Medical will stay focused on the direction of “Brand Advancement, Quality Improvement, Efficiency Enhancement, Organic and Inorganic Growth, Fast Development”. It will strengthen capabilities across core product lines, marketing, and operations, enhance synergy between domestic and overseas operations, optimize product portfolios for both B2B and B2C markets, and leverage digital transformation to grow its own brands. At the same time, it will actively push forward with the integration of GRI, aiming to improve the operational efficiency of its global production capacity.

(2) Consumer goods

With stable recovery in both domestic and global consumption, rising trends in self-care, and an aging population fueling the “silver economy”, the market landscape is changing. Offline channels are undergoing survival-of-the-fittest, instant retail and outlet formats are rapidly emerging, and domestic brands are increasingly favored by consumers. Meanwhile, AI is becoming a key bridge for consumer-brand interactions across industries.

In response, Purcotton has formulated comprehensive business plans for 2025 around four pillars: “Product Leadership, Operational Excellence, Brand Advancement, and Digital Empowerment” covering product, branding, marketing, channel expansion, and digital transformation.

Looking ahead to 2025, amidst challenges from the market environment, competitors, and various other factors, the Company adheres to long-termism, with a focus on “Committing to Consumer Value Creation”. Guided by the strategic principles of “Product Leadership, Operational Excellence, Global Vision”, the Company strives to navigate through cycles with “Brand Advancement” and high-quality growth, embarking on a new journey towards our “Centennial Visionary Winner” goal.

3. Potential risks facing the Company

(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.

Section III Management Discussion and Analysis

(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.

(5) 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.

(6) 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 post-acquisition 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.

Section III Management Discussion and Analysis

(7) 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 December 31, 2019, and February 29, 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 non-recovery. 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.

(8) Risks related to the Winner Industrial Park Urban Renewal Project

In July 2023, the Company entered into an agreement with Shenzhen Xingda Real Estate Development Co., Ltd. ("Xingda Company") to initiate the urban renewal and redevelopment project of the Winner Industrial Park in Longhua District, Shenzhen. Subsequently, due to significant shifts in the real estate market, the project was temporarily put on hold. After multiple rounds of negotiation, the Company and Xingda Company signed a supplementary agreement stipulating that the Company would receive a fixed amount of office and commercial space. However, the residential portion and compensation are tied to the actual market transaction prices of the residential units, introducing a degree of uncertainty. The project has resumed, but given its long implementation timeline, it remains subject to various risks – including changes in urban renewal policies, planning adjustments, counterparty performance risk, and market price fluctuations – which could adversely affect the expected compensation or project timeline. The Company will continue to strengthen coordination with its project partner, actively promote the project's progress, and rigorously manage execution processes to reduce uncertainty throughout implementation.

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 materials provided	Index of basic research visit
January 30, 2024	Company Headquarters Meeting Room	Phone communication	Institution	69 institutional investors such as Southern Asset Management, Maxwealth Fund, and StarRock Investment Management	2023 annual performance forecast	Details are available on the interactive platform of Shenzhen Stock Exchange
May 8, 2024	Webcasting studio at rs.p5w.net	Other	Other	78 individuals and institutional investors, such as CICC, Guosen Securities, and media representatives	Business performance for FY2023 and Q1 2024	Details are available on the interactive platform of Shenzhen Stock Exchange
June 14, 2024	Company Headquarters Meeting Room	Field visit	Institution	9 institutional investors such as HuaAn Securities and Taipu Investment	Business overview and operating performance	Details are available on the interactive platform of Shenzhen Stock Exchange
July 12, 2024	Company Headquarters Meeting Room	Field visit	Institution	13 institutional investors such as China Everwin Asset Management and Guotai Junan Securities	Business overview and operating performance	Details are available on the interactive platform of Shenzhen Stock Exchange
August 28, 2024	Company Headquarters Meeting Room	Phone communication	Institution	64 institutional investors, including Rui Insurance, Caitong Securities Asset Management, and Xuan Yuan Investment	H1 2024 operating results	Details are available on the interactive platform of Shenzhen Stock Exchange
September 24, 2024	Company Headquarters Meeting Room	Phone communication	Institution	61 institutional investors such as Southern Asset Management, Galaxy Asset Management, and GH Shining	Acquisition of GRI	Details are available on the interactive platform of Shenzhen Stock Exchange
October 29, 2024	Company Headquarters Meeting Room	Field visit	Institution	71 institutional investors, including Harvest Fund Management, Bank of Communications Schroder Fund Management, and China Life Asset Management	Q3 2024 operating results	Details are available on the interactive platform of Shenzhen Stock Exchange
November 13, 2024	Company Headquarters Meeting Room	Field visit	Institution	25 institutional investors, including Fullgoal Fund Management, Guolian Fund, Huatai Securities, and China Merchants Securities	Business overview and operating performance	Details are available on the interactive platform of Shenzhen Stock Exchange
November 18, 2024	Company Headquarters Meeting Room	Field visit	Institution	5 institutional investors such as Great Wall Fund and China Merchants Securities	Business overview and operating performance	Details are available on the interactive platform of Shenzhen Stock Exchange
December 6, 2024	Company Headquarters Meeting Room	Phone communication	Institution	165 institutional investors, including Harvest Fund Management, Guotai Fund Management, Yongying Fund, Huatai-PineBridge, and CINDA Fund	Business overview and operating performance	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 at the 6th meeting of the 4th session of the Board of Directors on April 27, 2025.

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

The Company has actively responded to the policy guidance of “activating the capital market and boosting investor confidence”, and has implemented the “Dual Improvement of Quality and Return” action plan. Focusing on high-quality development of its core business, the Company has carried out governance standardization, compliance-based information disclosure, and a focus on investor returns, effectively fulfilling its responsibilities as a listed company and injecting new momentum into the stability of the capital market and sustainable development.

In terms of high-quality core business development, the Company operates as a holistic health enterprise, synergistically converging medical innovation and consumer wellness ecosystems. With “Caring Health, Cherishing Life, and Protecting the Environment for A Better World” as its vision, Winner Group owns two major brands “Winner Medical” and “Purcotton”, covering multiple segments, including wound care, infection protection, operating room consumables, personal care, home care, maternal and infant care, and home textiles. During the Reporting Period, the Company’s medical consumables business saw steady growth in the revenue of its regular products, while Purcotton achieved good revenue growth. The number of patents and medical product certifications significantly increased.

In terms of corporate governance and social responsibility, the Company has continuously optimized its corporate governance structure, improved its internal control systems, strengthened risk prevention mechanisms, and driven high-quality corporate development. The Company has received the “Best Practice for Board Office” award from the China Association for Public Companies for three consecutive years, voluntarily disclosed its Corporate Social Responsibility Report or Environmental, Social, and Governance Report for five years in a row, and has been recognized as an “ESG Excellent Practice Case for Listed Companies” by the China Association for Public Companies for four consecutive years. This highlights the Company’s rich practices and successful execution in corporate governance and social responsibility. As a participant of the United Nations Global Compact, the Company actively practices sustainable development strategies and was recognized in 2021 as the best practice case for Chinese enterprises by the United Nations Global Compact.

In terms of high-quality information disclosure, the Company strictly adheres to the requirements of securities laws and regulations for statutory information disclosure, actively builds investor interaction platforms, and continuously improves the breadth, depth, and timeliness of its disclosures. The Company has been selected for the compilation of outstanding cases in the annual report of companies listed on the GEM of SZSE for two consecutive years, and rated A in the information disclosure assessment by SZSE for three consecutive years (2021-2023) after its listing.

In terms of investor returns, the Company’s total cash dividend for 2024 amounted to RMB379 million (tax inclusive), accounting for 54.43% of the net profit attributable to ordinary shareholders of the listed company for the year 2024, which includes (1) cash dividend of RMB233 million (tax inclusive) under the 2024 interim profit distribution plan (already implemented); (2) proposed cash dividend of RMB146 million (tax inclusive) in the 2024 profit distribution plan, subject to approval by the general meeting. Since its listing in September 2020, up to the date of the Report, the Company has cumulatively implemented cash dividends of RMB2.613 billion (including the proposed amount for 2024) and repurchased shares worth RMB695 million, totaling RMB3.308 billion, accounting for 92.94% of the net proceeds from the initial public offering. Additionally, during the Reporting Period, Mr. Fang Xiuyuan, a Director, Deputy General Manager and CFO, Deputy General Manager and Board Secretary Ms. Chen Huixuan, former Director Ms. Xu Xiaodan, former Supervisor Ms. Liu Hua, and former Deputy General Manager Ms. Zhang Li collectively increased their holdings by 143,100 shares, worth RMB4.5341 million, completing their share increase plan.

Section IV

Corporate Governance



I. Basic Status of Corporate Governance

In strict accordance with the requirements of the Company Law, the Securities Law, the Guidelines for the Governance of Listed Companies, the Rules for the Listing of Stocks on the Growth Enterprise Market of the Shenzhen Stock Exchange, the Guidelines for the Self-regulatory Supervision of Listed Companies on the Shenzhen Stock Exchange No. 2 – Standardized Operation of Listed Companies on the Growth Enterprise Market, and other relevant laws and regulations promulgated by the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange (SZSE), the Company formulates the Articles of Association and other internal control rules and regulations to regulate the Company's conducts. The Company's governance structure is in line with the relevant regulatory documents of CSRC on the governance of listed companies.

1. Shareholders and general meetings

In strict accordance with the Company Law, the Securities Law, the Articles of Association and other provisions, the Company standardizes the procedures for convening, holding and voting at general meetings, treats all investors equally so that they can fully exercise their rights, and effectively protects the rights and interests of small and medium-sized shareholders. The Company hires lawyers to attend general meetings without voting right and issue legal opinions on the convening and voting procedures of general meetings to fully respect and safeguard the legitimate rights and interests of all shareholders.

2. The Company, the controlling shareholders and actual controller

The Company has independent and complete main business and independent operation capabilities, and is independent of the controlling shareholders and actual controller in terms of personnel, assets, business, management organization, and financial accounting system, and can operate independently, manage independently, and assume responsibilities and risks independently. The controlling shareholders and actual controller of the Company are able to exercise their rights and bear the corresponding obligations in accordance with the law. During the Reporting Period, there were no acts directly or indirectly interfering with the Company's decision-making and business activities and using their controlling position to infringe on the interests of other shareholders beyond the authorization of the General Meeting of Shareholders and the Board of Directors, and there was no adverse effect on the Company's governance structure, independence, etc. Based on the confidence in the prospects of the Company, in order to further strengthen the support for the Company, and in a responsible attitude to the public and shareholders, the controlling shareholder Winner Group Limited voluntarily reaffirmed its commitment to extend the lock-up period of the shares held by it in the Company from September 16, 2023 to September 16, 2025.

3. Directors and Board of Directors

The Directors of the Company do not fall under any circumstances that are not allowed to serve as directors of the Company as stipulated in the Company Law. Their appointments and dismissals strictly comply with the approval procedures of the Board of Directors and the General Meeting of Shareholders. There is no conflict with relevant laws, regulations or the Articles of Association. All Directors worked conscientiously and diligently during their tenure, and were able to continuously pay attention to the Company's operating conditions, actively participate in relevant training, and improve the standardized operation level; actively participate in the Board meetings, give full play to their respective professional expertise, make prudent decisions, and safeguard the interests of the Company and all shareholders. The Company has won the "Best Practices of Board Office" award from the China Association for Public Companies for three consecutive years (2021-2023).

The procedures for convening and holding the Board meetings of the Company all meet the requirements of relevant regulations; the records of previous Board meetings are true, accurate, complete, and safely kept; the resolutions of the Board meetings are fully accurate and promptly disclosed. The Board has a Strategy and Social Responsibility Committee, a Nomination Committee, a Remuneration and Appraisal Committee, and an Audit Committee.

4. Supervisors and Supervisory Committee

The supervisors of the Company do not fall under any circumstances that are not allowed to serve as supervisors of the Company as stipulated in the Company Law, and their qualifications for the position meet the relevant requirements of the Articles of Association. The procedures for convening, holding, and voting at the meetings of the Supervisory Committee of the Company are in accordance with the Rules of Procedure for Supervisory Committee. The Company's supervisors are able to exercise the functions and powers of the Supervisory Committee and perform their duties diligently and conscientiously.

5. Performance evaluation and incentive and restraint mechanism

Through performance appraisal, the Company effectively makes comprehensive evaluation on each employee to further understand their work ability and expertise and effectively adjust the appropriate position and achieve the goal of performance appraisal. The Company is gradually improving the performance appraisal mechanism, and the compensation of the Company's senior and middle management is linked to the Company's operating performance indicators. The Company has established an incentive system for corporate performance evaluation. The standards and procedures of performance evaluation for Directors, Supervisors and senior management are fair and transparent, their income is linked to the operating performance of the Company, and the employment of senior management is open and transparent, in line with laws and regulations.

6. Information disclosure and transparency

During the Reporting Period, the Company disclosed the corporate information in a true, accurate, complete, timely and fair manner in strict accordance with relevant laws and regulations and the requirements of the Articles of Association and the Information Disclosure Management System. The Company has designated China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily as the designated paper media for information disclosure of the Company, and the CNINFO.com as the website specified for the information disclosure to ensure that all shareholders have fair access to the Company's information. The Company has been selected for the compilation of outstanding cases in the annual report of companies listed on the GEM of SZSE for two consecutive years, and rated A in the information disclosure assessment by SZSE for three consecutive years (2021-2023) after its listing.

7. Investor relations management

Following the requirements of relevant laws and regulations and the Investor Relations Management System, the Company designates the Board Secretary as the person in charge of investor relations management, responsible for coordinating investor relations, receiving shareholders' visits, answering investors' inquiries, providing investors with the information disclosed by the Company, etc. The Company responds to investors' inquiries by phone, email, investor relations interactive platform, investor reception day, etc., to strengthen information communication, promote benign interactions with investors, and effectively improve the Company's transparency. The Company has been awarded the "Best Practice Case of Annual Performance Briefing" by China Association for Public Companies for three consecutive years (2021-2023), the "Tianma Award for Investor Relations of China Listed Companies" by Securities Times in 2023, and the "Best Practice in Investor Relations Management of Listed Company (2023)" by China Association for Public Companies in 2024.

8. Stakeholders

The Company fully respects and safeguards the legitimate rights and interests of relevant stakeholders, realizes the coordination and balance of the interests of shareholders, employees, doctors and patients, society and other parties, and pays attention to environmental protection and actively participates in public welfare undertakings while realizing the sustainable and healthy development of the Company and the interests of shareholders. The Company has been recognized as an "Excellent ESG Practice Case of Listed Companies" by the China Association for Public Companies for four consecutive years.

9. Establishment and implementation of internal audit system

An audit committee is set up under the Board of Directors with an internal audit system in place, which is responsible for the communication, supervision, meeting organization and verification for internal and external audits of the Company. The Audit Committee has an Internal Audit Department as its daily office, which independently exercises its authority under the leadership of the Audit Committee to inspect and supervise the establishment and implementation of the Company's internal control system, the authenticity and completeness of the Company's financial information, and the efficiency and effectiveness of its business activities.

Whether there are any material differences between the actual status of corporate governance and the laws, administrative regulations and regulations of CSRC on corporate governance of listed companies

Yes No

There is no material difference between the actual status of corporate governance and the laws, administrative regulations and regulations of CSRC on corporate governance of listed companies.

II. Independence of the Company from Its Controlling Shareholders and Actual Controller in terms of Guaranteeing the Company's Assets, Personnel, Finance, Organizations, Business, etc.

Since its establishment, the Company has operated in accordance with the Company Law, the Securities Law and other relevant laws, regulations and the Articles of Association, established and improved the corporate governance structure, completely separated from existing shareholders in terms of business, assets, personnel, organizations, finance, etc., and has had a complete business system and the ability to operate independently in the market.

1. Asset independence

The Company's assets are independent and complete, with clear ownership. It has an independent production system, auxiliary production system and supporting facilities. It has legal ownership of the plant, land, equipment, trademarks, patents, non-patented technologies and other assets related to production and operation. It has complete control over all of its assets. There is no act of controlling shareholders or actual controller occupying the Company's assets.

2. Personnel independence

The Company has signed labor contracts with employees, has independent labor, personnel and compensation and benefits systems, and maintains independence from controlling shareholders, actual controller and other enterprises under their control. The Company has established a sound corporate governance structure, and Directors, Supervisors and senior management are legally appointed in strict accordance with the relevant provisions of the Company Law and the Articles of Association. The general manager, deputy general manager, chief financial officer and Board Secretary of the Company do not hold positions other than directors, supervisors and limited partners in the controlling shareholders, actual controller and other enterprises under their control, and do not receive salaries from the controlling shareholders, actual controller and other enterprises under their control. The Company's financial personnel do not work part-time in the controlling shareholders, actual controller and other enterprises under their control.

3. Financial independence

The Company has established an independent finance department with full-time financial personnel and has established an independent financial accounting system. The Company can make financial decisions independently, and has a standardized financial accounting system and internal control system such as internal financial management system for branches and subsidiaries. There is no situation where the controlling shareholders interfere with the use of the Company's funds. The Company has a separate bank account, and there is no sharing of the bank account with the controlling shareholders, the actual controller and other enterprises under their control. As an independent taxpayer, the Company independently files tax returns and fulfills payment obligations in accordance with the law, and there is no mixed tax payment with the controlling shareholders, actual controller and other enterprises under their control. The financial operations of the Company are independent of the controlling shareholders, the actual controller and other enterprises under their control.

4. Organization independence

In strict accordance with the relevant provisions of the Company Law and the Articles of Association, the Company has established and improved the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee, and management department, and the rules of procedures for these three organizations, and has formed a sound corporate governance structure and a standardized operating system. Based on the needs of production and operation, the Company has set up dedicated offices and production and operation organizations, each with its own operation and management authorities. It has complete procurement, R&D, production, and sales systems, and supporting departments. The Company's production, operation and office facilities are strictly separated from the controlling shareholders, actual controller and other enterprises under their control. There is no mixed operation or joint office arrangement with the controlling shareholders, actual controller and other enterprises under their control.

5. Business independence

The Company possesses the necessary qualifications for its operations, boasting an independent and comprehensive business system, information system, and management system. Additionally, it has independent and comprehensive research and development, production capabilities, and procurement and sales business systems. The business of the Company is independent of the controlling shareholders, actual controller and other enterprises under their control. There is no dependence on the controlling shareholders, actual controller and other enterprises under their control. There is no horizontal competition or unfair related transaction with the controlling shareholders, actual controller and other enterprises under their control.

III. Horizontal Competition

Applicable N/A

IV. Information about the Annual General Meeting and Extraordinary General Meeting Held during the Reporting Period

1. General meeting during the Reporting Period

Session	Type	Investor Participation Rate	Date of Meeting	Date of Disclosure	Resolution
The 1st Extraordinary General Meeting in 2024	Extraordinary General Meeting	73.66%	January 8, 2024	January 8, 2024	For more information, please visit the www.cninfo.com.cn and refer to the Announcement of Resolutions at the 1st Extraordinary General Meeting in 2024 (Announcement No.: 2024-001)
Annual General Meeting of 2023	Annual General Meeting	74.85%	May 21, 2024	May 21, 2024	For more information, please visit the www.cninfo.com.cn and refer to the Announcement of Resolutions at Annual General Meeting of 2023 (Announcement No.: 2024-033)
The 2nd Extraordinary General Meeting in 2024	Extraordinary General Meeting	74.19%	August 12, 2024	August 13, 2024	For more information, please visit the www.cninfo.com.cn and refer to the Announcement of Resolutions at the 2nd Extraordinary General Meeting in 2024 (Announcement No.: 2024-049)
The 3rd Extraordinary General Meeting in 2024	Extraordinary General Meeting	74.55%	September 19, 2024	September 19, 2024	For more information, please visit the www.cninfo.com.cn and refer to the Announcement of Resolutions at the 3rd Extraordinary General Meeting in 2024 (Announcement No.: 2024-062)
The 4th Extraordinary General Meeting in 2024	Extraordinary General Meeting	75.10%	November 13, 2024	November 13, 2024	For more information, please visit the www.cninfo.com.cn and refer to the Announcement of Resolutions at the 4th Extraordinary General Meeting in 2024 (Announcement No.: 2024-080)

2. Preferred shareholders with restored voting rights call for an Extraordinary General Meeting

Applicable N/A

V. The Company Has a Differentiated Voting Rights Structure

Applicable N/A

VI. Corporate Governance Practices of Red Chip Companies

Applicable N/A

VII. Directors, Supervisors and Senior Management

1. Basic information

Name	Gender	Age	Position	Status of service	Start date of tenure	End date of tenure	Number of shares held at the beginning of the period (shares)	Number of shares increased in current period (shares)	Number of shares decreased in current period (shares)	Other increase and decrease (shares)	Number of shares held at the end of the period (shares)	Reason for change in shares
Li Jianqun	Male	68	Chairman and General Manager	Incumbent	May 18, 2015	Present	0	0	0	0	0	
Fang Xiuyuan	Male	57	Director, Chief Financial Officer and Deputy General Manager	Incumbent	May 18, 2015	Present	56,000	60,000	0	0	116,000	Acquisition of additional shares in the Company
Zhang Yan	Female	41	Director	Incumbent	August 12, 2024	Present	0	5,000	0	0	5,000	Acquisition of additional shares in the Company
Liao Meizhen	Female	43	Director	Incumbent	August 12, 2024	Present	0	0	0	0	0	
Chen Junfa	Male	60	Independent Director	Incumbent	August 12, 2024	Present	0	0	0	0	0	
Wang Zhifang	Female	57	Independent Director	Incumbent	August 12, 2024	Present	0	0	0	0	0	
Yang Xiangliang	Male	58	Independent Director	Incumbent	August 12, 2024	Present	0	0	0	0	0	
Zhang Tingting	Female	39	Chairman of the Supervisory Committee	Incumbent	July 13, 2021	Present	0	0	0	0	0	
Wu Kezhen	Male	49	Supervisor	Incumbent	August 12, 2024	Present	0	0	0	0	0	
Zhao Xia	Female	50	Supervisor	Incumbent	August 12, 2024	Present	0	0	0	0	0	
Liao Guanlai	Male	43	Deputy General Manager	Incumbent	August 12, 2024	Present	0	0	0	0	0	
Chen Huixuan	Female	43	Deputy General Manager and Board Secretary	Incumbent	May 18, 2015	Present	7,420	23,300	0	0	30,720	Acquisition of additional shares in the Company
Xu Xiaodan	Female	37	Director	Departure	May 18, 2015	August 12, 2024	0	22,800	0	0	22,800	Acquisition of additional shares in the Company
Guo Zhenwei	Male	41	Director	Departure	June 28, 2018	August 12, 2024	0	0	0	0	0	
Peng Jianfeng	Male	64	Independent Director	Departure	July 13, 2021	August 12, 2024	0	0	0	0	0	
Xie Jiawei	Female	52	Independent Director	Departure	July 13, 2021	August 12, 2024	0	0	0	0	0	
Key Ke Liu	Male	61	Independent Director	Departure	July 13, 2021	August 12, 2024	0	0	0	0	0	
Liu Hua	Female	52	Employee Representative Supervisor	Departure	July 13, 2021	August 12, 2024	0	22,000	0	0	22,000	Acquisition of additional shares in the Company
Zhang Li	Female	47	Deputy General Manager	Departure	July 13, 2021	August 12, 2024	0	15,000	0	0	15,000	Acquisition of additional shares in the Company
Total	-	-	-	-	-	-	63,420	148,100	0	0	211,520	-

Were there any departures of Directors or Supervisors during their term of office, or dismissals of senior management during the Reporting Period

Yes No

Section IV Corporate Governance

Change of Directors, Supervisors and senior management

Applicable N/A

Name	Position	Type	Date	Reason
Xu Xiaodan	Director	Departure upon completion of term	August 12, 2024	Transition
Guo Zhenwei	Director	Departure upon completion of term	August 12, 2024	Transition
Peng Jianfeng	Independent Director	Departure upon completion of term	August 12, 2024	Transition
Xie Jiawei	Independent Director	Departure upon completion of term	August 12, 2024	Transition
Key Ke Liu	Independent Director	Departure upon completion of term	August 12, 2024	Transition
Liu Hua	Employee Representative Supervisor	Departure upon completion of term	August 12, 2024	Transition
Zhang Yan	Supervisor	Departure upon completion of term	August 12, 2024	Transition
Zhang Li	Deputy General Manager	Departure upon completion of term	August 12, 2024	Transition

2. Biography

Professional background, and main work experience of incumbent Directors, Supervisors and senior management of the Company, and their main responsibilities in the Company

(1) Board members

Mr. Li Jianquan, born in 1957, Hong Kong resident with Chinese nationality, obtained a Master of Business Administration from Tsinghua University. He created two brands of "Winner Medical" and "Purcotton" and currently serves as the Chairman and General Manager of Winner Medical Co., Ltd., Chairman and General Manager of Shenzhen Purcotton Technology Co., Ltd., and he is the founder of the Medical Dressing Branch of the China Medical Insurance Chamber of Commerce and vice chairman of the China Cotton Association. He was honored as an "Advanced Individual in Guangdong Province's Fight Against the COVID-19 Epidemic" from the Guangdong Provincial People's Government, and received the honorary title of "Innovative Entrepreneur and Role Model in the 40th Anniversary of the Founding of Shenzhen Special Economic Zone" from the Shenzhen Municipal Party Committee and the Shenzhen Municipal People's Government in 2020.

Mr. Fang Xiuyuan, born in 1968, with Chinese nationality, without permanent residency abroad, college degree, a Chinese Certified Public Accountant, is currently studying for a Finance EMBA at the Chinese University of Hong Kong (Shenzhen). From 1988 to 1998, he served as the Accountant and Chief of Finance Department of Hubei Medical and Health Products Import and Export Corporation; the Chief Financial Officer of Zhuhai Hongqiao High-Tech Co., Ltd. from 1998 to 1999; he has been the Director, Deputy General Manager and Chief Financial Officer of Winner Medical Co., Ltd. Since 2000. Mr. Fang Xiuyuan currently serves as the Chairman of Zhejiang Longterm Medical Technology Co., Ltd., a director of Shenzhen Purcotton Technology Co., Ltd., Shenzhen Qianhai Purcotton E-Commerce Co., Ltd., Winner Medical (Huanggang) Co., Ltd., Winner Medical (Chongyang) Co., Ltd., Winner Medical (Jiayu) Co., Ltd., Winner Medical (Jingmen) Co., Ltd., Yichang Winner Medical Textile Co., Ltd., Winner Medical (Tianmen) Co., Ltd. and Winner Medical (Wuhan) Co., Ltd., respectively, and an Executive Partner of Xiamen Leyuan Investment Partnership (Limited Partnership). Mr. Fang Xiuyuan is currently a member of the 7th Shenzhen Standing Committee of the CPPCC and Vice Chairman of the Federation of Industry and Commerce of Shenzhen Longhua District (General Chamber of Commerce).

Ms. Zhang Yan, born in 1984, with Chinese nationality, without permanent residency abroad, has bachelor's degree. She joined the Company in July 2006, and successively served as the executive deputy general manager of Winner Medical (Jingmen) Co., Ltd., the head of the supply chain at Shenzhen Purcotton Technology Co., Ltd. and the head of the supply chain at Winner Medical Co., Ltd. She served as the rotating CEO of the Company's medical sector since April 2022 to December 31, 2024. Since 2025, she has been the Vice President of Domestic Marketing of Winner Medical, and concurrently the executive director and legal representative of Winner Guilin Latex Co., Ltd..

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Ms. Liao Meizhen, born in 1982, with Chinese nationality, without permanent residency abroad, has bachelor's degree and is currently pursuing an EMBA Master's degree at the China Europe International Business School. From 2004 to 2018, she successively served as the sales manager, regional manager, project manager, and sales director of Guangzhou Procter & Gamble Co., Ltd. From 2013 to 2016, she served as the global sales director of the SK-II market strategy development department at Procter & Gamble's Asia Pacific headquarters in Singapore. From 2016 to 2018, she served as the senior director of Olay oil sales at Procter & Gamble (China) Marketing Co., Ltd. From 2018 to 2021, she served as the general manager of skin care sales in China at Procter & Gamble (China) Marketing Co., Ltd. Since 2021, she has been the vice president of Shenzhen Purcotton Technology Co., Ltd.

Mr. Chen Junfa, born in January 1965, with Chinese nationality, without permanent residency abroad, graduated from Nankai University, master's degree in economics. From 1988 to 1990, he worked in Wuhan Iron and Steel Co., Ltd. as a technical worker; from 1993 to 1997, he worked in auditing, asset appraisal, consulting and other work at Shenzhen Zhonghua Accounting Firm as a project manager; from 1994 to 2009, he worked in asset appraisal, consulting and other work at Shenzhen Weiming Asset Appraisal Firm (renamed Shenzhen Jinkai Zhongqinxin Asset Appraisal Co., Ltd. in 2008), successively serving as a senior manager, assistant director, director and deputy general manager, chairman and general manager, general manager and other positions; from 2010 to 2016, he worked in asset appraisal, consulting and other work at Shenzhen Dezhengxin International Asset Appraisal Co., Ltd. as a deputy general manager; since April 2016, he has been engaged in asset appraisal, consulting and other work at Shenzhen Pengxin Asset Appraisal, Land and Real Estate Appraisal Co., Ltd., successively serving as a deputy general manager, director and other positions. He is currently an independent director of Shenzhen Yitao Intelligent Control Co., Ltd., and ALD International Holdings Limited.

Ms. Wang Zhifang, born in 1968, with Chinese nationality, without permanent residency abroad, graduated from Nankai University in 1989, graduated from the Institute of Finance of the People's Bank of China in 1992, obtaining a master's degree in economics; senior management master's degree in business administration at Cheung Kong Graduate School of Business. From 1992 to 2004, she served as deputy manager of the planning department and the general manager of investment management department at China Huaneng Finance Co., Ltd.; from 2004 to 2023, she served as manager of investment management department, deputy general manager and member of the Party group of Huaneng Capital Services Co., Ltd. She served as the chairman of Tiancheng Leasing Co., Ltd. and the chairman of Huaneng Invesco Private Equity Management Company Ltd. from 2014 to 2023.

Mr. Yang Xiangliang, born in 1967, with Chinese nationality, without permanent residency abroad. He graduated from Huazhong University of Science and Technology in 1995 with a Ph.D. in Biomedical Engineering. From 1995 to 2003, he was a lecturer, associate professor, professor, and doctoral tutor of the Department of Chemistry at Huazhong University of Science and Technology. Since 2003, he has been a professor and doctoral tutor of the School of Life Sciences and Technology at Huazhong University of Science and Technology. From 2007 to 2019, he served as the executive vice president of the School of Life Sciences and Technology at Huazhong University of Science and Technology. Since 2009, he has been serving as the director of the National Engineering Research Center for Nanomedicine. He is the chief scientist of Project 973, a recipient of a special allowance from the State Council, and a leader of the innovation team in "Oncology Nanomedicine Technology", a key area supported by the Ministry of Science and Technology. He is a member of the overall expert group of the National Key Research and Development Program, Vice Chairman of the Chinese Society for Biomedical Engineering, Nanomedicine and Engineering Branch, and the Vice Chairman of the Chinese Pharmaceutical Association, Nanomedicine Professional Committee, etc. He is mainly engaged in nanomedicine technology research. He is currently an independent director of MGI Tech Co., Ltd.

(2) Members of Supervisory Committee

Ms. Zhang Tingting, born in 1986, with Chinese nationality, without permanent residency abroad, has bachelor's degree. She joined the Company in November 2010. From July 2014 to July 2024, she successively served as the manager of the Supplier Management Department, the Domestic Trade Pharmacy Management Department, the Distributor Management Department, the Product Development Department and the E-commerce Commodity Department, and is currently the category operator of the Company's Commodity Department. She is also a member of the two new Party working committees of Longhua Sub-district, the secretary of the Company's Party Committee, the chairwoman of the Women's Federation, the secretary of Youth League Committee, the Party representative of Longhua District, a member of the Ninth Committee of Shenzhen Youth Federation, and a representative of the Seventh Shenzhen Women's Congress. She was awarded the title of "Outstanding Communist Party Member of Shenzhen" by the Shenzhen Municipal Committee of the Communist Party of China.

Mr. Wu Kezhen, born in 1976, with Chinese nationality, without permanent residency abroad, holds a MBA from Shanghai University of Finance and Economics, and is currently pursuing a DBA degree at the University of Bordeaux, France. From 1998 to 2012, he successively served as the cost supervisor, financial manager, and financial director of RR Donnelley Asia Printing Solutions Limited; from 2012 to 2013, he served as the financial director of Sateri (Fujian) Fibre Co., Ltd. under Royal Golden Eagle Group; from 2013 to 2016, he served as the CFO of Stora Enso China Packaging Co., Ltd.; since August 2016, he has been working at Winner Medical Co., Ltd., successively serving as a director of the Financial Management Center, the senior director of the supply chain, and the current rotating CEO of the Company's medical sector.

Ms. Zhao Xia, born in 1975, with Chinese nationality, without permanent residency abroad, with a bachelor's degree, is currently pursuing a Master of Science degree at the Chinese University of Hong Kong, and is a Chinese Certified Public Accountant, and a Chinese Certified Tax Agent. From August 1998 to May 2001, she worked at Tongren Accounting Firm, and finally as a project manager; from January 2003 to October 2003, she served as the accounting director of Petroglory Petroleum (Holdings) Limited; from November 2003 to January 2019, she worked at Walmart (China) Investment Co., Ltd., and finally served as the financial director of the finance department; from February 2019 to January 2020, she served as the financial director of Shenzhen Hema Technology Co., Ltd.; Since January 2020, she has been working at Shenzhen Purcotton Technology Co., Ltd., and is currently the financial director of the Financial Management Center.

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(3) Other senior management

Ms. Chen Huixuan, born in 1982, with Chinese nationality, without permanent residency abroad, has Master degree in Finance from the University of Glasgow, UK. From 2007 to 2009, she served as an analyst assistant of Brean Murray, Carret & Co.; from 2009 to 2015, she served as the manager of the Investment Management Department of Winner Industries (Shenzhen) Co., Ltd.; since 2015, she has served as the deputy general manager and secretary of the Board of Directors of the Company. At present, she is also an executive partner of Xiamen Huikang Investment Partnership (Limited Partnership) and a director of Chengdu Winner Likang Medical Products Co., Ltd. Ms. Chen Huixuan is currently a member of the Third Session of the Investor Relations Committee of the China Association for Public Companies and a deputy chairman of the Investor Relations Committee of the Shenzhen Association for Public Companies. She has won the honor of “Board Secretary Level 5A Performance Evaluation” from the China Association for Public Companies for 2022, 2023 and 2024, and the honor of the 18th, 19th and 20th New Fortune Golden Board Secretary.

Mr. Liao Guanlai, born in 1982, with Chinese nationality, a permanent resident of the Hong Kong Special Administrative Region, holds a bachelor's degree in business administration and a bachelor's degree in software engineering from the University of Hong Kong. From 2006 to 2008, he served as an analyst at McKinsey & Company; from 2008 to 2011, he served as investment manager at Morgan Stanley Infrastructure Fund; from 2011 to 2018, he served as vice president of Bain Capital Private Equity China; from 2018 to 2020, he served as vice president of Shenzhen Neptunus Group Co., Ltd.; he joined Winner Medical Co., Ltd. in 2020, and currently serves as vice president of investment at the Company. He also currently serves as a director of Zhejiang Longterm Medical Technology Co., Ltd., Winner Medical (Hunan) Co., Ltd., and Global Resources International, Inc.

Positions held in shareholder entities

Applicable N/A

Name of incumbent	Name of shareholder entity	Position in shareholder entity	Start date of tenure	End date of tenure	Whether to receive remuneration or allowance in shareholder entity
Li Jianquan	Winner Group Limited	Director	April 8, 2003		No
Fang Xiuyuan	Xiamen Leyuan Investment Partnership (Limited Partnership)	Executive Partner	May 2, 2013		No
Chen Huixuan	Xiamen Huikang Investment Partnership (Limited Partnership)	Executive Partner	May 2, 2013		No
Wu Kezhen	Xiamen Zepeng Investment Partnership (Limited Partnership)	Executive Partner	June 23, 2014		No
Note on positions held in shareholder entities N/A					

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Positions held in other entities

 Applicable N/A

Name of incumbent	Name of other entity	Position in other entity	Start date of tenure	End date of tenure	Whether to receive remuneration or allowance in other entity
Li Jianquan	Glory Ray Holdings Limited	Director	April 11, 2012		No
Li Jianquan	Glory Ray Limited	Director	May 4, 2012		No
Li Jianquan	Shenzhen Purcotton Technology Co., Ltd.	Chairman, General Manager	December 7, 2009		No
Li Jianquan	Shenzhen Qianhai Purcotton E-Commerce Co., Ltd.	Chairman	July 21, 2015		No
Li Jianquan	Winner Medical Malaysia Co., Ltd.	Director	July 17, 2013		No
Li Jianquan	Winner Medical (Hong Kong) Limited	Director	January 14, 2008		No
Li Jianquan	Shenzhen PureH2B Technology Co., Ltd.	Chairman, General Manager	January 25, 2018		No
Li Jianquan	Shenzhen Purunderwear Sci-Tech Innovation Co., Ltd.	Chairman	July 9, 2019		No
Li Jianquan	Fanyu Innovation Holding (Shenzhen) Co., Ltd.	Supervisor	September 18, 2021		No
Fang Xiuyuan	Shenzhen Purcotton Technology Co., Ltd.	Director	December 7, 2009		No
Fang Xiuyuan	Shenzhen Qianhai Purcotton E-Commerce Co., Ltd.	Director	July 21, 2015		No
Fang Xiuyuan	Winner Medical (Huanggang) Co., Ltd.	Director	January 14, 2005		No
Fang Xiuyuan	Winner Medical (Chongyang) Co., Ltd.	Director	November 13, 2001		No
Fang Xiuyuan	Winner Medical (Jiayu) Co., Ltd.	Director	February 20, 2001		No
Fang Xiuyuan	Winner Medical (Jingmen) Co., Ltd.	Director	December 15, 1995		No
Fang Xiuyuan	Yichang Winner Medical Textile Co., Ltd.	Director	April 22, 1999		No
Fang Xiuyuan	Winner Medical (Tianmen) Co., Ltd.	Director	February 23, 2001		No
Fang Xiuyuan	Winner Medical (Heyuan) Co., Ltd.	Director	May 18, 2016		No
Fang Xiuyuan	Winner Medical (Wuhan) Co., Ltd.	Director	January 23, 2017		No
Fang Xiuyuan	Winner Medical (Hong Kong) Limited	Director	January 14, 2008		No
Fang Xiuyuan	Chengdu Winner Likang Medical Products Co., Ltd.	Director	May 31, 2009		No
Fang Xiuyuan	Shenzhen PureH2B Technology Co., Ltd.	Director	January 25, 2018		No
Fang Xiuyuan	Shenzhen Purunderwear Sci-Tech Innovation Co., Ltd.	Director	July 9, 2019		No

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Name of incumbent	Name of other entity	Position in other entity	Start date of tenure	End date of tenure	Whether to receive remuneration or allowance in other entity
Fang Xiuyuan	Zhejiang Longterm Medical Technology Co., Ltd.	Chairman	May 10, 2022		No
Zhang Yan	Winner Guilin Latex Co., Ltd.	Executive director	May 24, 2023		No
Zhang Yan	Winner (Jingzhou) Latex Products Co., Ltd.	Executive director	July 10, 2023		No
Chen Junfa	Beijing Daozecheng Investment Management Co., Ltd.	Supervisor	June 1, 2012		No
Chen Junfa	ALD International Holdings Limited	Independent Director	June 1, 2022		Yes
Chen Junfa	Shenzhen Yitao Intelligent Control Co., Ltd.	Independent Director	November 1, 2023		Yes
Chen Junfa	Shenzhen Pengxin Asset Appraisal, Land and Real Estate Appraisal Co., Ltd.	Director	April 1, 2016		Yes
Yang Xiangliang	Huazhong University of Science and Technology	Professor	January 1, 2003		Yes
Yang Xiangliang	National Engineering Research Center for Nanomedicine	Director	January 1, 2009		No
Liao Guanlai	Zhejiang Longterm Medical Technology Co., Ltd.	Director	May 1, 2022		No
Liao Guanlai	Winner Medical (Hunan) Co., Ltd.	Director	July 1, 2022		No
Liao Guanlai	Global Resources International, Inc.	Director	September 20, 2024		No
Chen Huixuan	Chengdu Winner Likang Medical Products Co., Ltd.	Director	May 1, 2018		No
Zhao Xia	Purcotton Agricultural Technology (Wuhan) Co., Ltd.	Supervisor	June 1, 2024		No
Note on positions held in other entities	N/A				

Penalties imposed by securities regulators in the past three years for incumbent Directors, Supervisors and senior management of the Company and those who departed during the Reporting Period

Applicable N/A

During his tenure as a director of Hytera Communications Corporation Limited, Mr. Peng Jianfeng, an independent director of the Company, who has departed the Company due to selection of a new session of the Board of Directors during the Reporting Period, purchased 215,800 shares of Hytera on February 2, 2023 and sold 53,950 shares of Hytera on February 3, 2023, constituting a short-term transaction. The Shenzhen Securities Regulatory Bureau decided to issue a warning letter to him on July 11, 2023.

3. Remuneration of Directors, Supervisors and senior management

Decision-making procedures and basis for determining, and the actual payment of, remuneration of Directors, Supervisors, and senior management

The remuneration of Directors, Supervisors, and senior management consists of salaries, allowances, and bonuses. The Company's Board of Directors has a Remuneration and Appraisal Committee, which is responsible for formulating performance evaluation standards, procedures, systems, and major programs and systems of rewards and penalties. The remuneration plans of Directors, Supervisors, and senior management have all undergone the corresponding review procedures in accordance with the Articles of Association, the Remuneration Management System, and other corporate governance systems.

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Remuneration of Directors, Supervisors and senior management during the Reporting Period

Unit: RMB0'000

Name	Gender	Age	Position	Status of service	Total pretax remuneration received from the Company	Whether to get remuneration from related parties of the Company
Li Jianquan	Male	68	Chairman and General Manager	Incumbent	294.70	No
Fang Xiuyuan	Male	57	Director, Deputy General Manager, and Chief Financial Officer	Incumbent	201.50	No
Zhang Yan	Female	41	Director	Incumbent	140.52	No
Liao Meizhen	Female	43	Director	Incumbent	180.28	No
Chen Junfa	Male	60	Independent Director	Incumbent	7.02	No
Wang Zhifang	Female	57	Independent Director	Incumbent	7.02	No
Yang Xiangliang	Male	58	Independent Director	Incumbent	7.02	No
Zhang Tingting	Female	39	Chairman of the Supervisory Committee	Incumbent	78.28	No
Wu Kezhen	Male	49	Supervisor	Incumbent	53.74	No
Zhao Xia	Female	50	Supervisor	Incumbent	73.27	No
Chen Huixuan	Female	43	Board Secretary and Deputy General Manager	Incumbent	115.35	No
Liao Guanlai	Male	43	Deputy General Manager	Incumbent	147.30	No
Xu Xiaodan	Female	37	Director	Departure	92.47	No
Guo Zhenwei	Male	41	Director	Departure	0.00	No
Peng Jianfeng	Male	64	Independent Director	Departure	10.98	No
Xie Jiawei	Female	52	Independent Director	Departure	10.98	No
Key Ke Liu	Male	61	Independent Director	Departure	10.98	No
Liu Hua	Female	52	Employee Representative Supervisor	Departure	106.17	No
Zhang Li	Female	47	Deputy General Manager	Departure	84.91	No
Total	-	-	-	-	1,622.49	-

Note: The statistical scope of the above remuneration data is the remuneration received during the period of serving as a Director, Supervisor, or senior management. Ms. Liao Meizhen, Mr. Chen Junfa, Ms. Wang Zhifang, Mr. Yang Xiangliang, Mr. Wu Kezhen, Ms. Zhao Xia, and Mr. Liao Guanlai all began to assume director, supervisor and senior management positions within the Company on August 12, 2024; Ms. Xu Xiaodan, Mr. Guo Zhenwei, Mr. Peng Jianfeng, Ms. Xie Jiawei, Mr. Key Ke Liu, Ms. Liu Hua, and Ms. Zhang Li all resigned from their director, supervisor and senior management positions on August 12, 2024. The aforementioned 14 individuals served as directors, supervisors, or senior management for less than one year in 2024.

Other information

 Applicable N/A

VIII. Directors' Performance of Duties during the Reporting Period

1. Board Meetings during the Reporting Period

Session	Date of Meeting	Date of Disclosure	Resolution
The 19th Meeting of the Third Session of the Board of Directors	January 29, 2024	January 30, 2024	Considered and approved the Proposal on the Share Repurchase Plan
The 20th Meeting of the Third Session of the Board of Directors	April 23, 2024	April 25, 2024	Considered and approved the Proposal on the 2023 Annual Report and its Summary, the Proposal on the 2023 Profit Distribution Plan, and other matters
The 21st Meeting of the Third Session of the Board of Directors	June 13, 2024	September 23, 2024	Considered and approved the Proposal on the External Equity Investment
The 22nd Meeting of the Third Session of the Board of Directors	July 22, 2024	July 24, 2024	Considered and approved the Proposal on the Re-election of the Company's Board of Directors and Nomination of Non-independent Director Candidates for the Fourth Session of Board of Directors, the Proposal on the Appointment of the Accounting Firm for the Year 2024, and other matters
The 23rd Meeting of the Third Session of the Board of Directors	July 26, 2024	July 27, 2024	Considered and approved the Proposal on the Proposed Signing of Supplementary Agreements Related to Relocation Compensation and Resettlement for the Winner Industrial Park Urban Renewal Unit, and other matters
The 1st Meeting of the Fourth Session of the Board of Directors	August 12, 2024	August 13, 2024	Considered and approved the Proposal on the Election of Chairman for the Fourth Session of Board of Directors, the Proposal on the Appointment of Senior Management of the Company, and other matters
The 2nd Meeting of the Fourth Session of the Board of Directors	August 26, 2024	August 28, 2024	Considered and approved the Proposal on the 2024 Interim Report and its Summary, the Proposal on the 2024 Interim Profit Distribution Plan, and other matters
The 3rd Meeting of the Fourth Session of the Board of Directors	October 12, 2024	October 14, 2024	Considered and approved the Proposal on the Achievement of Unlocking Conditions for the First Lock-Up Period of the Company's First Employee Stock Ownership Plan, and other matters
The 4th Meeting of the Fourth Session of the Board of Directors	October 25, 2024	October 29, 2024	Considered and approved the Proposal on the 2024 Q3 Report, the Proposal on the 2024 Restricted Stock Incentive Plan (Draft) and its Summary, and other matters
The 5th Meeting of the Fourth Session of the Board of Directors	November 15, 2024	November 18, 2024	Considered and approved the Proposal on the First Grant of Restricted Shares to Target Participants of the 2024 Restricted Stock Incentive Plan

2. Directors' attendance at Board Meetings and General Meetings

Directors' Attendance at Board Meetings and General Meetings							
Name of Director	Number of Required Attendance at Board Meetings during the Reporting Period	Number of In-person Attendance at Board Meetings	Number of Remote Attendance at Board Meetings	Number of Proxy Attendance at Board Meetings	Number of Absence from Board Meetings	Whether Non-In-Person Attendance at Two Consecutive Board Meetings	Number of Attendance at General Meetings
Li Jianquan	10	7	3	0	0	No	4
Fang Xiuyuan	10	7	3	0	0	No	5
Zhang Yan	5	3	2	0	0	No	5
Liao Meizhen	5	3	2	0	0	No	3
Chen Junfa	5	3	2	0	0	No	3
Wang Zhifang	5	2	3	0	0	No	3
Yang Xiangliang	5	0	5	0	0	No	3
Xu Xiaodan	5	4	1	0	0	No	3
Guo Zhenwei	5	0	5	0	0	No	3
Peng Jianfeng	5	0	5	0	0	No	3
Xie Jiawei	5	1	4	0	0	No	3
Key Ke Liu	5	0	5	0	0	No	3

Note: The Company completed the election of directors and supervisors for a new session of the Board of Directors and the Supervisory Committee on August 12, 2024. Ms. Zhang Yan, Ms. Liao Meizhen, Mr. Chen Junfa, Ms. Wang Zhifang, and Mr. Yang Xiangliang all began to assume director positions within the Company on August 12, 2024; Ms. Xu Xiaodan, Mr. Guo Zhenwei, Mr. Peng Jianfeng, Ms. Xie Jiawei, and Mr. Key Ke Liu all resigned from their director positions on August 12, 2024.

Note on non-in-person attendance at two consecutive Board meetings

During the Reporting Period, there were no instances of a director failing to attend two consecutive Board meetings in person.

3. Objections raised by Directors on relevant matters

Whether any Director raises any objections to the relevant matters of the Company

Yes No

During the Reporting Period, no Director raised objections on relevant matters of the Company.

4. Other notes on Directors' performance of their duties

Whether the suggestions made by any Directors were adopted by the Company

Yes No

Notes on the adoption or rejection of any Directors' suggestions to the Company

During the Reporting Period, the Company's Directors, in strict accordance with the Company Law, the Securities Law, other relevant laws and regulations, and the Articles of Association, faithfully and diligently performed their duties, actively attended relevant meetings on time, and conscientiously reviewed proposals. Independent Directors maintained communication with other Directors, senior management, and relevant personnel through telephone calls, emails, and on-site visits. They actively learned about the Company's production and operation status and financial situation, and put forward proactive suggestions on the Company's development strategy and improvement of corporate governance. They also expressed their opinions and suggestions on the Company's periodic reports, selection of accounting firms, and equity incentive plans, effectively ensuring the fairness and objectivity of the Board's decisions. The Directors have performed their duties diligently and conscientiously, striving to safeguard the overall interests of the Company and the legitimate rights and interests of the small and medium-sized shareholders, and have played a positive role in the standardized operation and healthy development of the Company.

IX. Performance of Special Committees under the Board of Directors during the Reporting Period

Name of Committee	Member	Number of Meeting	Date of Meeting	Agenda	Important Opinions and Suggestions	Performance of Other Duties	Details of Objection
Audit Committee of the Third Session of the Board of Directors	Xie Jiawei, Key Ke Liu, Fang Xiuyuan	3	February 26, 2024	Considered the Internal Audit Work Report for Q4 of 2023, the Internal Audit Work Plan for Q1 of 2024, and other matters	Required the internal audit department to include audits on financial statements in work report and plan	Reviewed the Company's financial data and related written reports	N/A
Audit Committee of the Third Session of the Board of Directors	Xie Jiawei, Key Ke Liu, Fang Xiuyuan	3	April 15, 2024	Considered the Proposal on the Self-Assessment Report on Internal Control for 2023, the 2024 Q1 Internal Audit Work Report, the Proposal on the Report on the Audit Committee's Evaluation of the Performance of Accounting Firms in 2023 and the Fulfillment of Supervision Duties, and the Proposal on the 2023 Annual Report and its Summary, and other matters	Discussed key aspects related to goodwill and other matters specified in regular reports	Had a thorough discussion with the Company's annual audit accountant, internal audit department, and finance department on matters related to annual report	N/A
Audit Committee of the Third Session of the Board of Directors	Xie Jiawei, Key Ke Liu, Fang Xiuyuan	3	July 19, 2024	Considered the Proposal on the Appointment of the Accounting Firm for the Year 2024	Personally supervised and audited the selection elements and scoring criteria for the hiring of accounting firms	Participated in the entire process of selecting an accounting firm, and supervised the competitive negotiation of the selection project on site throughout the process	N/A
Audit Committee of the Fourth Session of the Board of Directors	Chen Junfa, Wang Zhifang, Zhang Yan	3	August 12, 2024	Considered the Proposal on the Appointment of the Financial Officer for the Company, and other matters	There were no objections to the appointment of the financial officer and the head of the internal audit body	Listened to the introductions by the candidates	N/A
Audit Committee of the Fourth Session of the Board of Directors	Chen Junfa, Wang Zhifang, Zhang Yan	3	August 22, 2024	Considered the Internal Audit Work Report for Q2 of 2024, the Proposal on the 2024 Interim Report and its Summary, and other matters	Conducted a detailed analysis on matters such as gross profit, sales expenses, and asset impairment	Submitted written opinions on each of the related proposals under consideration, standardized the content of internal audit work plan and work report	N/A

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Name of Committee	Member	Number of Meeting	Date of Meeting	Agenda	Important Opinions and Suggestions	Performance of Other Duties	Details of Objection
Audit Committee of the Fourth Session of the Board of Directors	Chen Junfa, Wang Zhifang, Zhang Yan	3	October 25, 2024	Considered the Internal Audit Work Report for Q3 of 2024, the Proposal on the Report for Q3 of 2024, and other matters	Proposed relevant suggestions for the internal control of the merged subsidiaries	Provided suggestions and opinions on internal audit work	N/A
Remuneration and Appraisal Committee of the Third Session of the Board of Directors	Peng Jianfeng, Xie Jiawei, Li Jianquan	2	April 15, 2024	Considered the Proposal on Confirming the Remuneration of Non-independent Directors for the Year 2023, the Proposal on the Cancellation of Some Granted but Not Yet Vested Restricted Stocks, and other matters	It is necessary to ensure that the salary level is in line with the Company's operational performance, and the implementation of equity incentives complies with the requirements of laws and regulations	Reviewed related written reports	N/A
Remuneration and Appraisal Committee of the Third Session of the Board of Directors	Peng Jianfeng, Xie Jiawei, Li Jianquan	2	July 19, 2024	Considered the Proposal on the Allowance for Independent Directors of the Fourth Board of Directors	It is necessary to ensure that the salary level is in line with the Company's operational performance, and the implementation of equity incentives complies with the requirements of laws and regulations	Reviewed related written reports	N/A
Remuneration and Appraisal Committee of the Fourth Session of the Board of Directors	Wang Zhifang, Chen Junfa, Fang Xiuyuan	3	October 12, 2024	Considered the Proposal on the Achievement of Unlocking Conditions for the First Lock-Up Period of the Company's First Employee Stock Ownership Plan, and the Proposal on Cancellation of Reserved Portion of the Company's First Employee Stock Ownership Plan	It is necessary to ensure that the unlocking process of the employee stock ownership plan complies with the requirements of laws and regulations	Reviewed related written reports	N/A
Remuneration and Appraisal Committee of the Fourth Session of the Board of Directors	Wang Zhifang, Chen Junfa, Fang Xiuyuan	3	October 25, 2024	Considered the Proposal on the 2024 Restricted Stock Incentive Plan (Draft) and its Summary, and other matters	It is necessary to ensure that the restricted stock incentive plan complies with the requirements of laws and regulations	Reviewed related written reports	N/A
Remuneration and Appraisal Committee of the Fourth Session of the Board of Directors	Wang Zhifang, Chen Junfa, Fang Xiuyuan	3	November 15, 2024	Considered the Proposal on the First Grant of Restricted Shares to Target Participants of the 2024 Restricted Stock Incentive Plan, and other matters	It is necessary to ensure that the granting process under restricted stock incentive plan complies with the requirements of laws and regulations	Reviewed related written reports	N/A
Strategy and Social Responsibility Committee of the Third Session of the Board of Directors	Li Jianquan, Fang Xiuyuan, Xu Xiaodan, Guo Zhenwei, Peng Jianfeng	1	April 15, 2024	Considered the Proposal on the Company's 2023 Social, Environmental, and Governance Report	The Company needs to actively take on social responsibility and practice environmental protection concepts	Actively follow the progress of undertaking social responsibility and the preparation progress of the social responsibility report	N/A
Nomination Committee of the Third Session of the Board of Directors	Li Jianquan, Key Ke Liu, Peng Jianfeng	1	July 19, 2024	Considered the Proposal on the Re-election of the Company's Board of Directors and Nomination of Non-independent Director Candidates for the Fourth Session of Board of Directors, and the Proposal on the Re-election of the Company's Board of Directors and Nomination of Independent Director Candidates for the Fourth Session of Board of Directors	There were no objections to the election of directors for the fourth session of the Board of Directors, upon strict screening of candidates	Listened to the introductions by the candidates	N/A

X. Performance of Duties of the Supervisory Committee

Did the Supervisory Committee find any risks in the Company in its oversight activities during the Reporting Period

Yes No

The Supervisory Committee had no objections to the matters under its oversight during the Reporting Period.

XI. Details of Employees

1. Number, professional composition and educational background of employees

Number of employees at the parent company at the end of the Reporting Period (person)	1,042
Number of employees at major subsidiaries at the end of the Reporting Period (person)	14,600
Total number of employees at the end of the Reporting Period (person)	15,642
Total number of employees receiving compensation during the period (person)	15,642
Number of retired employees for whom the parent company and major subsidiaries bear expenses (person)	448
Professional composition	
Types of profession	Number of professionals (person)
Production staff	8,395
Sales staff	3,893
Technical staff	1,199
Finance staff	186
Administrative staff	1,969
Total	15,642
Educational background	
Degree of education	Number (person)
Master's degree and above	289
Bachelor's degree	2,115
Below bachelor's degree	13,238
Total	15,642

2. Remuneration policy

In line with the Company's strategic deployment and business planning, and to continuously stimulate individual value (initiative, breakthrough) for performance growth, the Company continued to implement the "fixed salary + bonus + long-term incentive" structure for employee remuneration in 2024. The fixed salary will gradually align with the market, bonuses will be distributed based on performance and contribution – the greater the contribution, the higher the income. Long-term incentive is linked to the Company's long-term performance and individual's long-term contribution. This structure enhances the team's sense of achievement, enhance the sense of responsibility and mission of core employees, manifests the business partner mechanism, and improves the remuneration incentive system for outstanding employees. The policy emphasizes contribution made by the whole team rather than contribution sharing among individuals, and features a closed-loop performance management mechanism linking strategy, organization, and individual performance. Organizational performance is evaluated using the BSC, and individual performance KPIs are aligned with and derived from organizational KPIs. Performance results directly influence bonus allocation. Variable remuneration utilizes a distribution logic that combines existing and incremental bonuses, providing high incentives for exceeding business targets and sharing profits. This design encourages ambitious goals, high quality, and efficient growth, focusing on achieving both short-term and long-term victories and fostering a culture of ambition and success. In addition to national basic insurance, we provide supplementary insurance, such as personal accident insurance and supplementary medical insurance. We are also continuously improving our employee benefits program, offering a diverse range of benefits from basic needs like transportation and meal allowances to higher-level needs such as team-building activities and anniversary gifts. This comprehensive approach aims to enhance employees' sense of security, well-being, and belonging.

Section IV Corporate Governance

3. Training plan

The Company upholds the Four-High Talent Philosophy of “High Personal Quality; High Academic Qualifications; High Performance; High Reward” as the guiding principle for talent acquisition, development, and cultivation. We continuously optimize our talent structure, strengthen our talent pipeline, and increase talent density, while consistently reinforcing the capabilities and development of leading and specialized talent. First, we have established a dual-career path mechanism and a job qualification system, encouraging professional development and value creation within specialized fields. This addresses the Company’s growing need for advanced expertise and demonstrates our commitment to specialized talent, fostering diversified career paths. Second, we conduct talent reviews to identify and recognize high-potential individuals, setting benchmarks and strengthening talent density in key areas. Third, we actively engage in industry-university-research collaborations, strengthening partnerships with universities and research institutions. This allows us to attract top-tier technical talent, enhance the overall quality and professional capabilities of our workforce, and bolster our innovation capabilities in technology research and development, increasing our influence within the medical industry. Fourth, we are committed to building a robust training and development system. This includes tiered leadership development programs like the “Winning Leadership Initiative”, specialized training programs like the “Departmental Professional Training Plan” to enhance solutions capabilities in various fields, company-wide thematic empowerment programs, and general training focused on corporate culture, professional skills, and conduct. This approach targets empowerment and talent training in key areas and positions while also providing comprehensive general skills development across all professional fields. Finally, we place great importance on the development of our newest employees. We systematically implement the “Spring Sprout” development program for recent graduates. This program combines training and practical experience through team building, classroom instruction, frontline practice, cultural immersion, one-to-one mentoring, rotation programs, and targeted role development. A dedicated performance review and promotion mechanism for program participants creates a closed-loop development system, comprehensively enhancing cultural integration, product knowledge, professional skills, and professional conduct, facilitating a smooth transition from campus to career. Through management, specialized, and general training programs covering all professional fields, supplemented by targeted empowerment initiatives focused on the annual strategic plan and key position development, we combine internal and external training to enrich our curriculum. We leverage online platform resources and integrate offline training and practical programs to diversify training resources. Based on evolving business needs, we continuously iterate our curriculum and expand our faculty, supporting talent development, enhancing professional capabilities, and contributing to the achievement of the Company’s business objectives.

4. Labor outsourcing

Applicable N/A

XII. Profit Distribution and Share Capital Increase from Capital Surplus

Profit distribution policy during the Reporting Period, especially the formulation, implementation or adjustment of cash dividend policy

Applicable N/A

During the Reporting Period, the Company strictly followed the Articles of Association and other relevant regulations in executing its profit distribution policy, and completed the distribution within the stipulated timeframe, safeguarding the interests of all shareholders.

Specific Explanation of Cash Dividend Policy

Does it conform to the Articles of Association or resolutions of the General Meeting of Shareholders:	Yes
Are the dividend standards and ratios clear and specific:	Yes
Are the decision-making procedures and mechanisms for dividend distribution complete:	Yes
Have the independent Directors fulfilled their duties and roles effectively:	Yes
If the Company did not distribute cash dividends, what are the specific reasons, and what measures are planned to enhance investor returns:	N/A
Do the small and medium-sized shareholders have adequate opportunities to express their opinions and concerns, and are their legitimate rights and interests fully protected:	Yes
If the cash dividend policy has been adjusted or changed, are the conditions and procedures compliant and transparent:	N/A

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The Company's profit distribution plan and the proposal on share capital increase from capital surplus for the Reporting Period are consistent with the relevant provisions of the Articles of Association and dividend management measures

Yes No N/A

The Company's profit distribution plan and the proposal on share capital increase from capital surplus for the Reporting Period conform to the relevant provisions of the Articles of Association.

Profit distribution and share capital increase from capital surplus in current year (excluding the interim dividend for the year 2024)

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)	2.50
Number of shares to be converted from capital surplus per 10 shares held (shares)	0
Base of share capital for the distribution plan (shares)	582,329,808.00
Amount of cash dividend (RMB) (tax inclusive)	145,582,452.00
Amount of cash dividend in other forms (e.g. share repurchase) (RMB)	194,943,744.29
Total amount of cash dividend (including in other forms) (RMB)	573,458,119.49
Profit available for distribution (RMB)	4,853,765,322.98
Percentage of total amount of cash dividend (including in other forms) in the total amount of profit distributed	100.00%

Current Cash Dividend

Other

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

The Company's profit distribution plan for 2024 is as follows: based on the current total share capital of 582,329,808 shares, a cash dividend of RMB2.50 (tax inclusive) will be distributed for every 10 shares held by shareholders, totaling RMB145,582,452.00 (tax inclusive) to be distributed. No share capital increase from capital surplus, and no distribution of bonus shares. The remaining undistributed profit will be carried forward to the next year. If the total number of shares entitled to profit distribution changes between the disclosure and implementation of this profit distribution plan, the Company will adjust the distribution accordingly, maintaining the cash dividend payout ratio while adjusting the total cash dividend amount.

The Company's total cash dividend for 2024 amounted to RMB378,514,375.20 (tax inclusive), accounting for 54.43% of the net profit attributable to ordinary shareholders of the listed company for the year 2024, which includes (1) cash dividend of RMB232,931,923.20 (tax inclusive) under the 2024 interim profit distribution plan (already implemented); (2) proposed cash dividend of RMB145,582,452.00 (tax inclusive) in the 2024 profit distribution plan, subject to approval by the general meeting.

The Company made profit during the Reporting Period, and the parent company had positive profits available for distribution to shareholders, but no cash dividend distribution plan was proposed

Applicable N/A

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

Applicable N/A

1. Equity incentive

(1) 2020 Restricted Share Incentive Plan

On April 23, 2024, the Company held the 20th meeting of the third session of the Board of Directors, and the 15th meeting of the third session of the Supervisory Committee, considered and approved the Proposal on the Cancellation of Some Granted but Not Yet Vested Restricted Stocks. All target participants in the second vesting period of the first grant under this incentive plan chose to forfeit their vesting rights. Consequently, the Company canceled a total of 1,162,140 restricted shares that have been granted to them but have not yet vested. For further details regarding the 2020 Restricted Share Incentive Plan, please refer to relevant announcements published by the Company on CNINFO (<http://www.cninfo.com.cn>).

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(2) 2024 Restricted Share Incentive Plan

The Company held the fourth meeting of the fourth session of the Board of Directors, and the fourth meeting of the fourth session of the Supervisory Committee on October 25, 2024, and the fourth extraordinary general meeting of 2024 on November 13, 2024. These meetings considered and approved the Proposal on the 2024 Restricted Share Incentive Plan (Draft) and its Summary, and other matters. The general meeting authorized the Board of Directors to determine the grant date of the restricted shares, grant the restricted shares to target participants upon their fulfillment of eligibility requirements, and handle all necessary procedures related to the grant. For further details, please refer to the relevant announcements published on CNINFO (<http://www.cninfo.com.cn>) on October 29, 2024, and November 13, 2024.

The Company held the fifth meeting of the fourth session of the Board of Directors, and the fifth meeting of the fourth session of the Supervisory Committee on November 15, 2024, considered and approved the Proposal on the First Grant of Restricted Shares to Target Participants of the 2024 Restricted Share Incentive Plan, pursuant to which the grant date under the incentive plan was set as November 15, 2024, and 6,976,300 restricted shares were granted to 308 target participants. For further details, please refer to the relevant announcements published on CNINFO (<http://www.cninfo.com.cn>) on November 18, 2024.

Equity incentive granted to Directors and senior management (2024 Restricted Stock Incentive Plan)

Applicable N/A

Unit: share

Name	Position	Number of stock options held at the beginning of the year	Number of new stock options granted during the Reporting Period	Number of exercisable shares during the Reporting Period	Number of exercised shares during the Reporting Period	Exercise price of shares exercised during the Reporting Period (RMB/share)	Number of stock options held at the end of the Reporting Period	Market price at the end of the Reporting Period (RMB/share)	Number of restricted shares held at the beginning of the current period	Number of shares unlocked in current period	Number of new restricted shares granted during the Reporting Period	Grant price of restricted shares (RMB/share)	Number of restricted shares held at the end of the Reporting Period
Li Jianquan	Chairman, General Manager	0	0	0	0	0	0	42.08	0	0	0	15.39	0
Fang Xiuyuan	Director, Deputy General Manager, Financial Director	0	0	0	0	0	0	42.08	0	0	80,000	15.39	80,000
Zhang Yan	Director	0	0	0	0	0	0	42.08	0	0	50,000	15.39	50,000
Liao Meizhen	Director	0	0	0	0	0	0	42.08	0	0	100,000	15.39	100,000
Chen Huixuan	Deputy General Manager, Board Secretary	0	0	0	0	0	0	42.08	0	0	40,000	15.39	40,000
Liao Guanlai	Deputy General Manager	0	0	0	0	0	0	42.08	0	0	100,000	15.39	100,000
Total	-	0	0	0	0	-	0	-	0	0	370,000	-	370,000
Note	The number of restricted shares mentioned above represents the holdings of Directors and senior management under the Company's currently effective equity incentive plan (2024 Restricted Stock Incentive Plan).												

Evaluation mechanism and incentive for senior management

The Company has established an appraisal system for senior management that includes both target-based responsibility assessments and annual performance evaluations. Senior management performance is assessed and evaluated according to established assessment policies. This scientific approach incorporates the operating performance of both the Company as a whole and its two major business segments to take into account the Company's long-term development needs.

Section IV Corporate Governance

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	14	505,000	N/A	0.08%	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			
Liao Guanlai	Deputy General Manager	130,000	91,000	0.02%
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

After the first lock-up period of the employee stock ownership plan expired, the management committee sold a portion of its company shares held in accordance with the relevant provisions.

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 plan's provisions, the management committee repurchased the departing employee's shares. These shares were sold at the right time for the benefit of the Company.

Section IV Corporate Governance

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

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 explanation:

N/A

3. Other employee incentive measures

Applicable N/A

XIV. Establishment and Implementation of Internal Control System during the Reporting Period

1. Establishment and implementation of internal control system

During the Reporting Period, the Company continuously improved and optimized its internal control system to adapt to the changing external environment and evolving internal management requirements in accordance with the provisions and requirements of the Basic Standards for Enterprise Internal Control and its supporting guidelines, as well as the Company's internal control system and evaluation methods, building upon routine and special internal control supervision, and adhering to a risk-oriented approach. Through the operation, analysis, and evaluation of the internal control system, the Company effectively mitigated operational and management risks, and promoted the achievement of internal control objectives.

2. Details of significant internal control defects discovered during the Reporting Period

Yes No

XV. Management and Control of the Company over Its Subsidiaries during the Reporting Period

Company Name	Integration Plan	Integration Progress	Problems Encountered in Integration		Progress of Solution	Follow-up Solution Plan
			Problems Encountered in Integration	Solutions Taken		
Longterm Medical, Winner Guilin, Winner Medical (Hunan), Global Resources International, Inc., etc.	To establish and strengthen the corporate governance structures of our subsidiaries by appointing directors or supervisors, and appointing or assigning financial managers and general managers. To maintain a clear general manager responsibility system under the Group's management framework; tailor operational empowerment, control, and synergy plans for each subsidiary based on its specific business needs; enhance operational efficiency and promotes the compliant, organized, and steady development of our subsidiaries	Through its authority and responsibility manual, the Company explicitly requires subsidiaries to adhere to established authorization protocols for all major operational decisions. This includes decisions related to corporate governance structure and policies, strategic planning, investment and financing activities, asset leasing and transfers, financial management, human resources, compliance and risk management, and IT projects. Subsidiaries must obtain approval from the Company before implementing such decisions, and these matters must be submitted to the Company's Board of Directors for review, as per the established procedures	N/A	N/A	N/A	N/A

XVI. Internal Control Evaluation Report and Internal Control Audit Report

1. Internal control evaluation report

Disclosure date of full text of internal control evaluation report	April 29, 2025
Disclosure index of full text of internal control evaluation report	http://www.cninfo.com.cn
Proportion of total assets of entities included in the evaluation scope to the total assets of the Company's consolidated financial statements	100.00%
Proportion of operating revenue of entities included in the evaluation scope to the operating revenue of the Company's consolidated financial statements	100.00%

Deficiency Identification Criteria		
Category	Financial Reporting	Non-Financial Reporting
Qualitative standards	<p>Material Weakness: 1) Ineffective control environment; 2) Fraud by the Company's Directors, Supervisors, or senior management causing significant loss or adverse impact to the Company; 3) Material misstatements identified by the registered accountant in the current financial report that were not detected by the internal control system; 4) Ineffective supervision of internal control by the Company's audit committee and internal audit department.</p> <p>Significant Deficiency: 1) Failure to select and apply accounting policies in accordance with generally accepted accounting principles; 2) Failure to establish anti-fraud procedures and control measures; 3) Lack of established control mechanisms or implementation of controls, without compensatory controls, for non-routine or special transactions; 4) One or more deficiencies in the controls over the period-end financial reporting process that cannot reasonably ensure the accuracy and truthfulness of the prepared financial statements.</p> <p>Control Deficiency: Other internal control deficiencies that do not constitute material weaknesses or significant deficiencies.</p>	<p>Material Weakness: Lack of democratic decision-making procedures; Decision-making procedures leading to major mistakes; Lack of institutional control or systematic failure in important business operations, and lack of effective compensatory controls; Serious loss of middle and senior management and senior technical personnel; Failure to rectify internal control evaluation results, especially material weaknesses; Other circumstances with a significant negative impact on the company.</p> <p>Significant Deficiency: Democratic decision-making procedures exist but are not perfect; Decision-making procedures lead to general errors; Deficiencies in important business systems or institutions; Serious loss of key personnel; Failure to rectify internal control evaluation results, especially significant deficiencies; Other circumstances that have a relatively large negative impact on the company.</p> <p>Control Deficiency: Inefficient decision-making procedures; Deficiencies in general business systems or institutions; Loss of general staff; Failure to rectify control deficiencies.</p>

Section IV Corporate Governance

Deficiency Identification Criteria		
Category	Financial Reporting	Non-Financial Reporting
Quantitative standards	<p>Material Weakness: 1. Potential misstatement of operating revenue $\geq 2\%$ of the total operating revenue in the consolidated financial statements; 2. Potential misstatement of total profit $\geq 5\%$ of the total profit in the consolidated financial statements; 3. Potential misstatement of total assets $\geq 2\%$ of the total assets in the consolidated financial statements.</p> <p>Significant Deficiency: 1. 1% of consolidated financial statement operating revenue \leq Potential misstatement of operating revenue $< 2\%$ of consolidated financial statement operating revenue; 2. 2% of consolidated financial statement total profit \leq Potential misstatement of total profit $< 5\%$ of consolidated financial statement total profit; 3. 1% of consolidated financial statement total assets \leq Potential misstatement of total assets $< 2\%$ of consolidated financial statement total assets.</p> <p>Control Deficiency: 1. Potential misstatement of operating revenue $< 1\%$ of the total operating revenue in the consolidated financial statements; 2. Potential misstatement of total profit $< 2\%$ of the total profit in the consolidated financial statements; 3. Potential misstatement of total assets $< 1\%$ of the total assets in the consolidated financial statements. When the potential misstatement caused by an internal control deficiency affects multiple indexes, the nature of the defect shall be determined according to the principle of which is lower.</p>	<p>Material Weakness: Amount of loss $\geq 5\%$ of the total audited profit of the previous year.</p> <p>Significant Deficiency: Amount of loss $\geq 2\%$ (inclusive) and $< 5\%$ of the total audited profit of the previous year.</p> <p>General Deficiency: Amount of loss $< 2\%$ of the total audited profit of the previous year.</p>
Number of material weaknesses in financial reporting (Number)		0
Number of material weaknesses in non-financial reporting (Number)		0
Number of significant deficiencies in financial reporting (Number)		0
Number of significant deficiencies in non-financial reporting (Number)		0

2. Internal control audit report

Applicable N/A

Opinion paragraph on internal control audit report	
Ernst & Young Hua Ming LLP has issued an opinion on the effectiveness of the Company's internal control, concluding that the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations.	
Disclosure of internal control audit report	Disclosed
Disclosure date of full text of internal control audit report	April 29, 2025
Disclosure index of full text of internal control audit report	http://www.cninfo.com.cn
Internal control audit opinion type	Standard Unqualified Opinion
Existence of material weakness in non-financial reporting	No

Does the accounting firm issue internal control audit report with non-standard opinions

Yes No

Is the opinion in the internal control audit report issued by the accounting firm consistent with the opinion in the Board's self-assessment report

Yes No

XVII. Rectification of Problems Identified through Self-Inspection in the Special Action on Governance of Listed Companies

N/A

Section V

Environmental and Social Responsibilities



Section V Environmental and Social Responsibilities

I. Major Environmental Issues

Whether the listed company and its subsidiaries are key pollutant discharging units announced by environmental protection authorities

Yes No

Policies and industry standards related to environmental protection

The Company strictly complies with laws and regulations related to environmental protection in its daily production and operation, including the Environmental Protection Law of the People's Republic of China, the Law of People's Republic of China on Environmental Impact Assessment and Protection, Classification Management Directory of Environmental Impact Assessment for Construction Projects (2021 Edition), the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, Regulations on Administration of Pollutant Discharge Permits, Regulations on Administration of Environmental Protection of Construction Projects, Interim Measures for Environmental Protection Acceptance upon Completion of Construction Projects, and the Measures for the Management of Automatic Pollution Sources Monitoring and Guidelines for Automatic Pollution Sources Monitoring and Management Technology of Hubei Province; and strictly implements relevant national emission standards, such as Discharge Standards of Water Pollutants for Textile Dyeing and Finishing Industry (GB4287-2012), Discharge Standards of Pollutants for Rubber Products Industry (GB27632-2011), Integrated Wastewater Discharge Standards (GB8978-1996), Integrated Emission Standards of Air Pollutants (GB16297-1996), Discharge Standards of Pollutants for Synthetic Resin Industry (GB31572-2015), Emission Standards of Air Pollutants for Boilers (GB13271-2014), Emission Standards of Odor Pollutants (GB14554-1993), Emission Standards of Environmental Noise for Industrial Enterprises at Boundary (GB12348-2008).

Administrative licenses for environmental protection

Project permit status

Branch	Project Name	Approving Authority	Approval Date	Acceptance Status
Winner Medical (Chongyang)	Medical Degreasing Gauze Series Production Line	Chongyang County Environmental Protection Bureau	September 21, 2005	August 22, 2008
	Sterilization Packaging and Sterilization Production Line Project		March 29, 2013	June 26, 2014
	Qingshan Plant Construction Project		November 18, 2015	March 01, 2016
	Qingshan Sewage Treatment Plant Project	Xianning Municipal Environmental Protection Bureau	March 01, 2017	March 20, 2017
	New 6,390m ² Workshop Project	Filing	May 17, 2017	/
Winner Medical (Jiayu)	800-Ton/Year Absorbent Cotton Production Project	Jiayu County Environmental Protection Bureau	March 20, 2013	September 20, 2014
	Winner Medical and Purcotton Construction Project		December 25, 2014	September 28, 2017
	Environmental Impact Assessment Report of Winner Medical (Jiayu) Science and Technology Industrial Park Project	Xianning Municipal Ecology and Environment Bureau	March 15, 2021	Under construction
Winner Medical (Yichang)	90 Million Meter/Year Medical Gauze Production Project	Zhijiang Municipal Environmental Protection Bureau	December 19, 2014	October 14, 2015
Winner Medical (Tianmen)	Pure Cotton Spunlace Non-Woven Fabric and Medical Dressing Products Production Project	Tianmen Municipal Environmental Protection Bureau	March 11, 2015	Phase I: January 25, 2017; Phase II: May 10, 2020; Phase III: December 31, 2022
	Medical Dressing Production Line Automation Upgrade Project		January 19, 2016	March 23, 2018
	Medical Product Sterilization Center Project	Tianmen Municipal Ecology and Environment Bureau	January 17, 2022	December 31, 2022

Section V Environmental and Social Responsibilities

Branch	Project Name	Approving Authority	Approval Date	Acceptance Status
Winner Medical (Jingmen)	30 Million Meters/Year Medical Gauze Bleaching and Refining Production Line Expansion Project	Jingmen Municipal Environmental Protection Bureau	October 18, 1999	December 14, 2001
	Gauze Pads, Gauze Pieces, and Shrink Bandage Renovation and Expansion Project		September 23, 2003	August 03, 2005
	1,500 t/Year Bleached and Refined Medical Gauze Production Project	Dongbao District Environmental Protection Bureau, Jingmen City	April 05, 2006	September 27, 2017
	Winner Medical and Purcotton Construction Project	Jingmen Municipal Environmental Protection Bureau	October 19, 2016	September 27, 2017
	Degreasing Gauze Production Line Expansion Project (Purcotton Phase II Expansion Project)	Jingmen Municipal Ecology and Environment Bureau	December 24, 2020	Under construction
Winner Medical (Huanggang)	Pure Cotton Spunlace Non-Woven Fabric Production Project Phase I	Department of Environmental Protection of Hubei Province	August 5, 2011	May 08, 2012
	Pure Cotton Spunlace Non-Woven Fabric Production Project Phase II		December 31, 2015	January 24, 2017
	Purcotton Distribution Center Construction New Project		June 27, 2016	October 10, 2018
	Boiler Renovation Project	Huanggang Municipal Environmental Protection Bureau	January 29, 2018	November 14, 2019
	Foam Roll Material Production Line (Expansion) Project		February 05, 2018	October 08, 2018
	High-End Dressing Production Line Construction Project		November 06, 2018	Construction has not started yet
	Medical Protective Equipment Upgrade Project		July 20, 2020	October 19, 2021
Winner Medical (Wuhan)	Pure Cotton Spunlace Non-Woven Fabric and Products Production Project of Hubei Winner Medical Co., Ltd.	Xinzhou District Administrative Approval Bureau, Wuhan City	July 12, 2017	Phase I: January 18, 2020; Phase II: June 13, 2023
	R&D Center Construction Project		December 24, 2018	Construction has not started yet
	New Electron Accelerator Irradiation Device Project	Wuhan Municipal Environmental Protection Bureau	January 15, 2018	Phase I: May 15, 2020; Phase II: November 19, 2021
	Medical Protective Equipment Upgrade Project	Xinzhou District Administrative Approval Bureau	May 07, 2021	Under construction
	Winner Medical Phase II Expansion Project	Administrative Approval Bureau, Wuhan Municipal Ecology and Environment Bureau	June 21, 2022	Under construction
	Innovation Research Institute Construction Project		August 09, 2022	June 13, 2023
Winner Medical (Shenzhen)	Pingshan Songze Industrial Park New Construction Project of Winner Medical Co., Ltd. Shenzhen Branch	Pingshan Administrative Office of Shenzhen Municipal Ecology and Environment Bureau	November 26, 2021	March 18, 2022
	Expansion Project of Winner Medical Co., Ltd. Shenzhen Branch		August 11, 2023	December 01, 2023
Winner Guilin	Medical Glove Production Line Capacity Expansion and Technological Transformation Project	Guilin Municipal Administrative Approval Bureau	December 30, 2020	March 2022
	200 Million Pairs/Year TPU Coated Medical Glove Production, Automation Upgrade, and Energy-Saving Renovation Project	Guilin Municipal Ecology and Environment Bureau	May 15, 2023	Under construction

Section V Environmental and Social Responsibilities

Branch	Project Name	Approving Authority	Approval Date	Acceptance Status
	5 Million Pieces/Year Medical Sanitary Materials and Accessories, and 100 Million Bottles/Year Various Skin Care Products Technological Transformation Project	Deqing County Environmental Protection Bureau	October 24, 2016	September 29, 2017
Zhejiang Longterm	300 Million Pieces/Year Medical Sanitary Materials and Accessories; 5 Million Bottles/Year Disinfectants; 15 Million Pieces/Year Class I and II Medical Care Products and Infection Control Medical Consumables; 10 Million Packs/Pieces Sanitary Products Project; 20,000 Units/Sets Rehabilitation Therapy Equipment; 100,000 Pieces/Units Skin Cleaning and Care Products; and 5.7 Million Buttons/Pieces Minimally Invasive Surgical Consumables Project	Deqing Office of Huzhou Municipal Ecology and Environment Bureau	March 04, 2019	February 11, 2022
	1.2 Billion Pieces/Year Povidone-Iodine Cotton Swabs, 35 Million Bottles/Year Disinfectants, 1 Million Sets/Year Isolation Gowns, 11 Million Sets/Year Protective Clothing, and 350 Million Pieces/Year Face Masks Project		June 15, 2021	
	Relocation and Expansion Project for a 300 Million Sets/Year Self-Destructing Sterile Medical Device Production Line of Pingan Medical Device Technology Co., Ltd.	Li County Environmental Protection Bureau	April 05, 2005	December 11, 2011
Winner Medical (Hunan)	Expansion Project for a 300 Million Sets/Year Self-Destructing Sterile Medical Device Production Line		April 13, 2009	
	Phase III Expansion Project	Changde Ecology and Environment Bureau	September 18, 2021	May 21, 2022
	Winner Medical (Hunan) Medical Device Industrial Park Project		January 05, 2024	Under construction

Pollutant discharge permits:

All of the Company's subsidiaries have obtained the necessary pollutant discharge permits in accordance with relevant technical specifications, including Catalogue for Classified Management of Discharge Permits for Stationary Pollution Sources (2019 Edition), Technical Specifications for Application and Issuance of Discharge Permits – General Rules (HJ 942-2018), Technical Specifications for Application and Issuance of Discharge Permits – Textile Dyeing and Printing Industry (HJ 861-2017), Technical Specifications for Application and Issuance of Discharge Permits – Boilers (HJ 953-2018), Technical Specifications for Application and Issuance of Discharge Permits – General Water Treatment Processes (HJ 1120-2020), Technical Specifications for Application and Issuance of Discharge Permits – Rubber and Plastics Products Industry (HJ 1122-2020), Technical Guidelines for Self-Monitoring of Pollution Discharge Units – General Rules (HJ 819-2017), Technical Specifications for Environmental Management Ledgers and Discharge Permit Implementation Reports of Discharge Units – General Rules (Trial Implementation) (HJ 944-2018), Technical Guidelines for Self-Monitoring of Pollution Discharge Units – Rubber and Plastics Products (HJ 1207-2021), Technical Guidelines for Self-Monitoring of Pollution Discharge Units – Textile Dyeing and Printing Industry (HJ 879-2017), and Technical Guidelines for Self-Monitoring of Pollution Discharge Units – Thermal Power Generation and Boilers (HJ 820-2017).

Section V Environmental and Social Responsibilities

Details of pollutant discharge permits for each subsidiary and branch are provided below:

Subsidiary	Permit Type	Permit No.	Validity Period
Chongyang Plant I	Pollutant discharge permit	91421223732699160U003P	August 12, 2023 – August 11, 2028
Chongyang Plant II	Pollutant discharge registration form	91421223732699160U001P	April 28, 2020 – April 27, 2025
Chongyang Plant III	Pollutant discharge registration form	91421223732699160U002W	April 28, 2020 – April 27, 2025
Winner Medical (Huanggang)	Pollutant discharge permit	91421100767435675X001V	September 22, 2023 – September 21, 2028
Winner Medical (Jiayu)	Pollutant discharge permit	914212217261049092001V	April 10, 2024 – April 09, 2029
Jiayu New Factory	Pollutant discharge permit	914212217261049092002P	September 07, 2023 – September 06, 2028
Winner Medical (Jingmen)	Pollutant discharge permit	914208006158216140001P	August 27, 2023 – August 26, 2028
Winner Medical (Tianmen)	Pollutant discharge permit	914290067261112368001P	December 13, 2022 – August 30, 2027
Winner Medical (Wuhan)	Pollutant discharge permit	91420000MA48TD7BxB001V	September 01, 2023 – August 31, 2028
Winner Medical (Yichang)	Pollutant discharge registration form	91420583706860379K001W	April 30, 2020 – April 29, 2025
Winner Medical (Shenzhen)	Pollutant discharge permit	91440300MA5GKGMX3Y001W	November 08, 2023 – November 07, 2028
Winner Guilin	Pollutant discharge permit	914503008988813841001U	March 24, 2022 – March 23, 2027
Winner Medical (Hunan)	Pollutant discharge registration form	91430723565949803B001X	July 01, 2023 – July 30, 2028
Zhejiang Longterm	Pollutant discharge registration form	91330500051340478U001Z	May 29, 2020 – May 28, 2025

Industry discharge standards and details of pollutant discharge from production and operations

Name of Company or Subsidiary	Category of Main Pollutants and Characteristic Pollutants	Name of Main Pollutants and Characteristic Pollutants	Discharge Method	Number of Discharge Outlets	Location of Discharge Outlets	Discharge Concentration/ Intensity	Pollutant Discharge Standard Applied	Total Pollutant Discharge	Total Discharge Approved	Non-compliant Discharge
Winner Medical (Chongyang) Co., Ltd.	Gaseous pollutants	PM, SO ₂ , NO _x	/	1	Discharge outlet for boilers	/	20mg/m ³ , 50mg/m ³ , 200mg/m ³	NO _x : 0T, SO ₂ : 0T (not used)	NO _x : not permitted, SO ₂ : not permitted	Compliant
Winner Medical (Chongyang) Co., Ltd.	Liquid pollutants	PH, COD, BOD, NH ₃ -N, SS	Direct discharge	1	Sewage discharge outlet	7.3, 55mg/L, 17.8mg/L, 0.818mg/L, 8mg/L	6-9, 80mg/L, 20mg/L, 10mg/L, 50mg/L	COD: 11.608T, NH ₃ -N: 1.483T	COD: 57.6T/a, NH ₃ -N: 7.2 T/a	Compliant
Winner Medical (Jiayu) Co., Ltd.	Gaseous pollutants	PM, SO ₂ , NO _x	/	1	Discharge outlet for boilers	5.1mg/m ³ , 9.0mg/m ³ , 128mg/m ³	20mg/m ³ , 50mg/m ³ , 200mg/m ³	NO _x : 2.305T, SO ₂ : 0.267T	NO _x : not permitted, SO ₂ : not permitted	Compliant
Winner Medical (Jiayu) Co., Ltd.	Liquid pollutants	PH, COD, BOD, NH ₃ -N, SS	Direct discharge	1	Sewage discharge outlet	7.3, 46mg/L, 17.7mg/L, 0.556mg/L, 5mg/L	6-9, 80mg/L, 20mg/L, 10mg/L, 50mg/L	COD: 9.502T, NH ₃ -N: 0.112T	COD: 44.7T/a, NH ₃ -N: 1.19 T/a	Compliant
Winner Medical (Huanggang) Co., Ltd.	Gaseous pollutants	PM, SO ₂ , NO _x	/	2	Discharge outlets for 1#/2# boilers	5.5/4.2mg/m ³ , 3/3mg/m ³ , 143/100mg/m ³	20mg/m ³ , 50mg/m ³ , 200mg/m ³	NO _x : 12.538T, SO ₂ : 0.013T	NO _x : 23.52T/a, SO ₂ : not permitted	Compliant

Section V Environmental and Social Responsibilities

Name of Company or Subsidiary	Category of Main Pollutants and Characteristic Pollutants	Name of Main Pollutants and Characteristic Pollutants	Discharge Method	Number of Discharge Outlets	Location of Discharge Outlets	Discharge Concentration/ Intensity	Pollutant Discharge Standard Applied	Total Pollutant Discharge	Total Discharge Approved	Non-compliant Discharge
Winner Medical (Huanggang) Co., Ltd.	Liquid pollutants	PH, COD, BOD, NH ₃ -N, SS	Indirect discharge	1	Sewage discharge outlet	7.6, 74mg/L, 31.8mg/L, 0.43mg/L, 14mg/L	6-9, 500mg/L, 300mg/L, 45mg/L, 400mg/L	COD: 61.837T, NH ₃ -N: 1.544T	COD: 78.5T/a, NH ₃ -N: 7.85 T/a	Compliant
Winner Medical (Tianmen) Co., Ltd.	Gaseous pollutants	PM, SO ₂ , NO _x	/	1	Discharge outlet for boilers	5.1mg/m ³ , 2mg/m ³ , 90mg/m ³	20mg/m ³ , 50mg/m ³ , 200mg/m ³	NO _x : 4.39T, SO ₂ : 0.11T	NO _x : 16.8764T/a, SO ₂ : 1.804T/a	Compliant
Winner Medical (Tianmen) Co., Ltd.	Liquid pollutants	PH, COD, BOD, NH ₃ -N, SS	Indirect discharge	1	Sewage discharge outlet	7.7, 60mg/L, 18.7mg/L, 1.76mg/L, 15mg/L	6-9, 400mg/L, 150mg/L, 30mg/L, 250mg/L	COD: 8.50T, NH ₃ -N: 0.32T	COD: 62.573T/a, NH ₃ -N: 6.2573 T/a	Compliant
Winner Medical (Wuhan) Co., Ltd.	Gaseous pollutants	PM, SO ₂ , NO _x	/	/	/	/	/	/	No boiler, not permitted	Compliant
Winner Medical (Wuhan) Co., Ltd.	Liquid pollutants	PH, COD, BOD, NH ₃ -N, colority	Indirect discharge	1	Sewage discharge outlet	8.0, 165mg/L, 40.1mg/L, 1.09mg/L, 8	6-9, 500mg/L, 300mg/L, 45mg/L, 64	COD: 36.83T, NH ₃ -N: 3.68T	COD: 90.35T/a, NH ₃ -N: 9.04 T/a	Compliant
Winner Medical (Jingmen) Co., Ltd.	Gaseous pollutants	PM, SO ₂ , NO _x	/	1	Discharge outlet for boilers	1.4mg/m ³ , 4.5mg/m ³ , 51mg/m ³	20mg/m ³ , 50mg/m ³ , 150mg/m ³	NO _x : 2.56T, SO ₂ : 0.099T	NO _x : not permitted, SO ₂ : not permitted	Compliant
Winner Medical (Jingmen) Co., Ltd.	Liquid pollutants	PH, COD, BOD, NH ₃ -N, SS	Indirect discharge	1	Sewage discharge outlet	8.3, 49mg/L, 17.5mg/L, 0.87mg/L, 6mg/L	6-9, 200mg/L, 50mg/L, 20mg/L, 100mg/L	COD: 13.7T, NH ₃ -N: 1.07T	COD: 19.48T/a, NH ₃ -N: 1.95 T/a	Compliant
Yichang Winner Medical Textile Co., Ltd.	Gaseous pollutants	PM, SO ₂ , NO _x	/	1	Discharge outlet for boilers	/	20mg/m ³ , 50mg/m ³ , 150mg/m ³	Not permitted	Not permitted	Out of service
Yichang Winner Medical Textile Co., Ltd.	Liquid pollutants	PH, COD, BOD, NH ₃ -N, SS	Indirect discharge	1	Sewage discharge outlet	7.6, 131mg/L, 39.3mg/L, 12.5mg/L, 45mg/L	6-9, 500mg/L, 300mg/L, 45mg/L, 400mg/L	Not permitted	Not permitted	Compliant
Winner Medical Co., Ltd. Shenzhen Branch	Gaseous pollutants	HCl, VOC	/	2	Production exhaust gas outlets	0.9/0.9mg/m ³ , 1.42/1.16mg/m ³	100mg/m ³ , 80mg/m ³	Not permitted	Not permitted	Compliant
Winner Guilin Latex Co., Ltd.	Liquid pollutants	PH, COD, BOD, NH ₃ -N, SS	Indirect discharge	1	Sewage discharge outlet	7.27, 77mg/L, 24.0mg/L, 7.23mg/L, 23mg/L	6-9, 300mg/L, 80mg/L, 30mg/L, 150mg/L	Not permitted	Not permitted	Compliant
Winner Medical (Hunan) Co., Ltd.	Liquid pollutants	COD, BOD, NH ₃ -N, SS	Indirect discharge	1	Sewage discharge outlet	8mg/L, 2.5mg/L, 0.04mg/L, 5mg/L	100mg/L, 20mg/L, 15mg/L, 70mg/L	Not permitted	Not permitted	Compliant
Zhejiang Longterm Medical Technology Co., Ltd.	Liquid pollutants	PH, COD, NH ₃ -N	Indirect discharge	1	Sewage discharge outlet	7.3, 208mg/L, 30.1mg/L	6-9, 500mg/L, 45mg/L	Not permitted	Not permitted	Compliant

Section V Environmental and Social Responsibilities

Pollutant disposal

1. Operation of pollutant disposal facilities

During the Reporting Period, pollution prevention and control facilities at all subsidiaries operated normally, and emission monitoring equipment functioned as expected. Subsidiaries designated as key entities under wastewater monitoring utilized online discharge monitoring systems, which operated without issue throughout the reporting period. Wastewater treatment primarily employs hydrolysis acidification, contact oxidation, and flocculation sedimentation/flotation processes. With the exception of Winner Medical (Jiayu) Co., Ltd. and Winner Medical (Chongyang) Co., Ltd., which discharge treated wastewater directly into the environment in compliance with standards, all other subsidiaries pre-treat industrial and domestic wastewater on-site before discharging it into municipal sewage systems, where it undergoes further treatment at a downstream wastewater treatment plant before final discharge into the environment. Production waste gases are treated by dedicated treatment facilities and discharged after meeting regulatory standards, with all factory boundary emissions meeting applicable standards.

Solid Waste: Domestic waste is handled by sanitation services. Industrial solid waste is categorized as either general industrial solid waste or hazardous waste. General solid waste is further differentiated into recyclable and non-recyclable materials to minimize waste. General industrial solid waste is handled by qualified and licensed disposal companies. Hazardous waste is categorized, temporarily stored, and regularly transported to certified companies for disposal.

Noise: Low-noise equipment is utilized, and measures such as vibration damping and sound insulation are implemented. Factory boundary noise levels comply with relevant emission standards.

2. Upgrades to pollutant disposal facilities

Winner Medical (Jiayu) Co., Ltd. invested over RMB4 million in a water recycling system, which became operational during the Reporting Period, significantly reducing both water discharge volume and pollutant levels.

Contingency plans for environmental emergencies

To enhance the emergency management system for environmental pollution accidents, improve the capacity to handle major environmental pollution incidents and ensure the safety of production and operations, strengthen employees' emergency response capabilities, standardize emergency management and response procedures, implement timely and effective emergency rescue operations, and maximize the prevention and minimize the occurrence of emergencies, Winner Medical Co., Ltd. and its branches and subsidiaries have established environmental emergency response teams and formulated Contingency Plans for Environmental Emergencies as required. These plans are registered with local environmental protection authorities, and regular emergency drills are conducted.

During the Reporting Period, Winner Guilin Latex Co., Ltd. reformulated its Contingency Plan for Environmental Emergencies in January 15, 2024, as the previous plan had reached its three-year expiration date. Winner Medical (Chongyang) Co., Ltd. Tiancheng factory reformulated its Contingency Plan for Environmental Emergencies in May 14, 2024, as the previous plan had reached its three-year expiration date.

Environmental self-monitoring plan

All companies have obtained discharge permits, and self-monitoring plans are developed in accordance with industry specifications. Pollutant monitoring is conducted through a combination of manual testing, commissioned monitoring, and online monitoring. Key pollutant discharging subsidiaries have installed online monitoring systems, which are connected to government regulatory agencies for real-time monitoring. The operation and maintenance of these online monitoring systems are entrusted to third-party professional companies. Commissioned monitoring and manual testing are conducted as required by the monitoring plan, and results are promptly published on the provincial pollutant platform. The self-monitoring plans of each company are publicly available on the National Discharge Permit Management Platform.

Investment in environmental treatment and protection and related information on payment of environmental protection tax

In 2024, the Company and its subsidiaries paid a total of RMB119,800 in environmental protection tax.

Section V Environmental and Social Responsibilities

Measures taken to reduce its carbon emissions during the Reporting Period and their effects

Applicable N/A

The Company actively engages in energy conservation and carbon reduction initiatives. By implementing measures such as replacing motors with high-efficiency models, recovering waste heat, optimizing production processes, and implementing intelligent energy management systems, we reduced energy consumption and saved a total of over RMB7.5 million in energy costs during the Reporting Period.

Administrative punishment imposed due to environmental issues during the Reporting Period

Name of Company or Subsidiary	Reason for Punishment	Violation	Punishment Result	Impacts on Production and Operation of Listed Company	Rectification Measures
None	None	None	None	None	None

Other environmental information that should be disclosed

None

Other information related to environmental protection

None

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

II. Performance of Social Responsibility

Winner Group firmly upholds its three core business principles: “Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value”. Deeply rooted in our strategic planning of “Brand Advancement towards Centennial Visionary Winner” and business layout, we implement a strategic development philosophy of “Product Leadership, Operational Excellence, Global Vision”. We are committed to high-quality development in social responsibility, adapting to the changing times and creating greater value for users and contributing more to society, thereby advancing sustainable development in the global healthcare sector.

Section V Environmental and Social Responsibilities

1. Product and customer responsibilities

In scientific research and innovation, we firmly implement our core strategy of “Product Leadership”. We continuously establish and improve our innovation and R&D systems, standardize R&D ethics, strengthen industry-university-research collaborations, promote the efficient transformation of R&D achievements, enhance our core competitiveness, and contribute to the sustainable development of the industry. In 2024, Purcotton’s “Air Wrinkle Yarn Cotton Sleepwear”, “Wind Soft Cotton Baby Jumpsuit”, and “Pure Cotton Air Wrinkle Gauze Blanket” were recognized among the “2024 Top Ten Textile Innovative Products” by the China National Textile and Apparel Council.

In quality management, we consistently prioritize quality over the profit. We continuously improve our internal quality management system, and establish a traceable and controllable production guarantee system. We foster a company-wide quality culture of continuous improvement, implement a product recall management system and process, and establish a three-tiered emergency response mechanism to ensure product quality and safety.

In customer service, we maintain a customer-centric approach. By optimizing customer service processes, improving complaint handling, and enhancing the professional skills of our customer service team, we continuously improve service quality and customer shopping experience, thereby increasing customer satisfaction. In 2024, we were awarded the title of “315 Consumer Mediation Demonstration Enterprise” and introduced AI and RPA technologies to enhance customer service efficiency and quality.

In production safety, we continuously improve safety management, regularly conduct safety inspections and drills, and actively promote a safety culture. We take concrete actions to ensure safe production and enhance intrinsic safety levels. In 2024, we invested RMB1.6 million in production safety and experienced no major safety incidents or administrative penalties related to safety.

2. Environmental responsibility

We are steadily progressing towards our climate change goals of achieving peak carbon emissions by 2027 and carbon neutrality by 2050. In 2024, we initiated the process of joining the SBTi. We are currently setting new greenhouse gas emission reduction targets in accordance with SBTi requirements and will disclose these targets upon SBTi validation. We develop and promote green products, conduct carbon footprint assessments for several core products to achieve carbon reduction throughout the product lifecycle. We fully promote green production, with Winner Medical (Wuhan) and Winner Medical (Tianmen) receiving the “National Green Factory” designation and Winner Medical (Jiayu) receiving the “Hubei Provincial Green Factory” designation. We champion environmental awareness through initiatives like the “Mountain and Sea Healing Plan” public welfare campaign focused on environmental protection and the “We Environmental Protection – Use Cotton More” environmental awareness pop-up campaign on university campuses, promoting sustainable lifestyles.

3. Employee and community responsibilities

We continuously optimize talent resource allocation and cultivate a positive and inspiring cultural environment, fully unleashing employees’ potential, creativity, and enthusiasm. We strengthen team cohesion and effectiveness, achieving shared growth and development with our employees. We are committed to creating a fair and inclusive work environment where all employees can reach their full potential in an atmosphere of respect and equality. We organize diversity-themed activities and encourage employee participation in diverse interest groups, fostering cross-departmental and cross-cultural exchange and collaboration to enhance employee well-being, belonging, and security.

We actively engage in philanthropic activities, spreading positive energy and giving back to society. We embrace our role as a catalyst for positive change in terms of social responsibility. In June 2024, following severe flooding in the ancient town of Songkou, Meizhou City, Guangdong Province, Winner Medical collaborated with the Meizhou Hakka Chamber of Commerce and donated emergency supplies, including face masks, disinfectant wipes, and povidone-iodine, to the local Red Cross, aiding in disaster relief and recovery efforts. Purcotton’s sanitary napkin brand, Nice Princess, partnered with the China Women’s Development Foundation to initiate the annual public welfare project - “Nice Princess – Nice for Her”, an action friendly for women during menstruation. This initiative focuses on the health needs of menstruating women, particularly the physical and mental health of girls from primary and secondary schools in underprivileged areas, and promotes menstrual health awareness through activities such as the “Letters Between Girls”, a public service announcement and menstrual health education classes, to help more females spend a healthier and more comfortable menstrual period.

III. Consolidating and Expanding Achievements in Poverty Alleviation and Rural Revitalization

The Company continues to inject new momentum into rural revitalization and agricultural modernization. In 2024, through a contract farming model and by expanding the “enterprise + cooperative + farmer” collaborative mechanism, the “Hubei Province Cotton Order-Based Production Project” connected and engaged 26 order-based planting farmers, covering an area of 5,658 mu. By consolidating idle land, we have addressed the challenge of uncultivated land, transforming underutilized resources into sources of increased income. We donated 1,091 boxes of medical supplies worth RMB660,000 to Guangxi and Heyuan to support public health undertaking.



Purcotton 全棉时代

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Purcotton Sleepwear
Global Brand Ambassador Zhao Liying



Section VI

Important Matters



Section VI Important Matters

I. Performance in Fulfilling Commitments

1. 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

Reason for Commitment	Committing Party	Type of Commitment	Commitment Details	Commitment Date	Commitment Duration	Fulfillment Status
Commitment made at the time of IPO or refinancing	Winner Group Limited, Li Jianquan	Reducing holdings after IPO	We guarantee compliance with all applicable laws, regulations, departmental rules, and normative documents concerning share reductions by listed company shareholders. When reducing our holdings of pre-IPO issued shares, we will provide prior written notification to the Company, detailing its intention to reduce its holdings and the proposed number of shares to be sold. The Company shall announce this information at least three trading days in advance. This requirement does not apply if our shareholding in the Company falls below 5%	September 17, 2020	Long-term fulfillment	In fulfillment
Commitment made at the time of IPO or refinancing	The Company, Winner Group Limited, Li Jianquan	Share repurchase in case of fraudulent activities in connection with initial public offering and listing	We have not engaged in any fraudulent activities in connection with this initial public offering and listing on the ChiNext board. If the securities regulatory authorities, the stock exchange, or judicial authorities determine that the Company has engaged in fraudulent issuance, and this fraud materially and substantially impacted the determination of whether the issuer met the legal requirements for issuance, we will, within five working days of the final determination of such violation, formulate a share repurchase plan in accordance with relevant laws, regulations, and the Company's Articles of Association and repurchase all newly issued shares	September 17, 2020	Long-term fulfillment	In fulfillment
Commitment made at the time of IPO or refinancing	The Company, Winner Group Limited, Li Jianquan, Fang Xiuyuan, Xu Xiaodan, Liu Weiwei, Wang Ying, Chen Huiquan, Yin Wenling, Bi Qun, Zhou Xiaoxiong, Liang Wenzhao, Guo Zhenwei, Ye Yangjing	Commitment to assume compensation and indemnification liability according to law	The prospectus contains no untrue statement of a material fact, misleading statement, or material omission. We accept full individual and joint legal responsibility for its truthfulness, accuracy, and completeness	September 17, 2020	Long-term fulfillment	In fulfillment
Commitment made at the time of IPO or refinancing	The Company	Measures and commitments to make up for the diluted immediate return	To mitigate the immediate impact of dilution resulting from this offering, we commit to the following measures: (1) expedite investment in the fundraising projects to achieve the projected benefits as soon as possible; (2) strengthen oversight of the investment of raised funds, ensuring their proper and lawful use; (3) enhance operational management and internal controls to improve efficiency and profitability; (4) maintain a consistent and stable profit distribution policy to strengthen investor returns	September 17, 2020	Long-term fulfillment September 19, 2024	In fulfillment The raised funds have been fully utilized for their designated purposes, and the special account for raised funds has been closed.
Commitment made at the time of IPO or refinancing	Winner Group Limited, Li Jianquan	Measures and commitments to make up for the diluted immediate return	I/we will not unduly interfere with the Company's operational management, infringe upon the Company's interests, transfer benefits to other entities or individuals without compensation or under unfair conditions, or harm the Company's interests in any other way. I/we will not use the Company assets for investments or personal expenses unrelated to the performance of my/our duties. I/we commit to fully and promptly implementing the Company's makeup measures for return on investment, as well as any related commitments. Should I/we violate these commitments, I/we agree to bear the corresponding legal responsibilities	September 17, 2020	Long-term fulfillment	In fulfillment

Section VI Important Matters

Reason for Commitment	Committing Party	Type of Commitment	Commitment Details	Commitment Date	Commitment Duration	Fulfillment Status
Commitment made at the time of IPO or refinancing	Fang Xiuyuan, Chen Huixuan	Measures and commitments to make up for the diluted immediate return	1. Not transfer benefits to other entities or individuals without compensation or under unfair conditions, or harm the Company's interests in any other way. 2. Restrict my work-related expenses as a Director/Supervisor/senior management of the Company. 3. Refrain from using the Company's assets for investments or personal expenses unrelated to the performance of my duties as a Director/Supervisor/senior management. 4. Actively promote the improvement of the Company's remuneration system. 5. Ensure that any proposed stock incentive plan (if any) links the exercise conditions to the implementation of the Company's makeup measures for return. 6. I commit to providing supplementary commitments in accordance with the latest regulations of the CSRC and will actively promote the Company's adoption of new regulations. 7. I commit to fully and promptly implementing the Company's makeup measures for return, as well as any related commitments thereto	September 17, 2020	Long-term fulfillment	In fulfillment
	Xu Xiaodan, Guo Zhenwei				August 12, 2024	Fulfillment completed
Commitment made at the time of IPO or refinancing	The Company	Commitment on profit distribution policy	To protect the interests of minority shareholders, effectively safeguard the legitimate rights and interests of investors, and implement the profit distribution policy, the Company commits to strictly adhering to the profit distribution policy stipulated in the Company's Articles of Association after listing, following the profit distribution decision-making procedures, and implementing profit distribution	September 17, 2020	Long-term fulfillment	In fulfillment
Commitment made at the time of IPO or refinancing	Winner Group Limited, Li Jianquan	Commitment to avoid horizontal competition	1. As of the date of this letter, I/we do not currently engage in, nor will I/we in the future engage in or participate in, directly or indirectly, any business or activity that is the same as or similar to the Company's core business. This includes refraining from investing in other companies that engage in or participate in such businesses or activities. 2. I/we commit to not engaging in or participating in any business or activity that is the same as or similar to the Company's core business. 3. If the Company expands its current business scope into areas where businesses the I/we control are already producing and operating, those businesses will divest themselves of the relevant operations. The Company will have the right of first refusal to acquire these operations under equivalent commercial terms. 4. If the Company expands its current business scope into new areas where other businesses I/we control are not yet producing and operating, those businesses will not engage in or participate in any business or activity that is the same as or similar to the Company's new business activities	September 17, 2020	Long-term fulfillment	In fulfillment
Commitment made at the time of IPO or refinancing	Winner Group Limited, Li Jianquan	Commitment regarding indemnification for the recovery of underpaid social security and housing provident fund	The social security and housing provident fund authorities in the locations of the Company and its major subsidiaries have issued certificates confirming that, from January 1, 2017, to December 31, 2019, the Company and its subsidiaries had no record of administrative penalties for violations of labor, social security, or housing provident fund laws and regulations. However, should the Company or its subsidiaries be required to pay any backdated social security or housing provident fund contributions for their employees, or should any claims, lawsuits, arbitrations, or administrative penalties arise from such matters, we/I will unconditionally bear the full cost of such back payments and assume all associated liabilities, ensuring that the Company and its subsidiaries suffer no losses as a result. This obligation is jointly and severally guaranteed by the Company's controlling shareholder and actual controller, Li Jianquan	September 17, 2020	Long-term fulfillment	In fulfillment
Commitment made at the time of IPO or refinancing	Winner Group Limited, Li Jianquan	Commitment regarding indemnification for the demolition of real estate owned by Winner Medical (Yichang)	The land and property authorities in Winner Medical (Yichang) have issued certificates confirming that the relevant subsidiaries have not engaged in any illegal or non-compliant activities related to the two properties during the Reporting Period. Furthermore, these two properties represent a small proportion of the total area of self-owned properties held by the Company and its subsidiaries. Therefore, even in the event of a demolition order, the impact on the Company's and its subsidiaries' production and operations would not be materially adverse. To address the potential relocation risk associated with these two properties, the controlling shareholder and actual controller of the issuer have made the following commitment: "Should the government authorities require the demolition of these properties within a specified timeframe, we agree to promptly, unconditionally, and fully compensate the Company for any resulting losses"	September 17, 2020	Long-term fulfillment	In fulfillment

Section VI Important Matters

Reason for Commitment	Committing Party	Type of Commitment	Commitment Details	Commitment Date	Commitment Duration	Fulfillment Status
Commitment made at the time of IPO or refinancing	The Company, Winner Group Limited, Li Jianquan, Fang Xiuyuan, Xu Xiaodan, Liu Weiwei, Wang Ying, Chen Huixuan, Yin Wenling, Bi Qun, Zhou Xiaoxiong, Liang Wenzhao, Guo Zhenwei, Ye Yangjing	Constraints imposed for default in the IPO	If we fail to fulfill the commitments disclosed in the prospectus, we will provide a public explanation of the specific reasons for non-compliance at a general meeting and through information disclosure channels designated by the CSRC. We will also issue a public apology to all shareholders and investors. Any gains obtained as a result of the unfulfilled commitments will revert to the Company. If our failure to fulfill these commitments causes losses to the Company, its shareholders, or other investors, we will compensate them for such losses in accordance with applicable laws. Furthermore, during the period of liability for such indemnification, we will not transfer any directly or indirectly held shares of the issuer (if any). If we fail to meet such indemnification obligations, we will cease receiving any remuneration, if applicable, within 10 days of the occurrence of such event and until the relevant commitments are fulfilled. If, due to changes in laws, regulations, or policies, natural disasters, force majeure, or other objective reasons beyond our control, we are unable to fulfill, have become unable to fulfill, or cannot fulfill on schedule the aforementioned commitments, we will take the following measures: (1) promptly and fully disclose the specific reasons for our inability or failure to promptly fulfill the commitments; (2) propose supplementary or alternative commitments to the Company's investors (subject to the relevant approval procedures as required by laws, regulations, and the Articles of Association) to protect investor interests to the greatest extent possible	September 17, 2020	Long-term fulfillment	In fulfillment
Other commitments	Winner Group Limited	Share lock-up	Based on a positive outlook for the long-term development of the healthcare and consumer sectors, both domestically and internationally, and reflecting our recognition in Winner Group's value and the confidence in strategic direction, Winner Group Limited voluntarily commits to extending the lock-up period for its shares in the Company from September 16, 2023, to September 16, 2024. During the lock-up period, Winner Group Limited will not transfer or entrust the management of these shares to any third party, nor will it request the Company to repurchase them. Any new shares acquired by Winner Group Limited during this lock-up period as a result of share conversions, bonus share issuances, or rights offerings will also be subject to the same lock-up restrictions	August 28, 2023	September 16, 2024	Fulfillment completed
Other commitments	Winner Group Limited	Share lock-up	Based on the confidence in the prospects of the Company, in order to further strengthen the support for the Company, and in a responsible attitude to the public and shareholders, Winner Group Limited voluntarily reaffirmed its commitment to extend the lock-up period of the shares held by it in the Company from September 16, 2024 to September 16, 2025. During the lock-up period, Winner Group will not transfer or entrust the management of these shares to any third party, nor will it request the Company to repurchase them. Any new shares acquired by Winner Group during this lock-up period as a result of share conversions, bonus share issuances, or rights offerings will also be subject to the same lock-up restrictions	May 20, 2024	September 16, 2025	In fulfillment
Other commitments	The Company	Share repurchase	Within 12 months from the date the repurchase plan was approved by the 19th meeting of the third session of the Board of Directors on January 29, 2024, the Company will repurchase between RMB100 million and RMB200 million worth of its shares at a price not exceeding RMB46 per share (inclusive)	January 29, 2024	Within 12 months	Fulfillment completed
Other commitments	Fang Xiuyuan, Xu Xiaodan, Liu Hua, Zhang Li, Chen Huixuan	Acquisition of additional shares	Within six months after announcement on the share repurchase plan, they will increase their shareholdings in the Company by a total of RMB3.15 million to RMB6.3 million	January 30, 2024	Six months	Fulfillment completed

Section VI Important Matters

Reason for Commitment	Committing Party	Type of		Commitment	Commitment Date	Duration	Fulfillment Status
		Commitment	Commitment Details				
Was the commitment fulfilled on time	Yes						
If the commitment was not fully met within the specified timeframe, provide a detailed explanation of the reasons for such failure and outline the next steps	N/A						

Note 1: Xiamen Leyuan Investment Partnership (Limited Partnership) and Beijing Sequoia Xinyuan Equity Investment Center (Limited Partnership) made the following commitment during the initial public offering: "we guarantees to comply with the relevant laws, regulations, departmental rules, and normative documents concerning the reduction of holdings by shareholders of listed companies that are effective at the time. Before reducing our holdings of the pre-IPO issued shares of the Company, we will notify the Company in writing of our intention to reduce our holdings, the proposed number of shares to be reduced, and other relevant information. The Company shall announce this information three trading days in advance. This excludes situations where we hold less than 5% of the Company's shares". Xiamen Leyuan Investment Partnership (Limited Partnership) and Beijing Sequoia Xinyuan Equity Investment Center (Limited Partnership) fully fulfilled this commitment on October 15, 2021, and May 24, 2023, respectively.

Note 2: The "measures and commitments to make up for the diluted immediate return" made by Yin Wenling, Bi Qun, Zhou Xiaoxiong, and Liang Wenzhao during the initial public offering were fully fulfilled on July 13, 2021.

2. If the Company has made profit forecasts for certain assets or projects, and the reporting period falls within the forecast period, please provide an explanation of whether the assets or projects have met the original profit forecasts and the reasons for any discrepancies

Applicable N/A

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. Explanation by the Board of Directors on the Latest "Non-standard Audit Report"

Applicable N/A

V. Explanation by the Board of Directors, the Supervisory Committee, and the Independent Directors (if any) 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 Regarding Changes in Accounting Policies, Accounting Estimates, or Corrections of Significant Accounting Errors During the Reporting Period

Applicable N/A

On April 27, 2025, the Company held its 6th meeting of the 4th session of the Board of Directors and the 6th meeting of the 4th Supervisory Committee, reviewed and approved the Proposal on Correction of Prior Period Accounting Errors, agreeing to correct relevant accounting errors in accordance with the requirements of Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies, Accounting Estimates and Error Corrections and the Rules No. 19 of China Securities Regulatory Commission for the Preparation and Disclosure of Information by Companies Offering Securities to the Public – Correction of Financial Information and Related Disclosures. This accounting error correction only affects the parent company's financial statements for 2023 and has no impact on the consolidated financial statements for 2023.

VII. Explanation on Changes in the Scope of Consolidated Financial Statements Compared to the Previous Year's Financial Report

Applicable N/A

Please refer to "Section X: Financial Report" for details

VIII. Appointment of and Dismissal of Accounting Firms

Accounting firm appointed currently

Name of domestic accounting firm	Ernst & Young Hua Ming LLP
Remuneration of domestic accounting firm (RMB'0'000)	395
Continuous years of audit services by domestic accounting firm	1
Name of certified public accountant of domestic accounting firm	Liao Wenjia, Chen Huijin
Continuous years of audit services by certified public accountant of domestic accounting firm	1

Has the accounting firm been changed

Yes No

Has the accounting firm been changed during audit period

Yes No

The Company's auditor for the year 2023 was BDO China Shu Lun Pan Certified Public Accountants LLP ("BDO"). Given that BDO provided audit services to the Company for several consecutive years, and in accordance with the Administrative Measures for the Selection of Accounting Firms by State-owned Enterprises and Listed Companies and other relevant regulations, and to further enhance the independence of the listed company's audit work, the Company appointed Ernst & Young Hua Ming LLP ("EY Hua Ming") as the auditor for the year 2024, responsible for both financial and internal control audits. The Company has fully communicated this change to both the predecessor and successor auditors, and both firms have acknowledged and accepted the change without objection.

Was the change of auditors subject to the required approval process

Yes No

Section VI Important Matters

Explanation on appointment of and dismissal of accounting firms

On July 19, 2024, the Company held the 13th Audit Committee meeting under the third session of the Board of Directors, and considered and approved the Proposal on the Appointment of the Accounting Firm for the Year 2024, agreeing to the appointment of EY Hua Ming as the Company's auditor for the year 2024 and agreeing to submission of the proposal to the 22nd meeting of the third session of the Board of Directors for further consideration.

The Company held the 22nd meeting of the third session of the Board of Directors on July 22, 2024, and the 2nd Extraordinary General Meeting of 2024 on August 12, 2024, considered and approved the Proposal on the Appointment of the Accounting Firm for the Year 2024, agreeing to the appointment of EY Hua Ming as the Company's financial and internal control auditor for the year 2024, with a term of one year.

Engagement of internal control auditor, financial advisor or sponsor

Applicable N/A

During the Reporting Period, the Company engaged Ernst & Young Hua Ming LLP to conduct an internal control audit. The total fee for these services was RMB550,000.

IX. Delisting Risk After Disclosure of the Annual Report

Applicable N/A

X. Matters Related to Bankruptcy Reorganization

Applicable N/A

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

XI. Major Litigation and Arbitration Matters

Applicable N/A

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

XII. Punishment and Rectification

Applicable N/A

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

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

Applicable N/A

XIV. 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 among the Company, finance companies with a related-party relationship and 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.

XV. 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.

Section VI Important Matters

3. Details of entrusting others for cash asset management**(1) Entrusted wealth management**

Applicable N/A

Overview of entrusted wealth management during the Reporting Period

Unit: RMB0'000

Specific type	Source of funds for entrusted wealth management	Amount of entrusted wealth management	Outstanding balance	Overdue amount not recovered	Impairment provision for overdue wealth management not recovered
Bank wealth management products	Self-owned funds	271,345.20	123,644.41	0	0
Bank wealth management products	Raised funds	5,500.00	–	0	0
Trust wealth management products	Self-owned funds	67,000.00	152,000.00	0	0
Total		343,845.20	275,644.41	0	0

Specific details of individually significant or higher-risk entrusted wealth management with lower security and liquidity

Applicable N/A

Circumstances indicating potential non-recovery of principal or impairment of entrusted wealth management

Applicable N/A

(2) Entrusted loan

Applicable N/A

The Company had no entrusted loan during the Reporting Period.

4. Other major contracts

Applicable N/A

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

XVI. 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. 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 (office space: 39,240 square meters, commercial space: 200 square meters), while the area of residential space (11,220 square meters) 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. On July 26, 2024, and August 12, 2024, the Company held the 23rd meeting of the third session of the Board of Directors and the 2nd Extraordinary General Meeting of 2024, respectively, and considered and approved the Proposal on the Proposed Signing of a Supplementary Agreement Related to the Relocation Compensation and Resettlement of the Winner Industrial Park Urban Renewal Unit.

As the area of residential space and the amount of compensation obtained by the Company are linked to the actual average transaction price of the residential units, 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. The signing of the agreement does not have an impact on the Company's financial statements for the year 2024. After the signing of the supplementary agreement, all parties to the transaction will continue to work hard to advance the processes such as the confirmation of the implementation entity, demolition of buildings, application for construction land planning permits, and signing of the land contract. However, due to the long implementation period of this project and the influence of factors such as adjustments in urban renewal regulations and policies, changes in urban planning, the partner's ability to perform its obligations, market conditions, prices, and force majeure, the Company will actively promote the project, strengthen communication and process control, and strive to reduce uncertainties in the execution process.

XVII. Significant Events of Subsidiaries

Applicable N/A



Section VII

Changes in Shares and Information on Shareholders

Section VII 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	Other	Subtotal	Number	Proportion
I. Shares with selling restrictions	406,703,952	68.42%	0	0	0	120,175	120,175	406,824,127	69.86%
1. State-owned shares									
2. Shares held by state-owned legal persons									
3. Other shares held by domestic individuals and legal persons	89,565	0.02%	0	0	0	120,175	120,175	209,740	0.04%
Including: shares held by domestic legal persons									
Shares held by domestic natural persons	89,565	0.02%	0	0	0	120,175	120,175	209,740	0.04%
4. Shares held by overseas individuals and legal persons	406,614,387	68.41%	0	0	0	0	0	406,614,387	69.83%
Including: shares held by overseas legal persons	406,614,387	68.41%	0	0	0	0	0	406,614,387	69.83%
Shares held by overseas natural persons									
II. Shares without selling restrictions	187,683,415	31.58%	0	0	0	-12,177,734	-12,177,734	175,505,681	30.14%
1. RMB ordinary shares	187,683,415	31.58%	0	0	0	-12,177,734	-12,177,734	175,505,681	30.14%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total number of shares	594,387,367	100.00%	0	0	0	-12,057,559	-12,057,559	582,329,808	100.00%

Reasons for changes in shares

 Applicable N/A

(1) Shares with selling restrictions

During the Reporting Period, several Directors, Supervisors, and senior management collectively increased their shareholding in the Company by 143,100 shares; the Company also completed the election and appointment process for another session of Board of Directors and Supervisory Committee and appointed a new team of senior management. Concurrently, some Directors, Supervisors, and senior management left the Company. 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.

Section VII Changes in Shares and Information on Shareholders

(2) Shares without selling restrictions

The Company canceled a total of 12,057,559 repurchased shares on March 13, 2024, and October 23, 2024.

Approval on changes in shares

Applicable N/A

(1) Approval on changes in shares with selling restrictions

On August 12, 2024, the Company held an employee representative assembly, the 2nd Extraordinary General Meeting of 2024, the 1st meeting of the 4th session of the Board of Directors, and the 1st meeting of the 4th session of the Supervisory Committee. These meetings finalized the election of the new session of the Board of Directors and the Supervisory Committee and the appointment of new team of senior management. Simultaneously, the terms of some Directors, Supervisors, and senior management expired, leading to their departure.

(2) Approval on changes in shares without selling restrictions

On December 19, 2023, the Company held the 18th meeting of the 3rd session of the Board of Directors. On January 8, 2024, the Company held the 1st Extraordinary General Meeting of 2024. These meetings reviewed and approved the Proposal on the Cancellation of the Remaining Shares in the Share Repurchase Account to cancel 6,094,659 shares repurchased under the 2021 repurchase plan. The cancellation procedures for these shares were completed on March 13, 2024.

On July 26, 2024, the Company held the 23rd meeting of the 3rd session of the Board of Directors, followed by the 2nd Extraordinary General Meeting of 2024 on August 12, 2024. These meetings reviewed and approved the Proposal on the Cancellation of All Shares in the Share Repurchase Account. The purpose of the 5,962,900 shares held in the repurchase account was changed from “for the Company’s employee stock ownership plan or equity incentives” to “for cancellation to reduce the Company’s registered capital”. The cancellation procedures for these shares were completed on October 23, 2024. In total, 12,057,559 shares were canceled.

Transfer due to changes in shares

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

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, is detailed in “Section II – V. Key Accounting Data and Financial Indicators”.

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

Applicable N/A

Section VII Changes in Shares and Information on Shareholders

2. Changes in restricted shares

 Applicable N/A

Unit: share

Name of shareholder	Opening number of restricted shares	Increased number of restricted shares in current period	Number of restricted shares released in current period	Closing number of restricted shares	Reason for restriction	Restriction release date
Winner Group Limited	406,614,387	0	0	406,614,387	The controlling shareholder voluntarily extends the lock-up period	September 16, 2025
Fang Xiuyuan	42,000	45,000	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
Chen Huixuan	5,565	17,475	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
Zhang Yan	0	3,750	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
Zhang Li	0	15,000	0	15,000	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	0	22,800	0	22,800	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
Liu Hua	0	22,000	0	22,000	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	42,000	4,650	10,500	36,150	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	406,703,952	130,675	10,500	406,824,127	-	-

II. Securities Issuance and Listing

1. Securities issuance during the Reporting Period (excluding preferred shares)

 Applicable N/A

2. Explanation of changes in the Company's total shares and shareholder structure, and changes in the Company's asset and liability structure

 Applicable N/A

On December 19, 2023, the Company held the 18th meeting of the 3rd session of the Board of Directors. On January 8, 2024, the Company held the 1st Extraordinary General Meeting of 2024. These meetings reviewed and approved the Proposal on the Cancellation of the Remaining Shares in the Share Repurchase Account to cancel 6,094,659 shares repurchased under the 2021 repurchase plan. The cancellation procedures for these shares were completed on March 13, 2024.

On July 26, 2024, the Company held the 23rd meeting of the 3rd session of the Board of Directors, followed by the 2nd Extraordinary General Meeting of 2024 on August 12, 2024. These meetings reviewed and approved the Proposal on the Cancellation of All Shares in the Share Repurchase Account. The purpose of the 5,962,900 shares held in the repurchase account was changed from "for the Company's employee stock ownership plan or equity incentives" to "for cancellation to reduce the Company's registered capital". The cancellation procedures for these shares were completed on October 23, 2024. In total, 12,057,559 shares were canceled.

3. Existing internal employee shares

 Applicable N/A

Section VII Changes in Shares and Information on Shareholders

III. Shareholders and Actual Controller

1. Number of shareholders and their shareholding

Unit: share

Total number of ordinary shareholders as of the end of the Reporting Period	24,053	Total number of ordinary shareholders at the end of the month prior to the disclosure of the annual report	21,410	Total number of preferred shareholders with restored voting rights at the end of the Reporting Period (if any) (see Note 9)	0	Total number of preferred shareholders with restored voting rights as of the end of the month prior to the disclosure of the annual report (if any) (see Note 9)	0	Total number of shareholders holding shares with special voting rights (if any)	0
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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	Shareholding ratio	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 legal person	69.83%	406,614,387	0	406,614,387	0	N/A	0	
Xiamen Leyuan Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	1.77%	10,316,844	-5,825,706	0	10,316,844	N/A	0	
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.95%	5,537,745	3,064,634	0	5,537,745	N/A	0	
Industrial and Commercial Bank of China Limited – E Fund ChiNext ETF	Other	0.86%	5,017,513	2,168,784	0	5,017,513	N/A	0	
Xiamen Yutong Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	0.83%	4,851,982	-3,708,240	0	4,851,982	N/A	0	
Industrial and Commercial Bank of China Limited – Fullgoal Tianhui Selected Growth Mixed Securities Investment Fund (LOF)	Other	0.67%	3,901,460	-	0	3,901,460	N/A	0	
Rui Life Insurance Co., Ltd. – Proprietary Funds	Other	0.63%	3,685,440	-	0	3,685,440	N/A	0	
China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L-CT001 Shanghai	Other	0.61%	3,578,240	3,435,440	0	3,578,240	N/A	0	
Agricultural Bank of China Limited – CSI 500 ETF	Other	0.55%	3,220,760	1,884,820	0	3,220,760	N/A	0	
Xiamen Huikang Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	0.50%	2,916,327	-2,251,560	0	2,916,327	N/A	0	
Strategic investors or general legal persons become top 10 shareholders due to the allotment of new shares	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	N/A								

Section VII 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
Xiamen Leyuan Investment Partnership (Limited Partnership)	10,316,844	RMB ordinary shares	10,316,844
Hong Kong Securities Clearing Company Limited	5,537,745	RMB ordinary shares	5,537,745
Industrial and Commercial Bank of China Limited – E Fund ChiNext ETF	5,017,513	RMB ordinary shares	5,017,513
Xiamen Yutong Investment Partnership (Limited Partnership)	4,851,982	RMB ordinary shares	4,851,982
Industrial and Commercial Bank of China Limited – Fullgoal Tianhui Selected Growth Mixed Securities Investment Fund (LOF)	3,901,460	RMB ordinary shares	3,901,460
Rui Life Insurance Co., Ltd. – Proprietary Funds	3,685,440	RMB ordinary shares	3,685,440
China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L-CT001 Shanghai	3,578,240	RMB ordinary shares	3,578,240
Agricultural Bank of China Limited – CSI 500 ETF	3,220,760	RMB ordinary shares	3,220,760
Xiamen Huikang Investment Partnership (Limited Partnership)	2,916,327	RMB ordinary shares	2,916,327
China Life Insurance Company Limited – Bonus – Individual Bonus – 005LDFH002 Shanghai	2,399,240	RMB ordinary shares	2,399,240
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 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

Unit: share

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

Name of shareholder (full name)	Shareholding of ordinary & margin accounts at the beginning of the period		Shares lent through margin financing and securities lending at the beginning of the period and not yet returned		Shareholding of ordinary & margin accounts at the end of the period		Shares lent through margin financing and securities lending at the end of the period and not yet returned	
	Total number	Percentage of total share capital	Total number	Percentage of total share capital	Total number	Percentage of total share capital	Total number	Percentage of total share capital
Industrial and Commercial Bank of China Limited – E Fund ChiNext ETF	2,848,729	0.48%	52,700	0.01%	5,017,513	0.86%	0	0.00%
Agricultural Bank of China Limited – CSI 500 ETF	1,335,940	0.22%	386,000	0.07%	3,220,760	0.55%	0	0.00%

Section VII Changes in Shares and Information on Shareholders

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

Applicable N/A

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.

2. Information on controlling shareholders

Nature of controlling shareholder: foreign-controlled

Type of controlling shareholder: legal person

Name of controlling shareholder	Legal representative/ Head of the entity	Establishment date	Organizational code	Main business
Winner Group Limited	Li Jianquan	April 8, 2003	124887	Investment management
Shareholdings of the controlling shareholder in other domestic and overseas listed companies during the Reporting Period		N/A		

Change of controlling shareholder during the Reporting Period

Applicable N/A

The controlling shareholder of the Company remained unchanged during the Reporting Period.

3. Actual controller of the Company and persons acting in concert

Nature of the actual controller: overseas natural person

Type of the actual controller: natural person

Name of the actual controller	Relation with the actual controller	Nationality	Whether residency in other countries or regions has been obtained
Li Jianquan	Himself	Hong Kong, China	Yes
Main occupations and positions	Chairman, General Manager		
Domestic and overseas listed companies controlled in the past 10 years	N/A		

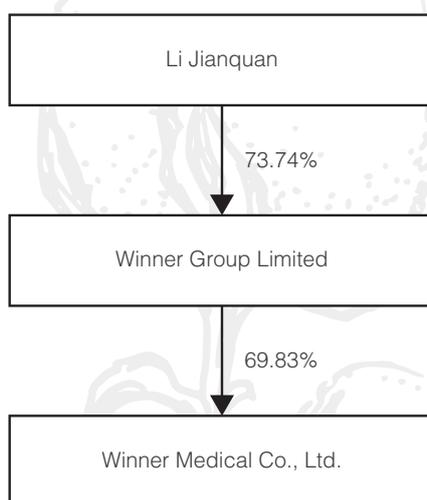
Section VII Changes in Shares and Information on Shareholders

Change of actual controller during the Reporting Period

Applicable N/A

The actual controller of the Company remained unchanged during the Reporting Period.

Diagram of ownership and control relationship between the Company and its actual controller



The actual controller controls the Company through a trust or other asset management arrangements

Applicable N/A

4. The cumulative number of pledged shares by the Company's controlling shareholder or largest shareholder and its persons acting in concert has reached 80% of their total shareholding in the Company

Applicable N/A

5. Other corporate shareholders holding more than 10% of the Company's shares

Applicable N/A

6. Shareholding restrictions and reduction commitments of the controlling shareholder, actual controller, restructuring parties, and other committing entities

Applicable N/A

At the time of the Company's initial public offering, its controlling shareholder, Winner Group Limited, committed not to reduce its shareholding in the Company for a period of three years from the date of the Company's listing. This commitment remained effective until September 17, 2023. On August 28, 2023, Winner Group Limited issued a Commitment Letter on Voluntary Extension of the Lock-up Period, thereby extending the restriction on the sale of its shares until September 16, 2024. On May 20, 2024, based on the confidence in the prospects of the Company, in order to further strengthen the support for the Company, and in a responsible attitude to the public and shareholders, Winner Group Limited voluntarily reaffirmed its commitment to extend the lock-up period of the shares held by it in the Company from September 16, 2024 to September 16, 2025.

Section VII Changes in Shares and Information on Shareholders

IV. Specific Implementation of Share Repurchase During the Reporting Period

Progress of share repurchase implementation

 Applicable N/A

Plan disclosure date	Proposed number of shares to be repurchased	Percentage of total share capital	Proposed repurchase amount	Proposed repurchase period	Purpose of repurchase	Number of shares repurchased (shares)	Percentage of repurchased shares to the underlying shares involved in equity incentive plan (if any)
January 30, 2024	2,173,900 ~ 4,347,800 shares	0.3657%~0.7315%	RMB100 million to RMB200 million	12 months from January 29, 2024	Cancellation to reduce the Company's registered capital	5,807,900	0.00%

Note 1: The 19th meeting of the 3rd session of the Board of Directors held on January 29, 2024 considered and approved the Proposal on the Share Repurchase Plan. As of April 29, 2024, the Company repurchased 5,807,900 shares through a share repurchase account via centralized bidding transactions, with a total transaction amount of RMB194,943,744.29 (excluding transaction fees), completing implementation of repurchase plan.

Note 2: On July 26, 2024, the Company held the 23rd meeting of the 3rd session of the Board of Directors, followed by the 2nd Extraordinary General Meeting of 2024 on August 12, 2024. These meetings reviewed and approved the Proposal on the Cancellation of All Shares in the Share Repurchase Account. Based on confidence in the Company's future development and recognition of its value, and to maintain market stability and further enhance investor confidence, the purpose of the repurchased shares was changed from "for the Company's employee stock ownership plan or equity incentives" to "for cancellation to reduce the Company's registered capital". The cancellation procedures were completed on October 23, 2024.

Progress of reduction of repurchased shares via centralized bidding transactions

 Applicable N/A

Section VIII

Preferred Shares

Applicable N/A

The Company had no preferred shares during the Reporting Period.



Section IX

Bonds

Applicable N/A



Section X

Financial Report



Auditor's report

Auditor's opinion
Date of signing
Auditor
Chinese Certified Public Accountant

Unqualified opinion
27 April 2025
Ernst & Young Hua Ming LLP
Liao Wenjia, Chen Huijin

AUDITOR'S REPORT (Body)

Ernst & Young Hua Ming (2025) Shen Zi No. 70016450_H01

Winner Medical Co., Ltd.

To the shareholders of Winner Medical Co., Ltd.:

(I) Opinion

We have audited the financial statements of Winner Medical Co., Ltd. (the "Company"), which comprise the consolidated and company balance sheets as at 31 December 2024, and the consolidated and company income statements, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

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

(II) Basis for opinion

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

(III) Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Section X Financial Report

Key audit matters:	How our audit addressed the matters:
<p>Revenue recognition</p> <p>In 2024, the revenue of Winner Medical Co., Ltd. and its subsidiaries (collectively referred to as "the Company") in the consolidated financial statements was RMB8,977,853,631.73, of which the income of medical consumables and consumer goods was RMB3,905,583,866.46 and RMB4,990,886,442.62 respectively, and other income was RMB81,383,322.65.</p> <p>The revenue amount of the Company is significant in relation to the financial statements as a whole. There are not only domestic and overseas sales, as well as distribution and direct sales models; but also sales through physical stores and e-commerce platforms. With diverse revenue settlement models, inappropriate revenue recognition has a significant impact on the financial statements. Therefore, we have identified revenue recognition as a key audit matter.</p> <p>For the accounting policy, significant accounting judgements and estimates, as well as the related financial statement disclosures, please refer to Note III.12, 24, 30, as well as Note V.45.</p>	<p>Our procedures in relation to revenue recognition mainly included:</p> <ol style="list-style-type: none"> 1) Understand, evaluate, and test the design and operational effectiveness of key internal controls in the revenue-related processes; 2) Understand the accounting policies for revenue recognition and examine the major sales contracts, identify the contract terms and conditions related to the transfer of significant risks and rewards of ownership of goods, and evaluate the rationality of the revenue recognition policies; 3) Conduct analytical review of operating revenue to identify whether there are any significant or abnormal fluctuations, and investigate the causes of such fluctuations; 4) Perform tests of details, review sales orders, delivery slips, logistics records, signed delivery receipts or export customs declaration forms and bills of lading, invoices, and bank statements of collections, etc.; 5) Implement analytical review procedures for the sales revenue from e-commerce platforms and offline stores, obtain sales data for consumer behavior analysis, and compare it with the book value of sales revenue; 6) Examine the fund flow of third-party payment platforms such as Alipay, and reconcile it with the book value of receipts; 7) In combination with the confirmation of accounts receivable, send confirmation letters to major customers on a sampling basis to confirm the sales amount during the reporting period, and perform alternative procedures for customers who do not reply to the confirmation letters; 8) Conduct background investigation procedures for important general sales customers, as well as on-site visit procedures for important general domestic sales customers; 9) Reconcile the export sales amount in the export tax declaration data and the export data at the customs with the book value of export sales revenue; obtain the foreign exchange data from the information inquiry system on the website of the State Administration of Foreign Exchange on a sampling basis and reconcile it with the book value of export sales proceeds; 10) Perform cut-off tests on the revenue recognised around the balance sheet date, and check whether there are significant revenue reversals or large-value returns after the period; 11) Review whether the information related to revenue has been appropriately presented and disclosed in the financial statements.

Section X Financial Report

Key audit matters:	How our audit addressed the matters:
<p>Impairment of goodwill</p> <p>As at 31 December 2024, the carrying amount of goodwill of the Company was RMB1,251,264,505.00, and the provision for impairment was RMB282,210,456.24, mainly including RMB156,144,473.91 and RMB123,384,750.24 for the goodwill of the asset groups of Winner Medical (Hunan) Co., Ltd. (hereinafter referred to as "Winner Medical (Hunan)") and Winner Guilin Latex Co., Ltd. (hereinafter referred to as "Winner Guilin"). In addition, in 2024, the Company generated goodwill of RMB475,092,515.29 due to the acquisition of Global Resources International, Inc. and its subsidiaries (hereinafter referred to as "GRI").</p> <p>The Company's management conducts impairment testing on goodwill when there are indications of impairment and at the end of each fiscal year. Such testing is based on the recoverable amount of each asset group. The recoverable amount of the asset group is determined based on 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.</p> <p>Because of the importance of goodwill to the financial statements as a whole, impairment testing involves significant management judgements and estimates of key assumptions such as revenue growth, gross margin and discount rates. Such judgements and estimates are influenced by management's judgements about the way in which business activities are managed, the future market and the economic environment, and different judgements and estimates may have a significant impact on the calculation of impairment of goodwill. Therefore, we consider impairment of goodwill as a key audit matter.</p> <p>For the accounting policy, significant accounting judgements and estimates, as well as the related disclosures, please refer to Note III.20, 30, as well as Note V.19 of the financial statement.</p>	<p>Our procedures in relation to impairment of goodwill mainly included:</p> <ol style="list-style-type: none"> 1) Understand, evaluate, and test the design and operational effectiveness of internal controls in relation to impairment of goodwill; 2) Review the management's identification of the asset group and the allocation of goodwill. 3) Understand the basis for management to determine the key indicators of profit forecast, including revenue growth rate and gross profit margin, compare them with historical and industry indicators, and assess their reasonableness; 4) Obtain the relevant evaluation reports of the external appraisers engaged by the management on the main goodwill, and evaluate the competence, professional quality and objectivity of the external appraisers; 5) Review, with the assistance of internal valuation experts, the reasonableness of the models and key parameters used by management in the goodwill impairment test, including discount rate and the growth rate during the stable period; 6) Review whether the information related to impairment of goodwill has been appropriately presented and disclosed in the financial statements.

(IV) Other information

The management of the Company is responsible for other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

(V) Responsibilities of the management and those charged with governance for the financial statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Liao Wenjia
(Engagement partner)

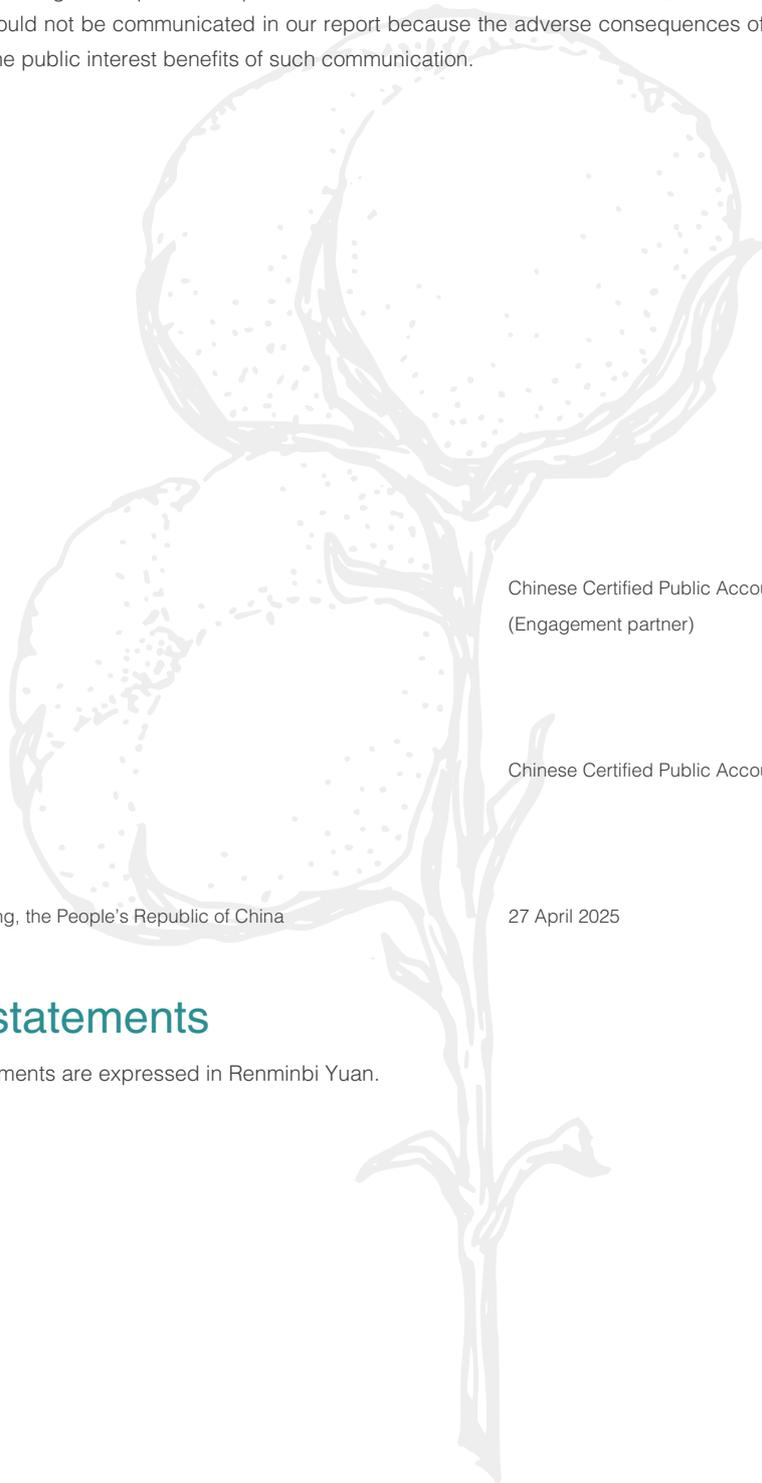
Chinese Certified Public Accountant: Chen Huijin

Beijing, the People's Republic of China

27 April 2025

II. Financial statements

The notes to financial statements are expressed in Renminbi Yuan.



1. Consolidated balance sheet

Preparer: Winner Medical Co., Ltd.

31 December 2024

Currency: Renminbi Yuan

Items	Closing balance	Opening balance
Current assets:		
Currency funds	1,412,088,898.63	4,706,132,071.27
Settlement reserves	0.00	
Placements to banks and other financial institutions	0.00	
Financial assets held for trading	2,921,341,484.39	2,850,058,540.71
Derivative financial assets	0.00	
Notes receivable	34,319,961.81	42,963,076.53
Accounts receivable	980,617,641.38	768,602,289.60
Receivables financing	68,349,926.24	29,348,618.44
Prepayments	107,051,901.68	122,281,742.75
Premium receivable	0.00	
Reinsurance receivables	0.00	
Due from Reinsurer for reserve of reinsurance contract	0.00	
Other receivables	186,351,012.28	218,913,405.18
Including: Interest receivable	0.00	
Dividends receivable	0.00	
Financial assets held under resale agreements	0.00	
Inventories	1,957,814,608.25	1,434,326,287.96
Including: Data resources	0.00	
Contract assets	0.00	
Assets classified as held for sale	0.00	
Current portion of non-current assets	345,468,268.20	4,379,308.17
Other current assets	67,736,523.90	378,853,652.64
Total current assets	8,081,140,226.76	10,555,858,993.25

Section X Financial Report

Items	Closing balance	Opening balance
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	88,435,629.22	35,689,264.21
Long-term equity investments	445,355,778.00	20,879,244.20
Other equity investments	0.00	
Other non-current financial assets	107,906,716.86	70,000,000.00
Investment properties	2,360,346.25	7,693,341.79
Fixed assets	3,354,304,108.81	2,749,018,750.62
Construction in progress	1,074,955,450.40	984,571,329.05
Productive biological assets	0.00	
Oil and gas assets	0.00	
Right-of-use assets	595,222,623.66	417,496,021.36
Intangible assets	1,095,755,498.27	995,228,233.51
Including: Data resources	0.00	
Development expenditures	0.00	
Including: Data resources	0.00	
Goodwill	1,251,264,505.00	864,289,002.45
Long-term prepaid expenses	143,855,144.02	131,090,470.15
Deferred tax assets	139,000,387.64	175,351,248.02
Other non-current assets	2,012,299,546.63	104,856,551.36
Total non-current assets	10,310,715,734.76	6,556,163,456.72
Total assets	18,391,855,961.52	17,112,022,449.97

Section X Financial Report

Items	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	1,969,044,164.65	1,493,238,955.00
Borrowings from the Central Bank	0.00	
Placements from banks and other financial institutions	0.00	
Financial liabilities held for trading	0.00	
Derivative financial liabilities	0.00	
Notes payable	431,873,210.11	315,902,844.15
Accounts payable	1,155,930,554.98	1,116,802,220.38
Receipts in advance	0.00	
Contract liabilities	182,755,504.60	193,262,892.15
Financial assets sold under repurchase agreements	0.00	
Customer deposits and deposits from banks and other financial institutions	0.00	
Customer money for securities trading	0.00	
Proceeds from securities underwriting on agency basis	0.00	
Employee benefits payable	308,955,076.89	254,475,235.72
Taxes and surcharges payable	123,630,574.88	62,877,779.86
Other payables	681,390,743.80	591,310,917.61
Including: Interest payable	0.00	
Dividends payable	164,868,250.80	
Fees and commissions payable	0.00	
Reinsurance payables	0.00	
Liabilities classified as held for sale	0.00	
Current portion of non-current liabilities	396,768,243.67	223,426,826.45
Other current liabilities	21,235,048.58	19,712,328.19
Total current liabilities	5,271,583,122.16	4,271,009,999.51

Section X Financial Report

Items	Closing balance	Opening balance
Non-current liabilities:		
Reserves for insurance Contract		
Long-term borrowings	53,000,000.00	170,000,000.00
Bonds payable	0.00	
Including: Preference shares	0.00	
Perpetual bonds	0.00	
Lease liabilities	440,876,652.33	292,009,504.04
Long-term payables	48,544,431.64	
Long-term employee benefits payable	13,247,971.34	8,511,000.00
Provisions	0.00	
Deferred income	157,154,401.72	121,649,364.97
Deferred tax liabilities	158,515,830.62	138,520,778.30
Other non-current liabilities	373,262,348.97	
Total non-current liabilities	1,244,601,636.62	730,690,647.31
Total liabilities	6,516,184,758.78	5,001,700,646.82
Owners' equity:		
Share capital	582,329,808.00	594,387,367.00
Other equity investments	0.00	
Including: Preference shares	0.00	
Perpetual bonds	0.00	
Capital reserves	3,378,540,115.00	4,381,126,487.29
Less: Treasury shares	7,282,100.00	473,552,442.85
Other comprehensive income	-2,637,827.10	2,215,369.44
Specialised reserves	0.00	
Surplus reserves	420,212,778.13	420,212,778.13
General reserve	0.00	
Unappropriated profit	6,780,116,870.53	6,608,834,768.99
Total equity attributable to owners of the parent	11,151,279,644.56	11,533,224,328.00
Non-controlling interests	724,391,558.18	577,097,475.15
Total equity	11,875,671,202.74	12,110,321,803.15
Total liabilities and equity	18,391,855,961.52	17,112,022,449.97

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

2. Parent company's balance sheet

Currency: Renminbi Yuan

Items	Closing balance	Opening balance (Restated)
Current assets:		
Currency funds	443,572,315.60	3,709,959,628.26
Financial assets held for trading	2,794,105,538.09	2,723,751,837.29
Derivative financial assets	0.00	
Notes receivable	6,635,069.05	4,467,239.17
Accounts receivable	349,608,101.82	329,056,250.56
Receivables financing	24,348,899.43	3,373,685.21
Prepayments	130,809,600.46	819,879,677.04
Other receivables	167,026,860.96	116,040,893.47
Including: Interest receivable	0.00	
Dividends receivable	9,404,946.00	
Inventories	206,425,686.10	251,311,204.70
Including: Data resources	0.00	
Contract assets	0.00	
Assets classified as held for sale	0.00	
Current portion of non-current assets	345,468,268.20	4,379,308.17
Other current assets	8,707,781.75	219,250,046.91
Total current assets	4,476,708,121.46	8,181,469,770.78

Section X Financial Report

Items	Closing balance	Opening balance (Restated)
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables	31,209,579.38	35,689,264.21
Long-term equity investments	5,195,497,758.83	3,563,611,375.46
Other equity investments	0.00	
Other non-current financial assets	76,673,047.39	70,000,000.00
Investment properties	0.00	
Fixed assets	38,592,292.38	39,029,180.33
Construction in progress	214,011,382.64	81,523,183.74
Productive biological assets	0.00	
Oil and gas assets	0.00	
Right-of-use assets	32,141,280.38	53,018,721.37
Intangible assets	41,672,000.26	42,201,830.86
Including: Data resources	0.00	
Development expenditures	0.00	
Including: Data resources	0.00	
Goodwill	0.00	
Long-term prepaid expenses	15,685,458.76	19,425,804.21
Deferred tax assets	30,999,936.31	38,890,354.71
Other non-current assets	1,767,046,194.63	41,395,668.54
Total non-current assets	7,443,528,930.96	3,984,785,383.43
Total assets	11,920,237,052.42	12,166,255,154.21

Section X Financial Report

Items	Closing balance	Opening balance (Restated)
Current liabilities:		
Short-term borrowings	200,130,600.00	1,270,138,900.00
Financial liabilities held for trading	0.00	
Derivative financial liabilities	0.00	
Notes payable	843,693,594.39	104,617,096.39
Accounts payable	469,844,799.47	247,993,184.23
Receipts in advance	0.00	
Contract liabilities	50,096,915.01	90,354,800.16
Employee benefits payable	64,256,450.47	62,965,400.32
Taxes and surcharges payable	13,779,416.66	2,852,502.16
Other payables	459,940,163.58	358,800,377.50
Including: Interest payable	0.00	
Dividends payable	162,645,754.80	
Liabilities classified as held for sale	0.00	
Current portion of non-current liabilities	193,218,394.36	47,239,311.11
Other current liabilities	2,861,257.23	4,700,685.90
Total current liabilities	2,297,821,591.17	2,189,662,257.77

Section X Financial Report

Items	Closing balance	Opening balance (Restated)
Non-current liabilities:		
Long-term borrowings		170,000,000.00
Bonds payable	0.00	
Including: Preference shares	0.00	
Perpetual bonds	0.00	
Lease liabilities	32,224,060.33	51,992,935.59
Long-term payables	0.00	
Long-term employee benefits payable	0.00	
Provisions	0.00	
Deferred income	424,728.11	1,312,817.62
Deferred tax liabilities		8,333,039.89
Other non-current liabilities	373,262,348.97	
Total non-current liabilities	405,911,137.41	231,638,793.10
Total liabilities	2,703,732,728.58	2,421,301,050.87
Owners' equity:		
Share capital	582,329,808.00	594,387,367.00
Other equity investments	0.00	
Including: Preference shares	0.00	
Perpetual bonds	0.00	
Capital reserves	3,376,294,181.65	4,380,380,114.80
Less: Treasury shares	7,282,100.00	473,552,442.85
Other comprehensive income	0.00	
Specialised reserves	0.00	
Surplus reserves	411,397,111.21	411,397,111.21
Unappropriated profit	4,853,765,322.98	4,832,341,953.18
Total equity	9,216,504,323.84	9,744,954,103.34
Total liabilities and equity	11,920,237,052.42	12,166,255,154.21

3. Consolidated income statement

Currency: Renminbi Yuan

Items	2024	2023
I. Total Revenue	8,977,853,631.73	8,185,022,057.20
Including: Revenue	8,977,853,631.73	8,185,022,057.20
Interest income		
Premium earned		
Fee and commission income		
II. Total Costs	7,996,304,540.94	7,285,343,794.63
Including: Cost of sales	4,729,562,118.23	4,174,597,287.74
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	79,905,265.65	66,413,470.87
Selling expenses	2,264,147,324.64	2,090,492,506.10
Administrative expenses	673,737,166.83	693,647,621.42
Research and development expenses	348,163,926.01	322,051,868.43
Finance expenses	-99,211,260.42	-61,858,959.93
Including: Interest expenses	54,863,504.13	63,441,562.69
Interest income	117,095,211.38	133,913,862.72
Add: Other income	91,637,936.87	101,105,274.61
Investment income (loss is expressed with "-")	75,387,830.93	127,342,880.98
Including: Income from investments in associates and joint ventures	-11,305,734.64	1,581,608.21
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 "-")		
Fair value gains (loss is expressed with "-")	2,862,219.03	46,678,103.27
Credit impairment losses (loss is expressed with "-")	444,626.25	4,725,509.30
Impairment losses of assets (loss is expressed with "-")	-242,895,761.34	-393,762,054.87
Gains on disposal of assets (loss is expressed with "-")	5,877,157.55	32,201,950.01

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Items	2024	2023
III. Operating profit (loss is expressed with "-")	914,863,100.08	817,969,925.87
Add: Non-operating income	11,926,122.62	16,618,496.48
Less: Non-operating expenses	18,440,910.03	84,742,148.34
IV. Profit before income tax (loss is expressed with "-")	908,348,312.67	749,846,274.01
Less: Income tax expenses	167,642,375.27	121,301,087.57
V. Profit (loss is expressed with "-")	740,705,937.40	628,545,186.44
1. Classified by continuity of operations		
(1) Profit from continuing operations (loss is expressed with "-")	740,705,937.40	628,545,186.44
(2) Profit from a discontinued operation (loss is expressed with "-")		
2. Classified by ownership		
(1) Profit attributable to shareholders of the parent	695,378,928.72	580,403,232.37
(2) Profit or loss attributable to non-controlling interests	45,327,008.68	48,141,954.07
VI. Other comprehensive income, net of tax	-13,162,548.61	2,623,741.12
Other comprehensive income, net of tax, attributable to owners of the parent	-4,853,196.54	1,432,591.30
1. Other comprehensive income that will not be reclassified to profit or loss	-772,779.52	-206,495.38
(1) Remeasurement of a defined benefit plan	-772,779.52	-206,495.38
(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		
2. Other comprehensive income that may be reclassified to profit or loss	-4,080,417.02	1,639,086.68
(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	-4,080,417.02	1,639,086.68
(7) Others		
Other comprehensive income, net of tax, attributable to non-controlling interests	-8,309,352.07	1,191,149.82

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Items	2024	2023
VII. Total comprehensive income	727,543,388.79	631,168,927.56
Total comprehensive income attributable to owners of the parent	690,525,732.18	581,835,823.67
Total comprehensive income attributable to non-controlling interests	37,017,656.61	49,333,103.89
VIII. Earnings per share		
1. Basic earnings per share	1.19	0.98
2. Diluted earnings per share	1.19	0.98

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



4. Parent company's income statement

Currency: Renminbi Yuan

Items	2024	2023 (Restated)
I. Revenue	2,670,598,689.18	2,892,090,654.45
Less: Cost of sales	1,997,443,466.38	2,034,115,507.03
Taxes and surcharges	6,437,824.59	8,489,244.95
Selling expenses	372,332,633.60	387,608,950.08
Administrative expenses	253,555,583.52	313,981,375.21
Research and development expenses	82,639,397.94	104,581,622.35
Finance expenses	-99,985,415.41	-73,711,157.59
Including: Interest expenses	20,368,268.78	38,242,399.91
Interest income	101,694,267.17	121,106,387.31
Add: Other income	12,029,687.14	19,329,429.96
Investment income (loss is expressed with "-")	616,652,959.37	817,024,682.96
Including: Income from investments in associates and joint ventures	335,565.86	1,184,337.91
Income from the derecognition of financial assets measured at amortised cost (loss is expressed with "-")		
Net position hedging gains (loss is expressed with "-")		
Fair value gains (loss is expressed with "-")	4,290,632.80	44,940,837.55
Credit impairment losses (loss is expressed with "-")	-1,010,957.53	8,788,024.82
Impairment losses of assets (loss is expressed with "-")	-136,104,433.40	-200,578,272.48
Gains on disposal of assets (loss is expressed with "-")	-58,680.29	21,798,190.53
II. Operating profit (loss is expressed with "-")	553,974,406.65	828,328,005.76
Add: Non-operating income	3,008,988.49	3,058,779.51
Less: Non-operating expenses	187,025.91	60,362,700.49
III. Profit before income tax (loss is expressed with "-")	556,796,369.23	771,024,084.78
Less: Income tax expenses	11,276,172.24	10,150,231.94
IV. Profit (loss is expressed with "-")	545,520,196.99	760,873,852.84
1. Profit from continuing operations (loss is expressed with "-")	545,520,196.99	760,873,852.84
2. Profit from a discontinued operation (loss is expressed with "-")		

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Items	2024	2023 (Restated)
V. Other comprehensive income, net of tax		
1. 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		
2. 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	545,520,196.99	760,873,852.84
VII. Earnings per share:		
1. Basic earnings per share		
2. Diluted earnings per share		

5. Consolidated statement of cash flows

Currency: Renminbi Yuan

Items	2024	2023
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from the sale of goods and the rendering of services	10,017,512,504.65	8,846,783,036.30
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	114,907,212.10	79,672,356.36
Other cash receipts relating to operating activities	198,112,197.51	177,059,400.53
Total cash inflows from operating activities	10,330,531,914.26	9,103,514,793.19
Cash payments for goods and services	6,228,472,098.13	5,055,100,441.56
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	1,838,454,165.09	1,794,520,705.17
Payments of taxes and surcharges	414,807,419.31	750,512,089.73
Other cash payments relating to operating activities	583,042,965.03	440,055,324.50
Total cash outflows from operating activities	9,064,776,647.56	8,040,188,560.96
Net cash flows from operating activities	1,265,755,266.70	1,063,326,232.23

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Items	2024	2023
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from returns of investments	3,367,701,242.20	6,247,266,220.01
Cash receipts from returns on investments	193,502,728.27	234,362,316.07
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	25,746,178.71	108,039,128.43
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Total cash inflows from investing activities	3,586,950,149.18	6,589,667,664.51
Cash payments to acquire fixed assets, intangible assets and other long-term assets	900,886,591.31	753,066,181.04
Cash payments for investments	6,030,497,813.66	4,659,245,208.32
Net increase in pledged loans		
Net cash payments for acquisition of subsidiaries and other business units	767,592,040.13	147,078,596.46
Other cash payments relating to other investing activities		
Total cash outflows from investing activities	7,698,976,445.10	5,559,389,985.82
Net cash flows from investing activities	-4,112,026,295.92	1,030,277,678.69
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from investments by others		
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		
Cash receipts from borrowings	1,760,844,244.64	2,153,100,000.00
Other cash receipts relating to financing activities	223,726,501.95	150,357,500.00
Total cash inflows from financing activities	1,984,570,746.59	2,303,457,500.00
Cash repayments for debts	1,549,119,709.96	2,803,050,000.00
Cash payments for distribution of dividends or profit and interest expenses	412,662,512.60	821,623,483.60
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		
Other cash payments relating to financing activities	500,312,174.51	464,211,430.49
Total cash outflows from financing activities	2,462,094,397.07	4,088,884,914.09
Net cash flows from financing activities	-477,523,650.48	-1,785,427,414.09
4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	3,551,282.60	-1,657,672.55
5. NET INCREASE IN CASH AND CASH EQUIVALENTS	-3,320,243,397.10	306,518,824.28
Add: Cash and cash equivalents at beginning of period	4,677,340,782.45	4,370,821,958.17
6. CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,357,097,385.35	4,677,340,782.45

6. Parent company's statement of cash flows

Currency: Renminbi Yuan

Items	2024	2023
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from the sale of goods and the rendering of services	2,741,375,372.83	2,725,815,354.22
Receipts of taxes and surcharges refunds	126,732,129.08	68,165,815.59
Other cash receipts relating to operating activities	83,140,200.61	49,890,829.94
Total cash inflows from operating activities	2,951,247,702.52	2,843,871,999.75
Cash payments for goods and services	1,876,321,073.55	4,071,208,907.64
Cash payments to and on behalf of employees	373,829,422.15	470,253,224.88
Payments of taxes and surcharges	6,468,609.06	192,076,507.34
Other cash payments relating to operating activities	164,608,734.56	115,904,010.32
Total cash outflows from operating activities	2,421,227,839.32	4,849,442,650.18
Net cash flows from operating activities	530,019,863.20	-2,005,570,650.43
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from returns of investments	2,836,007,884.61	4,485,782,040.58
Cash receipts from returns on investments	674,273,513.95	917,554,636.32
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	22,383,546.07	106,705,409.51
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Total cash inflows from investing activities	3,532,664,944.63	5,510,042,086.41
Cash payments to acquire fixed assets, intangible assets and other long-term assets	174,434,234.35	125,841,659.50
Cash payments for investments	4,928,452,000.00	2,752,606,926.68
Net cash payments for acquisition of subsidiaries and other business units	1,434,628,768.41	108,812,000.00
Other cash payments relating to other investing activities		
Total cash outflows from investing activities	6,537,515,002.76	2,987,260,586.18
Net cash flows from investing activities	-3,004,850,058.13	2,522,781,500.23

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Items	2024	2023
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from investments by others		
Cash receipts from borrowings	200,000,000.00	1,870,000,000.00
Other cash receipts relating to financing activities	80,000,000.00	127,857,500.00
Total cash inflows from financing activities	280,000,000.00	1,997,857,500.00
Cash repayments for debts	470,000,000.00	1,420,000,000.00
Cash payments for distribution of dividends or profit and interest expenses	381,638,195.24	819,607,699.75
Other cash payments relating to financing activities	222,082,246.32	106,980,345.17
Total cash outflows from financing activities	1,073,720,441.56	2,346,588,044.92
Net cash flows from financing activities	-793,720,441.56	-348,730,544.92
4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,145,362.77	923,515.28
5. NET INCREASE IN CASH AND CASH EQUIVALENTS	-3,266,405,273.72	169,403,820.16
Add: Cash and cash equivalents at beginning of period	3,709,747,259.03	3,540,343,438.87
6. CASH AND CASH EQUIVALENTS AT END OF PERIOD	443,341,985.31	3,709,747,259.03

7. Consolidated statement of changes in equity

Amount for the period

Currency: Renminbi Yuan

Items	2024										Total equity				
	Attributable to owners of the parent														
	Share capital	Preference shares	Other equity investments		Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	General reserves	Unappropriated profit	Others	Subtotal	Non-controlling interests	
I. Balance at end of prior year	594,397,367.00				4,381,126,487.29	473,552,442.85	2,215,369.44	420,212,778.13	420,212,778.13	6,686,634,788.99	6,686,634,788.99		11,533,224,328.00	577,097,475.15	12,110,321,803.15
Add: Changes in accounting policies															
Correction of prior period errors															
Others															
II. Balance at beginning of year	594,397,367.00				4,381,126,487.29	473,552,442.85	2,215,369.44	420,212,778.13	420,212,778.13	6,686,634,788.99	6,686,634,788.99		11,533,224,328.00	577,097,475.15	12,110,321,803.15
III. Changes for the period (loss & expressed with "+")	-12,057,559.00				-1,002,586,372.29	-466,270,342.85	-4,853,196.54			171,282,101.54	171,282,101.54		-381,944,683.44	147,294,083.03	-234,650,600.41
1. Total comprehensive income							-4,853,196.54			685,378,928.72	685,378,928.72		630,525,732.18	37,017,656.61	727,543,388.79
2. Owners' contributions and reduction in capital	-12,057,559.00				-629,324,023.32	-465,815,842.85							-175,565,739.47	5,051,706.60	-170,514,032.87
(1) Ordinary shares invested by owners	-12,057,559.00				-645,619,219.06	-462,694,942.85							-194,381,835.21	1,300,000.00	-194,381,835.21
(2) Capital contributions from holders of other equity instruments															
(3) Amount of share-based payments recognised in equity					14,795,634.88								14,795,634.88		14,795,634.88
(4) Others					1,499,560.86	-3,120,900.00							4,620,460.86	3,751,706.60	8,372,167.46

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Items	2024										Total equity			
	Attributable to owners of the parent					Attributable to owners of subsidiaries								
	Share capital	Preference shares	Perpetual bonds	Other equity investments	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	General reserves	Unappropriated profit	Others	Subtotal	Non-controlling interests	
3. Profit distribution					-454,500.00				-524,098,827.18			-523,642,327.18	-22,697,501.08	-546,339,828.26
(1) Appropriation to surplus reserves														
(2) Appropriation to general reserve														
(3) Distribution to owners (or shareholders)					-454,500.00				-524,098,827.18			-523,642,327.18	-22,697,501.08	-546,339,828.26
(4) Others											-3,702,397.95			0.00
4. 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														
5. Specialised reserves														
(1) Appropriation for the period														
(2) Utilisation for the period														
6. Others					-373,262,348.97							-373,262,348.97	127,922,220.90	-245,340,128.07
IV. Balance at end of period	582,329,808.00				7,282,100.00	-2,637,827.10	420,212,778.13	6,780,116,870.53	11,151,279,644.56	724,391,558.18	11,615,671,202.74			

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Items	Other equity investments				Attributable to owners of the parent							Total equity			
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	General reserves	Unappropriated profit		Others	Subtotal	Non-controlling interests
4. Transfer within equity	167,895,059.00				-194,425,350.26	-26,530,291.26									
(1) Capitalisation of capital reserves (or share capital)	167,895,059.00				-167,895,059.00										
(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					-26,530,291.26	-26,530,291.26									
5. Specialised reserves															
(1) Appropriation for the period															
(2) Utilisation for the period															
6. Others					26,153,194.84								26,153,194.84	49,609,950.84	75,757,085.68
IV. Balance at end of period	594,937,367.00				4,381,126,467.29	473,552,442.85	2,215,369.44	420,212,778.13	6,609,834,788.99	11,533,224,326.00	577,097,475.15	12,110,321,803.15			

8. Parent company's statement of changes in equity

Amount for the period

Currency: Renminbi Yuan

Items	2024							Total equity				
	Share capital	Preference shares	Other equity investments Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive income		Specialised reserves	Surplus reserves	Unappropriated profit	Others
I. Balance at end of prior year	594,387,367.00				4,380,390,114.80	473,552,442.85			411,397,111.21	4,897,039,093.59		9,809,851,243.75
Add: Changes in accounting policies												
Correction of prior period errors												
Others												
II. Balance at beginning of year	594,387,367.00				4,380,390,114.80	473,552,442.85			411,397,111.21	4,832,341,953.18	-64,697,140.41	9,744,954,103.34
III. Changes for the period (loss is expressed with "-")	-12,057,559.00				-1,004,055,933.15	-466,270,342.85				21,423,369.80		-528,449,779.50
1. Total comprehensive income										5,45,520,196.99		5,45,520,196.99
2. Owners' contributions and reduction in capital	-12,057,559.00				-630,823,594.18	-466,615,842.85						-177,065,300.33
(1) Ordinary shares invested by owners	-12,057,559.00				-656,619,219.06	-462,694,942.85						-194,981,835.21
(2) Capital contributions from holders of other equity instruments												
(3) Amount of share-based payments recognised in equity					14,795,634.88							14,795,634.88
(4) Others											-3,120,900.00	-3,120,900.00

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Items	2023										Total equity	
	Share capital	Preference shares	Perpetual bonds	Other equity investments	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves		Unappropriated profit
4. Transfer within equity	167,895,059.00					-194,425,350.26	-26,530,291.26					
(1) Capitalisation of capital reserves (or share capital)	167,895,059.00					-167,895,059.00						
(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 related earnings												
(5) Transfer of other comprehensive income to retained earnings												
(6) Others						-26,530,291.26	-26,530,291.26					
5. Specialised reserves												
(1) Appropriation for the period												
(2) Utilisation for the period												
6. Others												
IV. Balance at end of period	594,397,367.00					4,380,390,114.80	473,532,442.85		411,397,111.21	4,745,671,611.74		9,658,283,961.90

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 dressing products, high-end wound dressing products, operating room consumable products, infection prevention products, health and personal care products and other products; the product categories of the healthy consumer goods segment are divided into wet and dry wipes, 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 27 April 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 31 December 2024, and the financial performance and the cash flows for the year 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.

5. Methodology for determining materiality standard and selection rationale

Applicable Not applicable

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 0.5% 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

(1) 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.

(2) 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:

- 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 short-term, 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

(1) 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.

(2) 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.

(1) 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:

- 1) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- 2) 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:

- 1) The financial asset is held within a business model with the objectives to collect contractual cash flows and sell the financial asset;
- 2) 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.

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:

- 1) This designation eliminates or significantly reduces accounting mismatches.
- 2) 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.
- 3) The financial liabilities include embedded derivatives that need to be separated.

(1.2) 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.

(1.3) 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.

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

Financial assets at fair value through profit or loss include financial assets held for trading, 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.

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

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and derivative financial liabilities, 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. On derecognition, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

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(1.6) 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.

(2) 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:

- 1) The contractual right to receive cash flows from the financial asset has been terminated;
- 2) The financial asset has been transferred, and substantially all the risks and rewards of the financial asset have been transferred to the transferee;
- 3) 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:

- 1) The carrying amount of the transferred financial asset;
- 2) 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:

- 1) The carrying amount of the derecognised part;
- 2) 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.

(3) 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.

(4) 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.

(5) 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.

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.

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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:

Item	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 acceptance bills	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 receivable financing:	
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:

Item	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.
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 amounts within the scope of consolidation unless there is objective evidence that they cannot be recovered.
Deposits and guarantee deposits	Balance percentage group	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 percentage group	The finance lease receivables are grouped based on their nature of the receivables as the credit risk characteristic.
Deposits and guarantee deposits	Balance percentage group	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 (%)
Within 1 year, inclusive	5.00	5.00
1 to 2 years	10.00	10.00
2 to 3 years	30.00	30.00
3 to 4 years	50.00	50.00
4 to 5 years	80.00	80.00
Over 5 years	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

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

(1) 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.

(2) 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.

(3) Inventory system

The perpetual inventory system is adopted.

(4) 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.

(5) 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 "Note 41. Leases (2) Accounting treatment for leases as a lessor 2) Accounting treatment for finance leases" for details.

22. Long-term equity investments

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

(1) 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.

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.

(2) Determination of initial investment cost

1) 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.

2) 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.

3) 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.

4) 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.

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 Group'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 Group'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 Group'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 Group resumes recognition of its profit-sharing amount after offsetting previously unrecognised loss allocations.

5) 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

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

1) Recognition and initial measurement of fixed assets

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:

- i) The economic benefits associated with the asset will probably flow into the Company;
- ii) 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	2-15 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	No provision for depreciation	N/A	N/A	N/A

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.

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

(1) 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.

(2) 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 interest-bearing 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.

(3) Suspension period of capitalisation

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.

(4) 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

1) Valuation of intangible assets

i) 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.

ii) 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.

2) Estimation of useful lives for intangible assets with finite useful lives

Item	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.

3) Determination basis for intangible assets with indefinite useful lives and procedures for reviewing their useful lives

During the reporting period, the Group had no intangible assets with indefinite useful lives.

(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.

1) 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.

2) 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:

- i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) the intention to complete the intangible asset and use or sell it;
- iii) 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);
- iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- v) 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

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.

1) 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

1) 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.

2) 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.

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.

- (1) The obligation is a present obligation of the Company;
- (2) The fulfilment of the obligation is likely to result in an outflow of economic benefits from the Company;
- (3) 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:

- (1) For contingent matters involving a single item, the best estimate shall be determined based on the most likely outcome.
- (2) 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.

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. Preferred stock, perpetual bonds and other financial instruments

37. Revenue

Revenue from contracts with customers

Revenue from contracts with customers is recognised when 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, non-cash 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:

- (1) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
- (2) The customer can control the goods under construction during the Company's performance.
- (3) 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:

- (1) 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.
- (2) The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods.
- (3) The Company has physically transferred the goods to the customer, that is, the customer has physically possessed the goods.

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- (4) 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.
- (5) The customer has accepted the goods or services, etc.

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:

- (1) 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).
- (2) 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).
- (3) 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).
- (4) E-commerce business (B2B): the revenue is recognised in the settlement cycle at the point in time when control of the product is transferred.
- (5) 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).
- (6) 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 stand-alone 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 agreed-upon specifications, the Company accounts for the warranty in accordance with "Note V.34 Provisions".

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

38. Contract costs



39. Government grants

(1) 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.

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.

(2) Timing of recognition

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

(3) 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:

- (1) 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
- (2) 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:

- (1) 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
- (2) 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

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.

As lessee

(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;
- 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.

(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.

As lessor

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.

(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) Judgements

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.

2) 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.

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 re-evaluation results.

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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 payments

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. Further details are included in "Note VII.27 Goodwill".

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 Not applicable

(2) Changes in significant estimates

Applicable Not applicable

(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 2024

Applicable Not applicable

44. Others



VI. Taxation

1. Main tax categories and tax rates

Category of tax	Taxation basis	Tax rates
Value-added tax (VAT)	Output VAT is calculated based on product sales and service provided pursuant to tax laws. The basis for VAT payable is to deduct input VAT from the output VAT for the period.	13%, 9%, 6%, 3%, 1%, 0% ^{1*}
Excise tax	N/A	N/A
Urban maintenance and construction tax	Actual paid turnover tax	7%, 5%
Corporate income tax (CIT)	Levied by taxable profit	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: 1* 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%. The Announcement shall be in effect until 31 December 2027. The sale of goods by the Company and the Group'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%.

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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%
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")	25%
Hubei Zhongfu New Materials Co., Ltd. ("Hubei Zhongfu")	25%
Shenzhen Purcotton	25%
Beijing Purcotton	25%
Guangzhou Purcotton	25%
Shanghai Purcotton	25%
Shenzhen Qianhai Purcotton E-Commerce Co., Ltd. ("Qianhai Purcotton")	15%
Shenzhen Purunderwear Sci-Tech Innovation Co., Ltd. ("Purunderwear")	25%
Huanggang Purcotton Ltd. ("Huanggang Purcotton")	25%
Wuhan Purcotton	25%
Hong Kong Purcotton Ltd. ("Hong Kong Purcotton")	16.50%
Purcotton Agricultural Technology (Wuhan) Co., Ltd. ("Purcotton Agricultural")	25%
Shenzhen PureH2B Technology Co., Ltd. ("PureH2B")	25%
Zhejiang Longterm Medical Technology Co., Ltd. ("Longterm Medical")	15%

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Name of taxpayers	Income tax rates
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%
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%
Jiaxing 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%

2. Tax preference

Name of taxpayers	Tax category	Preferential policy	Tax rates	Certificate No.	Certificate date	
Winner Medical Co., Ltd.			15%	GR202444206145	26 December 2024	
Winner Medical (Huanggang)			15%	GR201942002414	12 October 2022	
Winner Medical (Jingmen)			15%	GR202442001714	04 December 2024	
Winner Medical (Tianmen)			15%	GR202442003221	16 November 2024	
Winner Medical (Chongyang)			15%	GR202442001824	15 November 2024	
Winner Medical (Jiayu)		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%	GR202442004304	16 December 2024	
Winner Medical (Wuhan)			15%	GR202242002319	09 November 2022	
Winner Guilin			15%	GR202345000323	04 December 2023	
Longterm Medical			15%	GR202333003226	08 December 2023	
Winner Medical (Hunan)			15%	GR202243004478	02 December 2022	
GRI METC			15%	GR202233001449	24 December 2022	
GRI Wuhu	Corporate income tax		15%	GR202234001166	18 October 2022	
Hangzhou Shengy			20%	N/A	N/A	
Zhejiang Honglan			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
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 <i>Circular on the Preferential Corporate Income Tax Policies and Catalogue for Hengqin New Area of Guangdong Province, Pingtan Comprehensive Experimental Area of Fujian Province and Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen City</i> (Cai Shui [2014] No.26) issued by the Ministry of Finance and State Taxation Administration, Qianhai Purcotton pays its corporate income tax at a tax rate of 15.00%.				
Qianhai Purcotton				15%	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), GRI METC, and GRI WUHU.

3. Others

VII. Notes to the consolidated financial statements

1. Currency funds

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Cash on hand	152,838.15	76,471.98
Cash at banks	1,348,440,889.85	4,676,600,881.85
Other currency funds	63,495,170.63	29,454,717.44
Total	1,412,088,898.63	4,706,132,071.27
Including: Total amount deposited abroad	87,101,777.00	6,765,888.80

Other disclosures:

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:

Item	2024	2023
Guarantee deposit for bank acceptance bill (Note 1)	44,202,960.58	10,935,300.00
Letter of credit (Note 2)	100,000.00	100,000.00
Performance bond (Note 3)	4,384,215.00	5,077,060.94
Letter of guarantee (Note 4)	230,000.00	6,600,000.00
Balance of other restricted currency funds (Note 5)	6,074,337.70	6,078,927.88
Total	54,991,513.28	28,791,288.82

Note 1: Guarantee deposit for bank acceptance bill refers to the guarantee deposit made by Longterm Medical, GRI METC and GRI PM to apply for bank acceptance bills.

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

Note 3: The performance bond refers to the bond deposited by Longterm Medical for automatic transfer of electricity charges; the bond deposited by Hong Kong Winner for bidding transactions with hospitals.

Note 4: Letter of guarantee represents the guarantee deposit made by Winner Medical (Hunan) to apply for the construction permission for its Phase II plant.

Note 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 apples.

Section X Financial Report

2. Financial assets held for trading

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	2,921,341,484.39	2,850,058,540.71
Including:		
Wealth management products issued by banks	1,332,175,347.40	1,735,249,266.74
Trust plan	1,589,166,136.99	1,114,809,273.97
Including:		
Total	2,921,341,484.39	2,850,058,540.71

Other disclosures:

3. Derivative financial assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Total	0.00	

Other disclosures:

4. Notes receivable

(1) Classified presentation of notes receivable

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Bank acceptance bills	34,319,961.81	42,963,076.53
Total	34,319,961.81	42,963,076.53

(2) Disclosure by bad debt provision accrual method

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Including:										
Including:										

Where the impairment allowances are made based on the general ECL model:

 Applicable Not applicable**(3) Provision for bad debts accrued, recovered or reversed**

Provision for bad debts accrued:

Currency: Renminbi Yuan

Category	Opening balance	Changes for the year				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	

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

 Applicable Not applicable**(4) Notes receivable pledged**

Currency: Renminbi Yuan

Item	Pledged notes receivable at end of year

(5) Notes receivable endorsed or discounted and not yet expired at the balance sheet date

Currency: Renminbi Yuan

Item	Derecognised	Not derecognised
Bank acceptance bills	0.00	12,654,437.35
Total		12,654,437.35

Section X Financial Report

(6) Notes receivable actually written off

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

Entity name	Nature of notes 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 notes receivable:

5. Accounts receivable

(1) Disclosure by aging

Currency: Renminbi Yuan

Aging	Closing balance	Opening balance
Within 1 year, inclusive	1,006,495,090.20	802,426,859.44
1 to 2 years	18,474,160.02	12,583,559.62
2 to 3 years	8,532,477.53	4,051,224.68
Over 3 years	13,225,461.37	2,899,121.73
3 to 4 years	7,176,362.31	1,601,949.62
4 to 5 years	3,065,166.50	292,384.46
Over 5 years	2,983,932.56	1,004,787.65
Total	1,046,727,189.12	821,960,765.47

(2) Disclosure by bad debt provision accrual method

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts made on an individual basis	4,274,807.30	0.41%	3,774,809.80	88.30%	499,997.50	9,715,810.58	1.18%	9,715,810.58	100.00%	0.00
Including:										
Provision for bad debts made on a collective basis	1,042,452,381.82	99.59%	62,334,737.94	5.98%	980,117,643.88	812,244,954.89	98.82%	43,642,665.29	5.37%	768,602,289.60
Including:										
Provision for bad debts made on a collective basis by credit risk characteristics	1,042,452,381.82	99.59%	62,334,737.94	5.98%	980,117,643.88	812,244,954.89	98.82%	43,642,665.29	5.37%	768,602,289.60
Total	1,046,727,189.12	100.00%	66,109,547.74	6.32%	980,617,641.38	821,960,765.47	100.00%	53,358,475.87	6.49%	768,602,289.60

Provision for bad debts made on an individual basis:

Currency: Renminbi Yuan

Name	Opening balance		Closing balance			
	Book balance	Impairment allowance	Book balance	Impairment allowance	Provision ratio (%)	Reasons for provision
Better Life Commercial Chain Share Co., Ltd.	6,387,334.23	6,387,334.23				N/A
Others	3,328,476.35	3,328,476.35	4,274,807.30	3,774,809.80	88.30%	
Total	9,715,810.58	9,715,810.58	4,274,807.30	3,774,809.80		

Section X Financial Report

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

Currency: Renminbi Yuan

Aging	Book balance	Closing balance	
		Impairment allowance	Provision ratio (%)
Within 1 year	1,006,495,090.20	50,324,757.41	5.00%
1 to 2 years	18,010,415.02	1,801,041.50	10.00%
2 to 3 years	5,880,077.53	1,764,023.26	30.00%
3 to 4 years	6,017,700.01	3,008,850.01	50.00%
4 to 5 years	3,065,166.50	2,452,133.20	80.00%
Over 5 years	2,983,932.56	2,983,932.56	100.00%
Total	1,042,452,381.82	62,334,737.94	

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

Where the impairment allowances are made based on the general ECL model:

Applicable Not applicable

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

Provision for bad debts accrued:

Currency: Renminbi Yuan

Category	Opening balance	Changes for the year				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Provision for bad debts made on an individual basis	9,715,810.58	963,742.50	517,409.05	6,387,334.23		3,774,809.80
Provision for bad debts made on a collective basis by credit risk characteristics	43,642,665.29	30,357,727.72	29,234,771.85		17,569,116.78	62,334,737.94
Total	53,358,475.87	31,321,470.22	29,752,180.90	6,387,334.23	17,569,116.78	66,109,547.74

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

Currency: Renminbi Yuan

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 changes are mainly due to increase from business combinations and exchange rate changes during the period

(4) Accounts receivable actually written off

Currency: Renminbi Yuan

Item	Amount written off
Accounts receivable actually written off	6,387,334.23

Write-off of significant accounts receivable:

Currency: Renminbi Yuan

Entity name	Nature of accounts receivable	Amount written off	Reasons for write-off	Write-off procedures performed	Whether due to/ from related party transactions
Better Life Commercial Chain Share Co., Ltd.	Sales payment receivable	6,387,334.23	Debt restructuring	Internal approval	No
Total		6,387,334.23			

Description of write-off of accounts receivable:

Note: Better Life Commercial Chain Share Co., Ltd. completed bankruptcy reorganisation in September 2024. For details of the debt restructuring, please refer to "Note VII.69 Investment income".

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

Currency: Renminbi Yuan

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
First	125,213,699.98		125,213,699.98	11.96%	6,261,113.18
Second	27,021,578.85		27,021,578.85	2.58%	1,388,288.04
Third	21,109,850.38		21,109,850.38	2.02%	1,055,492.52
Fourth	17,902,016.22		17,902,016.22	1.71%	895,100.83
Fifth	17,226,584.97		17,226,584.97	1.65%	861,329.25
Total	208,473,730.40		208,473,730.40	19.92%	10,461,323.82

Refer to Note XII.3 for accounts receivable transfers.

6. Contract assets

(1) Details of contract assets

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Book balance	Provision ratio (%)	Carrying amount	Book balance	Provision ratio (%)	Carrying amount
Total			0.00			

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

Currency: Renminbi Yuan

Item	Changes for the year	Reasons for changes

(3) Disclosure by bad debt provision accrual method

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance			Book balance		Impairment allowance		
	Amount	Proportion (%)	Amount	Provision ratio (%)	Carrying amount	Amount	Proportion (%)	Amount	Provision ratio (%)	Carrying amount
Including:										
Including:										

Where the impairment allowances are made based on the general ECL model:

 Applicable Not applicable

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

Currency: Renminbi Yuan

Item	Accrual	Recovery or reversal	Transfer/Write-off	Reasons

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

Currency: Renminbi Yuan

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

Other disclosures:

Section X Financial Report

Where the impairment allowances are made based on the general ECL model

Currency: Renminbi Yuan

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

Provision (reversal) for the year

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

Currency: Renminbi Yuan

Category	Opening balance	Changes for the year				Closing balance
		Accrual	Recovery or reversal	Transfer/Write-off	Others	

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

Currency: Renminbi Yuan

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 disclosures:

(4) Receivables financing pledged

Currency: Renminbi Yuan

Item	Pledged receivables financing at end of year
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(5) Receivables financing endorsed or discounted and not yet expired at the balance sheet date

Currency: Renminbi Yuan

Item	Derecognised	Not derecognised
Receivables financing	44,646,850.70	0.00
Total	44,646,850.70	0.00

(6) Receivables financing actually written off

Currency: Renminbi Yuan

Item	Amount written off
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Write-off of significant receivables financing

Currency: Renminbi Yuan

Entity name	Nature of receivables financing	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:

(7) Changes in receivables financing and fair value movements during the period**(8) Other disclosures**

8. Other receivables

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Interest receivable	0.00	
Dividends receivable	0.00	
Other receivables	186,351,012.28	218,913,405.18
Total	186,351,012.28	218,913,405.18

(1) Dividends receivable

1) Classification of dividends receivable

Currency: Renminbi Yuan

Item (or investee)	Closing balance	Opening balance
Total	0.00	

2) Significant dividends receivable aged over 1 year

Currency: Renminbi Yuan

Item (or investee)	Closing balance	Aging	Reasons for non-recovery	Impairment or not and basis for judgment

3) Disclosure by bad debt provision accrual method

 Applicable Not applicable

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4) Provision for bad debts accrued, recovered or reversed

Currency: Renminbi Yuan

Category	Opening balance	Changes for the year				Closing balance
		Accrual	Recovery or reversal	Transfer/Write-off	Others	

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

Currency: Renminbi Yuan

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 disclosures:

5) Dividends receivable actually written off

Currency: Renminbi Yuan

Item	Amount written off
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Write-off of significant dividends receivable

Currency: Renminbi Yuan

Entity name	Nature of dividends 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 dividends receivable:

Other disclosures:

Section X Financial Report

(2) Other receivables

1) Classification by nature

Currency: Renminbi Yuan

Nature	Closing balance	Opening balance
Compensation for investment and construction project of Winner Medical (Heyuan)	217,155,320.00	220,155,320.00
Deposit and guarantee deposit	51,068,341.89	101,019,054.40
Amounts due from related parties outside the scope of consolidation of the Group	5,186,667.64	
Employee petty cash	1,625,166.73	3,453,440.82
Others	31,649,509.07	13,192,323.37
Total	306,685,005.33	337,820,138.59

2) Disclosure by aging

Currency: Renminbi Yuan

Aging	Closing balance	Opening balance
Within 1 year, inclusive	46,812,996.63	37,682,315.11
1 to 2 years	8,315,527.96	17,911,211.16
2 to 3 years	3,952,388.84	13,979,257.63
Over 3 years	247,604,091.90	268,247,354.69
3 to 4 years	3,951,681.84	17,098,300.38
4 to 5 years	6,965,806.49	228,654,779.32
Over 5 years	236,686,603.57	22,494,274.99
Total	306,685,005.33	337,820,138.59

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3) Disclosure by bad debt provision accrual method

 Applicable Not applicable

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts made on an individual basis	219,310,090.37	71.51%	110,322,244.51	50.30%	108,987,845.86	220,391,165.90	65.24%	110,313,505.90	50.05%	110,077,660.00
Including:										
Provision for bad debts made on a collective basis	87,374,914.96	28.49%	10,011,748.54	11.46%	77,363,166.42	117,428,972.69	34.76%	8,593,227.51	7.32%	108,835,745.18
Including:										
Aging	33,698,253.02	10.99%	7,465,560.68	22.15%	26,232,692.34	16,845,623.22	4.99%	3,565,039.11	21.16%	13,280,584.11
Deposit and guarantee deposit	50,923,757.50	16.60%	2,546,187.86	5.00%	48,377,569.64	100,583,349.47	29.77%	5,028,188.40	5.00%	95,555,161.07
No credit risk	2,752,904.44	0.90%			2,752,904.44					
Total	306,685,005.33	100.00%	120,333,993.05	39.24%	186,351,012.28	337,820,138.59	100.00%	118,906,733.41	35.20%	218,913,405.18

Provision for bad debts made on an individual basis:

Currency: Renminbi Yuan

Name	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision ratio (%)	Reasons for provision
Zijin County People's Government	220,155,320.00	110,077,660.00	217,155,320.00	108,577,660.00	50.00%	Government receivables, aged over 5 years
Total	220,155,320.00	110,077,660.00	217,155,320.00	108,577,660.00		

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Provision for bad debts made on a collective basis: Aging

Currency: Renminbi Yuan

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision ratio (%)
Within 1 year	26,559,067.85	1,327,953.43	5.00%
1 to 2 years	884,529.92	88,452.99	10.00%
2 to 3 years	271,551.20	81,465.36	30.00%
3 to 4 years	512.63	256.32	50.00%
4 to 5 years	75,794.20	60,635.36	80.00%
Over 5 years	5,906,797.22	5,906,797.22	100.00%
Total	33,698,253.02	7,465,560.68	

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

Where the impairment allowances are made based on the general ECL model:

Currency: Renminbi Yuan

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	
Balance at 1 January 2024	8,593,227.51	98,572,876.36	11,740,629.54	118,906,733.41
Provision (reversal) for the year				
Provision	2,353,308.73	1,600,000.00		3,953,308.73
Reversal	7,387,860.17	1,591,261.50		8,979,121.67
Other changes	6,453,072.58 ^{Note 1}	0.00		6,453,072.58
Balance at 31 December 2024	10,011,748.65	98,581,614.86	11,740,629.54	120,333,993.05

Note 1: Other changes are mainly due to increase from business combinations

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 Not applicable

Section X Financial Report

4) Provision for bad debts accrued, recovered or reversed

Provision for bad debts accrued:

Currency: Renminbi Yuan

Category	Opening balance	Changes for the year			Closing balance
		Accrual	Recovery or reversal	Transfer/Write-off Others	
Provision for bad debts	118,906,733.41	3,953,308.73	8,979,121.67	6,453,072.58	120,333,993.05
Total	118,906,733.41	3,953,308.73	8,979,121.67	6,453,072.58	120,333,993.05

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

Currency: Renminbi Yuan

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

5) Other receivables actually written off

Currency: Renminbi Yuan

Item	Amount written off

Write-off of significant dividends receivable: In 2024, the Company had no other receivables actually written off.

Currency: Renminbi Yuan

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

Description of write-off of other receivables:

Section X Financial Report

6) Top 5 other receivables with closing balances by debtor

Currency: Renminbi Yuan

Entity name	Nature of other receivables	Closing balance	Aging	Proportion in total balance of other receivables (%)	Closing balance of provision for bad debts
First	Receivables related to Heyuan project	217,155,320.00	Over 5 years	70.81%	108,577,660.00
Second	Others	5,149,046.43	Over 5 years	1.68%	5,149,046.43
Third	Deposits	3,903,348.69	Within 1 year	1.27%	195,167.43
Fourth	Others	2,752,904.44	1 to 2 years	0.90%	
Fifth	Deposits	2,311,115.80	Within 1 year	0.75%	115,555.79
Total		231,271,735.36		75.41%	114,037,429.65

7) Presented as "Other receivables" due to centralised management

Currency: Renminbi Yuan

Other disclosures:

9. Prepayments

(1) Presentation of prepayments by aging

Currency: Renminbi Yuan

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	104,869,986.82	98.35%	119,158,386.43	97.45%
1 to 2 years	1,216,447.34	1.14%	2,613,992.18	2.14%
2 to 3 years	965,467.52	0.50%	509,364.14	0.42%
Total	107,051,901.68		122,281,742.75	

Description of the reason why significant prepayments aged over one year were not settled in time: The Company had no significant prepayments aged over one year.

(2) Top 5 prepayments with closing balances by supplier

Item	Closing balance	Proportion in total closing balance of prepayments (%)
First	25,916,159.76	23.02
Second	5,833,183.50	5.18
Third	4,881,002.51	4.34
Fourth	3,411,860.92	3.03
Fifth	2,838,548.84	2.52
Total	42,880,755.53	38.09

Other disclosures:

10. Inventories

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

No

(1) Classification

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Book balance	Provision for write-down of inventories/impairment of costs to fulfil a contract	Carrying amount	Book balance	Provision for write-down of inventories/impairment of costs to fulfil a contract	Carrying amount
Raw materials	422,260,084.86	9,769,459.08	412,490,625.78	257,540,786.57	13,590,764.92	243,950,021.65
Work in process	265,426,666.70	29,252,698.59	236,173,968.11	202,621,436.49	36,094,235.16	166,527,201.33
Finished goods	1,411,909,543.62	167,669,713.69	1,244,239,829.93	1,187,727,556.66	205,259,954.93	982,467,601.73
Semi-finished products shipped in transit	48,244,017.80		48,244,017.80	24,716,158.02		24,716,158.02
Low-value consumables	18,956,973.99	2,290,807.36	16,666,166.63	18,264,295.81	1,598,990.58	16,665,305.23
Total	2,166,797,286.97	208,982,678.72	1,957,814,608.25	1,690,870,233.55	256,543,945.59	1,434,326,287.96

(2) Data resources recognised as inventories

Currency: Renminbi Yuan

Item	Purchased data resources	Self-processed data resources	Other data resources	Total
1. Carrying amount at end of year				0.00

(3) Provision for write-down of inventories/impairment of costs to fulfil a contract

Currency: Renminbi Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Reversal or write-off	Others	
Raw materials	13,590,764.92	14,460,044.82		18,281,350.66		9,769,459.08
Work in process	36,094,235.16	14,003,884.01		20,845,420.58		29,252,698.59
Finished goods	205,259,954.93	121,099,652.07		158,689,893.31		167,669,713.69
Low-value consumables	1,598,990.58	2,479,535.48		1,787,718.70		2,290,807.36
Total	256,543,945.59	152,043,116.38		199,604,383.25		208,982,678.72

For finished goods, the net realisable value is the estimated selling price of them less the estimated costs necessary to make the sale and relevant taxes. For inventories of materials subject to processing, the net realisable value is the estimated selling price of finished goods produced less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes.

The reversal or write-off of inventory write-downs in the current year were mainly due to the corresponding write-off due to the sale or use of products.

Inventories written down on a collective basis

Currency: Renminbi Yuan

Name	End of year			Beginning of year		
	Closing balance	Inventory write-downs	Accruing proportion (%)	Opening balance	Inventory write-downs	Accruing proportion (%)
Raw materials and entrusted processing materials	422,260,084.86	9,769,459.08	2.31%	257,540,786.57	13,590,764.92	5.28%
Work in process	265,426,666.70	29,252,698.59	11.02%	202,621,436.49	36,094,235.16	17.81%
Finished goods	1,411,909,543.62	167,669,713.69	11.88%	1,187,727,556.66	205,259,954.93	17.28%
Semi-finished products shipped in transit	48,244,017.80			24,716,158.02		
Low-value consumables	18,956,973.99	2,290,807.36	12.08%	18,264,295.81	1,598,990.58	8.75%
Total	2,166,797,286.97	208,982,678.72	9.64%	1,690,870,233.55	256,543,945.59	15.17%

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

For finished goods, the net realisable value is the estimated selling price of them less the estimated costs necessary to make the sale and relevant taxes. For inventories of materials subject to processing, the net realisable value is the estimated selling price of finished goods produced less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes.

The reversal or write-off of inventory write-downs in the current year were mainly due to the corresponding write-off due to the sale or use of products.

(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 year

11. Assets classified as held for sale

Currency: Renminbi Yuan

Item	Closing balance	Impairment allowance	Carrying amount at end of year	Fair value	Estimated disposal cost	Estimated disposal time

Other disclosures:

12. Current portion of non-current assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Long-term receivables due within one year	4,479,684.84	4,379,308.17
Principal and interest of certificates of deposits due within one year	340,988,583.36	
Total	345,468,268.20	4,379,308.17

(1) Debt investments due within one year

Applicable Not applicable

(2) Other debt investments due within one year

Applicable Not applicable

13. Other current assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Return cost receivable	792,155.41	779,058.41
VAT input tax to be deducted/Uncertified input tax	38,151,229.60	51,890,783.52
Prepaid corporate income tax	745,868.29	38,171,660.89
Prepaid expenses	28,014,182.32	10,150,883.88
Pledged certificate of deposit (Note 1*)		180,000,000.00
Others	33,088.28	97,861,265.94
Total	67,736,523.90	378,853,652.64

Other disclosures:

Note 1*: Represents certificate of deposit pledged by Winner Medical Co., Ltd. and Shenzhen Purcotton to apply for bank acceptance bills.

14. Debt investments

(1) Details of debt investments

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment allowance	Carrying amount	Book balance	Impairment allowance	Carrying amount

Changes in impairment allowance for debt investments in the current period

Currency: Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance

(2) Important debt investments at end of year

Currency: Renminbi Yuan

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

(3) Impairment allowance

Currency: Renminbi Yuan

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

Provision (reversal) for the year

Criteria for stage classification and provision ratio for bad debts

(4) Debt investments actually written off

Currency: Renminbi Yuan

Item	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 debt investments contributing to significant changes in the loss allowance in the current period

 Applicable Not applicable

Other disclosures:

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15. Other debt investments

(1) Details of other debt investments

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
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(2) Important other debt investments at end of year

Currency: Renminbi Yuan

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

(3) Impairment allowance

Currency: Renminbi Yuan

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

Provision (reversal) for the year

Criteria for stage classification and provision ratio for bad debts

(4) Other debt investments actually written off

Currency: Renminbi Yuan

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

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

 Applicable Not applicable

Other disclosures:

16. Other equity investments

Currency: Renminbi Yuan

Item	Closing balance	Opening balance	Gain in other comprehensive income during the current year	Loss in other comprehensive income during the current year	Accumulative gain in other comprehensive income	Accumulative loss in other comprehensive income	Dividends income during the current year	Reasons for being designated as at fair value through other comprehensive income
Total	0.00							

Derecognition during the current year

Currency: Renminbi Yuan

Item	Accumulated gain transferred to retained earnings	Accumulated loss transferred to retained earnings	Reason for derecognition
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Breakdown of equity investments which are not held for trading during the current year

Currency: Renminbi Yuan

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 disclosures:

17. Long-term receivables

(1) Long-term receivables

Currency: Renminbi Yuan

Item	Closing balance			Opening balance			Discount rate range
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount	
Finance leases	35,689,264.21		35,689,264.21	40,068,572.38		40,068,572.38	4.20%-5.00%
Including: Unearned finance income	-7,241,784.14		-7,241,784.14	-9,320,807.04		-9,320,807.04	4.20%-5.00%
Current portion of non-current assets	-4,479,684.84		-4,479,684.84	-4,379,308.17		-4,379,308.17	4.20%-5.00%
Rental deposits	60,237,947.22	3,011,897.37	57,226,049.85				2.60%-2.90%
Total	91,447,526.59	3,011,897.37	88,435,629.22	35,689,264.21		35,689,264.21	

(2) Disclosure by bad debt provision accrual method

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Including:										
Provision for bad debts made on a collective basis	91,447,526.59	100.00%	3,011,897.34	3.29%	88,435,629.25					
Including:										
Total	91,447,526.59	100.00%	3,011,897.34	3.29%	88,435,629.25					

Provision for bad debts made on a collective basis:

Currency: Renminbi Yuan

Name	Closing balance		
	Book balance	Provision for bad debts	Provision ratio (%)
Provision for bad debts made on a collective basis by credit risk characteristics	91,447,526.59	3,011,897.37	3.29%
Including:			
Deposit and guarantee deposit	60,237,947.22	3,011,897.37	5.00%
Others	31,209,579.37		
Total	91,447,526.59	3,011,897.37	

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

Where the impairment allowances are made based on the general ECL model:

Currency: Renminbi Yuan

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	
Provision (reversal) for the year				

Criteria for stage classification and provision ratio for bad debts

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

Currency: Renminbi Yuan

Category	Opening balance	Changes for the year			Closing balance
		Accrual	Recovery or reversal	Transfer/Write-off Others	
Rental deposit		3,011,897.37			3,011,897.37
Total		3,011,897.37			3,011,897.37

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

Currency: Renminbi Yuan

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

Other disclosures:

(4) Long-term receivables actually written off

Currency: Renminbi Yuan

Item	Amount written off
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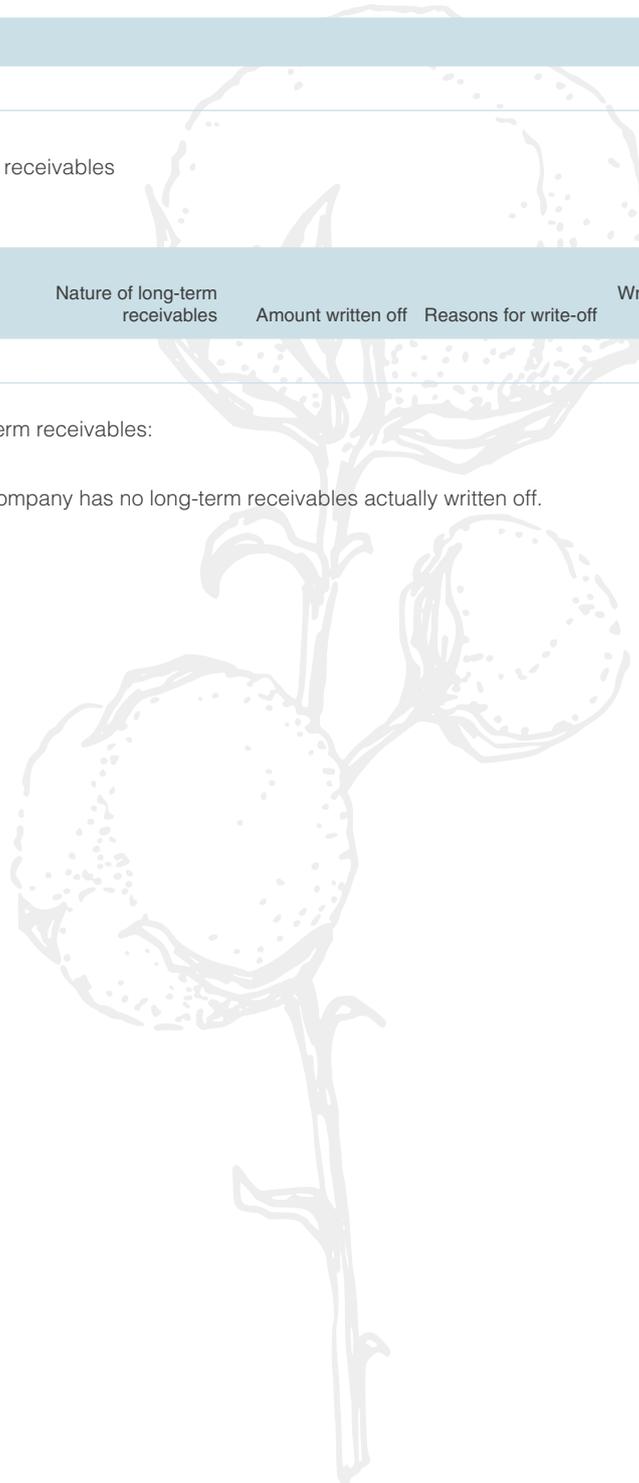
Write-off of significant long-term receivables

Currency: Renminbi Yuan

Entity name	Nature of long-term 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 long-term receivables:

As at 31 December 2024, the Company has no long-term receivables actually written off.



18. Long-term equity investments

Currency: Renminbi Yuan

Investee	Opening balance (carrying amount)	Opening balance of impairment provision	Changes for the year					Closing balance (carrying amount)	Closing balance of impairment provision
			Additional investment	Reduced investment	Investment gains and losses recognised under the equity method	Adjustment on other comprehensive income	Other changes in equity		
I. Joint ventures									
II. Associates									
Chengdu Winner Liliang Medical Products Co., Ltd.	20,377,034.07			335,565.86					20,712,539.33
Hubei Xianchuang Technology Co., Ltd.	502,210.13								502,210.13
Company S ^{Note 1}			428,074,000.00		-11,380,681.36	6,455,331.04			423,148,649.68
Zhejiang Shiyou Medical Materials Co., Ltd.				-280,619.14			1,252,937.40 ^{Note 2}		992,318.26
Sub-total	20,879,244.20		435,923,148.84	-11,305,734.65					445,355,778.00
Total	20,879,244.20		435,923,148.84	-11,305,734.65					445,355,778.00

Note 1: On 28 February 2024, the Company acquired 35.2055% equity in Company S at a consideration of USD60 million (equivalent to RMB428,074,000.00). The Company paid 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 significant impact on Company S, and it is accounted for under the equity method.

Note 2: Other changes are mainly due to increase from business combinations

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

Applicable Not applicable

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

Applicable Not applicable

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Currency: Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment provided	Years of forecast period	Key parameters for forecast period	Key parameters for the stable period	Basis for determining the key parameters of the stable period
Company S	423,148,649.68	452,544,513.48	0.00	5 years	Note 1*	Note 1*	Note 1*
Total	423,148,649.68	452,544,513.48	0.00				

Note 1*: Based on a comprehensive analysis of Company S's signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to the specific product categories, it is predicted that the revenue growth from 2025 to 2029 will be 28.92%, 27.85%, 28.46%, 28.90% and 29.23%, respectively; gross deposits from 2025 to 2029 will be 50.85%, 50.18%, 49.69%, 49.34% and 49.09%, respectively; while in the stable period, the revenue growth will be zero, the gross deposits will be consistent with that in 2029, and the discount rate before taxation will be 13.45%.

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 disclosures:

Due to losses in 2024, the Company tested the long-term equity investments of Company S for impairment. According to the results of the impairment testing, no provision for impairment is required for the current year.

19. Other non-current financial assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss		
Including: Fund investments	76,673,047.39	70,000,000.00
Convertible corporate bond investments (Note)	31,233,669.47	
Total	107,906,716.86	70,000,000.00

Other disclosures:

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 Not applicable

Currency: Renminbi Yuan

Item	Buildings	Land use rights	Construction in progress	Total
I. Cost				
1. Opening balance	10,739,083.13			10,739,083.13
2. Increase				
(1) Purchases				
(2) Transfers from inventories/fixed assets/ construction in progress				
(3) Increase from business combinations				
3. Decrease	4,766,112.61			4,766,112.61
(1) Disposals				
(2) Other transfer-outs	4,766,112.61			4,766,112.61
4. Closing balance	5,972,970.52			5,972,970.52
II. Accumulated depreciation and amortisation				
1. Opening balance	3,045,741.34			3,045,741.34
2. Increase	1,058,806.22			1,058,806.22
(1) Provision or amortisation	1,058,806.22			1,058,806.22
3. Decrease	491,923.29			491,923.29
(1) Disposals				
(2) Other transfer-outs	491,923.29			491,923.29
4. Closing balance	3,612,624.27			3,612,624.27
III. Provision for impairment				
1. Opening balance				
2. Increase				
(1) Provision				
3. Decrease				
(1) Disposals				
(2) Other transfer-outs				
4. Closing balance				

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Item	Buildings	Land use rights	Construction in progress	Total
IV. Carrying amount				
1. Carrying amount at end of year	2,360,346.25			2,360,346.25
2. Carrying amount at beginning of year	7,693,341.79			7,693,341.79

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

Applicable Not applicable

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

Applicable Not applicable

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 disclosures:

(2) Investment properties measured using the fair value model

Applicable Not applicable

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

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

Item	Carrying amount	Reasons for not obtaining the certificate of title
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Other disclosures: As at 31 December 2024, the Company had no investment properties without certificates of title.

21. Fixed assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Fixed assets	3,354,304,108.81	2,749,018,750.62
Total	3,354,304,108.81	2,749,018,750.62

(1) Fixed assets

Currency: Renminbi Yuan

Item	Buildings	Land use rights	Machinery	Vehicles	Electronic equipment, office equipment and others	Total
I. Cost:						
1. Opening balance	2,009,828,801.41	-	1,860,574,551.49	35,543,871.77	164,134,135.94	4,070,081,360.61
2. Increase	460,354,352.80	2,757,500.14	372,078,837.28	10,103,206.23	77,242,752.96	922,536,649.41
(1) Purchases	30,439,646.80	-	69,226,429.23	2,853,750.22	53,606,485.95	156,126,312.20
(2) Transfers from construction in progress	259,338,746.72	-	205,214,297.42	-	1,466,482.46	466,019,526.60
(3) Increase from business combinations	165,809,846.67	2,757,500.14	97,638,110.63	7,249,456.01	22,169,784.55	295,624,698.00
Other transfers	4,766,112.61					4,766,112.61
3. Decrease	20,507,915.04	67,727.02	57,275,822.35	2,300,396.09	3,457,306.41	83,609,166.91
(1) Disposals or retirements	18,812,123.39		55,732,979.76	2,151,990.86	2,877,146.46	79,574,240.47
Changes in exchange rate	1,695,791.65	67,727.02	1,542,842.59	148,405.23	580,159.95	4,034,926.44
4. Closing 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
II. Accumulated depreciation						
1. Opening balance	382,214,592.23		703,126,447.87	22,075,956.18	92,754,109.55	1,200,171,105.83
2. Increase	70,310,473.80		171,409,103.86	2,727,484.43	41,050,358.96	285,497,421.05
(1) Provision	69,818,550.51		171,409,103.86	2,727,484.43	41,050,358.96	285,005,497.76
Other transfers	491,923.29					491,923.29
3. Decrease	15,328,682.28		22,303,904.28	2,013,926.86	2,290,817.89	41,937,331.31
(1) Disposals or retirements	15,060,003.82		21,825,364.94	1,957,429.83	2,039,807.51	40,882,606.10
Changes in exchange rate	268,678.46		478,539.34	56,497.03	251,010.38	1,054,725.21
4. Closing 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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Item	Buildings	Land use rights	Machinery	Vehicles	Electronic equipment, office equipment and others	Total
III. Provision for impairment						
1. Opening balance	43,277,161.98		76,469,048.39	25,258.85	1,120,034.94	120,891,504.16
2. Increase			8,325,577.39	-		8,325,577.39
(1) Provision			8,325,577.39	-		8,325,577.39
3. Decrease	-		18,213,336.85	25,258.85	4,947.12	18,243,542.82
(1) Disposals or retirements	-		18,213,336.85	25,258.85	4,947.12	18,243,542.82
4. Closing balance	43,277,161.98		66,581,288.93	-	1,115,087.82	110,973,538.73
IV. Carrying amount						
1. Carrying amount at end of year	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. Carrying amount at beginning of year	1,584,337,047.20		1,080,979,055.23	13,442,656.74	70,259,991.45	2,749,018,750.62

(2) Temporarily idle fixed assets

Currency: Renminbi Yuan

Item	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Notes
Buildings	953,844.52	852,966.48	70,292.96	30,585.08	Not currently in use
Machinery	33,624,774.76	13,765,647.76	13,057,003.44	6,802,123.56	Not currently in use
Electronic equipment, office equipment and others	1,237,751.96	700,901.59	428,291.64	108,558.73	Not currently in use
Total	35,816,371.24	15,319,515.83	13,555,588.04	6,941,267.37	

(3) Fixed assets leased out under operating leases

Currency: Renminbi Yuan

Item	Carrying amount at end of year
Plants leased out	4,274,189.32

(4) Fixed assets without certificates of title

Currency: Renminbi Yuan

Item	Carrying amount	Reasons for not obtaining the certificate of title
Winner Medical (Tianmen) - Automated storage	643,563.93	The formalities have not yet been completed
Spunlace Phase III No.2 Finished Product Workshop Project of Winner Medical (Tianmen)	11,302,274.80	The formalities have not yet been completed
Winner Medical (Wuhan) - No.1 Sorting Workshops (Phase II)	61,804,811.89	The formalities have not yet been completed
Winner Medical (Wuhan) - No.2 Sorting Workshops (Phase II)	120,405,199.01	The formalities have not yet been completed
Winner Medical (Wuhan) - No.3 Sorting Workshops (Phase II)	54,643,562.27	The formalities have not yet been completed

Other disclosures:

(5) Impairment testing of fixed assets Applicable Not applicable

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

 Applicable Not applicable

Currency: Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment provided	Determination of fair value and costs of disposal	Key parameters	Basis for determining key parameters
Machinery	9,195,593.39	870,016.00	8,325,577.39	Valuation based on residual value rate		
Total	9,195,593.39	870,016.00	8,325,577.39			

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

 Applicable Not applicable

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 disclosures:

The Company conducted impairment testing on the long-term asset groups or sets of asset groups with any indication of impairment (including fixed assets, construction in progress, intangible assets, and right-of-use assets). According to the testing results, there is no need to make provision for impairment loss. The recoverable amount of the relevant asset groups or sets of asset groups is determined at the present value of the estimated future cash flows. Please refer to Note VII.27 for specific assumptions.

(6) Disposal of fixed assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
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Other disclosures:



22. Construction in progress

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Construction in progress	1,074,955,450.40	984,571,329.05
Total	1,074,955,450.40	984,571,329.05

(1) Construction in progress

Currency: Renminbi Yuan

Project	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Winner Medical (Jiayu) engineering project	426,769,460.94	0.00	426,769,460.94	308,354,182.04	0.00	308,354,182.04
Winner Medical (Shenzhen) engineering project	190,817,210.35	0.00	190,817,210.35	76,348,750.97	0.00	76,348,750.97
Winner Medical (Hunan) engineering project	133,036,931.53	0.00	133,036,931.53	59,274,700.93	0.00	59,274,700.93
Longterm Medical engineering project	75,596,709.28	0.00	75,596,709.28	18,342,398.26	0.00	18,342,398.26
Winner Medical (Wuhan) engineering project	47,827,152.56	0.00	47,827,152.56	312,034,251.51	0.00	312,034,251.51
GRI engineering project	43,810,296.12	0.00	43,810,296.12	0.00	0.00	0.00
Winner Guilin engineering project	24,761,050.09	10,205,833.26	14,555,216.83	46,030,337.25	10,205,833.26	35,824,503.99
Tianmen infrastructure project	641,726.39	0.00	641,726.39	1,009,831.16	0.00	1,009,831.16
Winner Medical (Huanggang) Engineering Project	0.00	0.00	0.00	12,299,188.10	0.00	12,299,188.10
Other equipment to be installed and sporadic project	141,900,746.40	0.00	141,900,746.40	161,112,922.09	29,400.00	161,083,522.09
Total	1,085,161,283.66	10,205,833.26	1,074,955,450.40	994,806,562.31	10,235,233.26	984,571,329.05

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(2) Changes in significant construction in progress

Currency: Renminbi Yuan

Project name	Budgeted amount	Opening balance	Increase	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	59,274,700.93	74,457,805.82	695,575.22		133,036,931.53	56.38%	95.00%				Others
Winner Industrial Park (Jiayu) Project Construction Engineering of Workshop 1-4	262,940,000.00	185,383,717.54	63,518,831.99	21,771,140.53		227,131,409.00	95.00%	90.00%				Others
Medical Industry Building of Winner Medical (Shenzhen)	261,723,960.00	68,986,974.75	119,038,763.71	0.00		188,025,738.46	71.84%	85.00%				Others
Winner Medical (Wuhan) Phase II Main Project	110,871,722.11	91,545,458.64	34,330,793.39	115,767,803.86		10,108,448.17	102.69%	99.00%				Others
Automated Storage Engineering in Phase II Plant of Winner Medical (Wuhan)	98,960,000.00	80,707,964.60	3,176,169.23	83,884,133.83		0.00	80.73%	97.00%				Others
Mexico Longterm engineering project	88,000,000.00	16,988,799.61	47,778,310.97	0.00		64,767,110.58	73.60%	75.60%				Others
R&D Center Project of Winner Medical (Wuhan)	64,466,270.00	31,085,281.20	32,199,111.12	60,050,162.60		3,234,229.72	89.99%	97.00%				Others
Shift Building and Canteen Expansion Project of Winner Medical (Wuhan)	33,213,730.00	31,705,400.06	6,263,545.91	37,968,945.97			90.00%	100.00%				Others
Total	1,337,475,682.11	565,678,297.33	380,763,332.14	320,137,762.01		626,303,867.46						

(3) Provision for impairment of construction in progress

Currency: Renminbi Yuan

Item	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
N95 Respirator Earloop Welding Machine Loader and others	29,400.00		29,400.00		
Total	10,235,233.26		29,400.00	10,205,833.26	—

Other disclosures: The Company conducted impairment testing on the long-term asset groups or sets of asset groups with any indication of impairment (including fixed assets, construction in progress, intangible assets, and right-of-use assets). According to the testing results, there is no need to make provision for impairment loss. The recoverable amount of the relevant asset groups or sets of asset groups is determined at the present value of the estimated future cash flows. Please refer to note VII.27 for specific assumptions.

(4) Impairment testing of construction in progress

Applicable Not applicable

The Company conducted impairment testing on the longterm asset groups or sets of asset groups with any indication of impairment (including fixed assets, construction in progress, intangible assets, and right-of-use assets). According to the testing results, there is no need to make provision for impairment loss. The recoverable amount of the relevant asset groups or sets of asset groups is determined at the present value of the estimated future cash flows. Please refer to Note VII.27 for specific assumptions.

(5) Materials for construction

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount

Other disclosures:

23. Bearer biological assets**(1) Bearer biological assets measured at cost** Applicable Not applicable**(2) Impairment testing of bearer biological assets measured at cost** Applicable Not applicable**(3) Bearer biological assets measured using the fair value model** Applicable Not applicable**24. Oil and gas assets** Applicable Not applicable**25. Right-of-use assets****(1) Right-of-use assets**

Currency: Renminbi Yuan

Item	Buildings	Machinery	Vehicles	Total
I. Cost				
1. Opening balance	865,553,649.50			865,553,649.50
2. Increase	417,983,273.40	1,006,008.22	3,485,345.53	422,474,627.15
New lease	257,983,830.44	980,677.48	3,397,586.43	262,362,094.35
Increase from business combinations	155,970,744.00	25,330.74	87,759.10	156,083,833.84
Changes in exchange rate	4,028,698.96			4,028,698.96
3. Decrease	275,075,913.37			275,075,913.37
Disposals	275,075,913.37			275,075,913.37
4. Closing balance	1,008,461,009.53	1,006,008.22	3,485,345.53	1,012,952,363.28

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Item	Buildings	Machinery	Vehicles	Total
II. Accumulated depreciation				
1. Opening balance	448,057,628.14			448,057,628.14
2. Increase	221,566,281.31	104,601.86	227,969.25	221,898,852.42
(1) Provision	221,551,158.66	104,290.90	227,291.53	221,882,741.09
Changes in exchange rate	15,122.65	310.96	677.72	16,111.33
3. Decrease	252,226,740.94			252,226,740.94
(1) Disposals	252,226,740.94			252,226,740.94
4. Closing balance	417,397,168.51	104,601.86	227,969.25	417,729,739.62
III. Provision for impairment				
1. Opening balance				
2. Increase				
(1) Provision				
3. Decrease				
(1) Disposals				
4. Closing balance				
IV. Carrying amount				
1. Carrying amount at end of year	591,063,841.02	901,406.36	3,257,376.28	595,222,623.66
2. Carrying amount at beginning of year	417,496,021.36			417,496,021.36

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

Applicable Not applicable

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

Applicable Not applicable

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Currency: Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment provided	Years of forecast period	Key parameters for forecast period	Key parameters for the stable period	Basis for determining the key parameters of the stable period
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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 disclosures:

The Company conducted impairment testing on the long-term asset groups or sets of asset groups with any indication of impairment (including fixed assets, construction in progress, intangible assets, and right-of-use assets). According to the testing results, there is no need to make provision for impairment loss. The recoverable amount of the relevant asset groups or sets of asset groups is determined at the present value of the estimated future cash flows. Please refer to Note VII.27 for specific assumptions.

26. Intangible assets

(1) Intangible assets

Currency: Renminbi Yuan

Item	Land use rights	Patents	Know-how	Software use rights	Franchised use right	Trademarks	Customer relationships	Total
I. Cost								
1. Opening balance	547,679,428.57	269,943,554.50		98,563,144.05	10,228,226.53	95,103,980.97	189,568,908.40	1,211,087,243.02
2. Increase	38,326,928.63	7,594,946.21	-	24,751,916.14	-	58,809,146.07	46,017,740.69	175,500,677.74
(1) Purchases	1,040,300.05	2,968,871.41		2,003,107.50	-	271,412.96	-	6,283,691.92
(2) Internal development								
(3) Increase from business combinations	37,286,628.58	4,626,074.80		22,748,808.64		58,537,733.11	46,017,740.69	169,216,985.82
3. Decrease	614,803.88	9,674,810.36	-	963,408.42	-	2,500,000.00	-	13,753,022.66
(1) Disposals		7,253,294.04	-	-	-	2,500,000.00	-	9,753,294.04
Changes in exchange rate	614,803.88	2,421,516.32		963,408.42				3,999,728.62
4. Closing 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
II. Accumulated amortisation								
1. Opening balance	60,691,855.38	52,227,917.11		55,153,676.14	10,228,226.53	15,074,249.42	22,483,084.93	215,859,009.51
2. Increase	11,437,053.34	26,021,361.44	-	6,514,181.18		9,548,202.96	17,797,627.44	71,318,426.36
(1) Provision	11,437,053.34	26,021,361.44		6,514,181.18		9,548,202.96	17,797,627.44	71,318,426.36
3. Decrease	107,129.46	7,425,248.49	-	65,658.37		2,499,999.72	-	10,098,036.04
(1) Disposals		7,253,294.04				2,500,000.00		9,753,294.04
Changes in exchange rate	107,129.46	171,954.45	-	65,658.37		-0.28		344,742.00
4. Closing 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

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Item	Land use rights	Patents	Know-how	Software use rights	Franchised use right	Trademarks	Customer relationships	Total
III. Provision for impairment								
1. Opening balance								
2. Increase								
(1) Provision								
3. Decrease								
(1) Disposals								
4. Closing balance								
IV. Carrying amount								
1. Carrying amount at end of year	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
2. Carrying amount at beginning of year	486,987,573.19	223,468,931.43		37,656,173.87		80,029,731.55	167,085,823.47	995,228,233.51

For details of the pledge of intangible assets, please refer to Note VII.31.

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

(2) Data resources recognised as intangible assets

Applicable Not applicable

(3) Land use rights without certificates of title

Currency: Renminbi Yuan

Project	Carrying amount	Reasons for not obtaining the certificate of title
Winner Medical (Hunan) - Phase II land for infusion category	81,996,604.25	The two certificates are consolidated into one, and the real estate certificate can be applied for upon completion

Other disclosures: As at 31 December 2024, the Company had no intangible assets arising from internal R&D activities (31 December 2023: Nil).

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(4) Impairment testing of Intangible assets

Applicable Not applicable

The Company conducted impairment testing on the long-term asset groups or sets of asset groups with any indication of impairment (including fixed assets, construction in progress, intangible assets, and right-of-use assets). According to the testing results, there is no need to make provision for impairment loss. The recoverable amount of the relevant asset groups or sets of asset groups is determined at the present value of the estimated future cash flows. Please refer to note VII.27 for specific assumptions.

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

Applicable Not applicable

Currency: Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment provided	Determination of fair value and costs of disposal	Key parameters	Basis for determining key parameters
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The recoverable amount has been determined based on the present value of expected future cash flows

Applicable Not applicable

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

27. Goodwill**(1) Cost of goodwill**

Expressed in Renminbi Yuan

Name of the investee or the matter that forms goodwill	Opening balance	Increase		Decrease		Closing balance
		Business combinations	Exchange rate changes	Disposals		
Business combinations not involving entities under common control – Acquisition of GRI (Note 1) ^{Note 1}		463,129,944.31	11,962,570.98			475,092,515.29
Business combination not involving entities under common control – Acquisition of Longterm Medical (Note 2) ^{Note 2}	390,472,978.67	2,213,420.07				392,686,398.74
Business combinations not involving entities 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 Winner Guilin	253,215,940.40					253,215,940.40
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 Winner Medical Malaysia	2,681,232.09					2,681,232.09
Business combinations not involving entities under common control – Acquisition of Hubei Zhongfu		411,644.13				411,644.13
Total	1,055,757,381.75	465,755,008.51	11,962,570.98			1,533,474,961.24

Note 1: The Company acquired GRI in September 2024, goodwill of RMB463,129,944.31 thus arose. Refer to Note IX.1 – Business combinations not involving entities under common control for the calculation of the goodwill.

Note 2: Longterm Medical acquired a 57% equity interest in Zhejiang Honlan in March 2024, goodwill of RMB2,213,420.07 thus arose.

(2) Goodwill impairment provision

Expressed in Renminbi Yuan

Name of the investee or the matter that forms goodwill	Opening balance	Increase	Decrease	Closing balance
		Depreciation	Disposals	
Business combinations not involving entities under common control – Acquisition of Winner Medical (Hunan)	156,144,473.91			156,144,473.91
Business combinations not involving entities under common control – Acquisition of Winner Guilin	32,642,673.30	90,742,076.94		123,384,750.24
Business combinations not involving entities under common control – Acquisition of Winner Medical Malaysia	2,681,232.09			2,681,232.09
Total	191,468,379.30	90,742,076.94		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
GRI and its subsidiaries	The cash inflows generated by GRI and its subsidiaries from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		Yes
Longterm Medical and its subsidiaries	The cash inflows generated by Longterm Medical and its subsidiaries from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		No
Winner Medical (Hunan) and its subsidiaries	The cash inflows generated by Winner Medical (Hunan) and its subsidiaries from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		Yes
Winner Guilin and its subsidiaries	The cash inflows generated by Winner Guilin and its subsidiaries from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		Yes
Junjian Medical	The cash inflows generated by Junjian Medical from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		Yes

Changes in asset groups or groups of asset groups

Name	Composition before change	Composition after change	Objective facts and basis for the change
Longterm Medical and its subsidiaries	Long-term assets related to operations of Longterm Medical and its subsidiaries	Long-term assets related to operations of Longterm Medical and its subsidiaries	Acquisition of a subsidiary (Zhejiang Honlan)

Other descriptions

(4) Specific method for determining recoverable amount

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

 Applicable Not applicable

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The recoverable amount is determined at the present value of the expected future cash flows

Applicable Not applicable

Expressed in Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment amount	Years of forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining the key parameters of the stable period
GRI	1,248,092,715.38	1,380,029,032.00		5 years	Note 1	Note 1	The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group, production expansion plans, and expectations for the development of the market in which it operates.
Longterm Medical and its subsidiaries	1,420,877,430.46	1,451,000,000.00		5	Note 2	Note 2	The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group, production expansion plans, and expectations for the development of the market in which it operates.
Winner Guilin and its subsidiaries	528,049,906.27	437,310,000.00	90,742,076.94	5	Note 3	Note 3	The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group, production expansion plans, and expectations for the development of the market in which it operates.
Winner Medical (Hunan) and its subsidiaries	845,709,436.11	878,000,000.00		5	Note 4	Note 4	The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group, production expansion plans, and expectations for the development of the market in which it operates.
Junjian Medical	117,833,417.41	179,545,886.53		5	Note 5	Note 5	The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group and expectations for the development of the market in which it operates.
Total	4,160,562,905.63	4,325,884,918.53	90,742,076.94 ^{Note 6}				

Note 1: GRI is a global medical consumables and industrial protection enterprise, primarily engaged in the R&D, production, and sales of surgical kits, drapes, surgical gowns, containers, industrial protective clothing, and related products. Based on a comprehensive analysis of its signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to specific product categories, it is predicted that the income growth rates from 2025 to 2029 will be 12.42%, 12.00%, 12.00%, 12.00%, and 12.00%, respectively. Gross margin will remain stable at 33.16% from 2025 to 2029. In the stable period, the revenue growth rate is 2.00%, maintaining consistency with the gross profit margin of 2029, and applying a pre-tax discount rate of 15.37%.

Note 2: Longterm Medical and its subsidiaries are mainly engaged in the research and development, production and sales of products related to wound care, puncture care, stoma care, disinfection, minimally invasive and others. Based on a comprehensive analysis of its signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to specific product categories, it is predicted that the income growth rates from 2025 to 2029 will be 16.94%, 8.96%, 7.16%, 5.69% and 4.01%, respectively. Gross margins are 46.03%, 45.71%, 45.35%, 45.01%, and 44.81% from 2025 to 2029, respectively. In the stable period, the revenue growth rate is zero, maintaining consistency with the gross profit margin of 2029, and applying a discount rate of 11.97%.

Note 3: Winner Guilin and its subsidiaries are mainly engaged in the research and development, production and sales of products such as medical gloves, protective gloves and condoms. Based on a comprehensive analysis of its signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to specific product categories, it is predicted that the income growth rates from 2025 to 2029 will be 9.78%, 13.99%, 15.91%, 14.78% and 11.73%, respectively. Gross margins are 17.51%, 18.35%, 19.08%, 19.66%, and 19.84% from 2025 to 2029, respectively. In the stable period, the revenue growth rate is zero, maintaining consistency with the gross profit margin of 2029, and applying a discount rate of 9.48%.

Note 4: Winner Medical (Hunan) and its subsidiaries are mainly engaged in the research and development, production and sales of disposable sterile infusion medical devices. Based on a comprehensive analysis of its signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to specific product categories, it is predicted that the income growth rates from 2025 to 2029 will be 8.08%, 46.06%, 23.25%, 14.50% and 9.84%, respectively. Gross margins are 26.35%, 26.25%, 26.97%, 27.36% and 27.31% from 2025 to 2029, respectively. In the stable period, the revenue growth rate is zero, maintaining consistency with the gross profit margin of 2029, and applying a discount rate of 11.75%.

Note 5: Junjian Medical is mainly engaged in the sales of medical equipment. Based on a comprehensive analysis of its signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to specific product categories, it is predicted that the income growth rates from 2025 to 2029 will be 12.99%, 3.75%, 10.31%, 16.97% and 17.19%, respectively. Gross margins are 34.82%, 27.13%, 28.59%, 28.44% and 28.28% from 2025 to 2029, respectively. In the stable period, the revenue growth rate is zero, maintaining consistency with the gross profit margin of 2029, and applying a discount rate of 14.0%.

Note 6: Following the assessment, the recoverable amounts of GRI and its subsidiaries, Longterm Medical and its subsidiaries, Winner Medical (Hunan) and its subsidiaries and Junjian Medical exceeded the carrying amounts of the related asset group containing goodwill, thus no goodwill impairment provision was made for this year; the recoverable amount of Winner Guilin and its subsidiaries was also lower than the carrying amount of the related asset group containing goodwill, leading to a goodwill impairment provision of RMB90,742,076.94 in the current year.

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

Reasons for the difference between the information used in the impairment test of the previous year 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 Not applicable

Other descriptions: There is no performance commitment for business combinations in which goodwill is formed by the Company.

28. Long-term prepaid expenses

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Amortisation	Other decrease	Closing balance
Decoration expenses	36,466,182.36	80,989,448.70	22,311,945.43	6,631,599.61	88,512,086.02
Decoration expenses of leased assets	91,788,177.80	1,720,349.37	34,794,932.18	4,021,968.63	54,691,626.36
Others	2,836,109.99	0.00	279,960.64	1,904,717.71	651,431.64
Total	131,090,470.15	82,709,798.07	57,386,838.25	12,558,285.95	143,855,144.02

Other descriptions:

29. Deferred tax assets/deferred tax liabilities

(1) Unoffset deferred tax assets

Expressed in Renminbi Yuan

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Unrealised profits from internal transactions	150,436,301.18	25,447,384.76	95,050,168.29	19,008,937.89
Tax losses	25,130,761.33	5,703,567.28	162,261,104.42	27,044,245.03
Provision for impairment of assets	550,449,530.43	90,418,899.06	563,729,896.96	93,836,596.43
Termination benefits	4,853,272.78	727,990.92	4,779,605.32	716,940.80
Deferred income	157,154,401.72	24,692,720.59	121,649,364.97	19,453,796.42
Membership points	12,284,747.04	3,071,186.76	8,896,543.12	2,224,135.78
Accrued expenses	15,760,822.19	3,527,287.64	1,171,229.85	292,807.46
Advertising expenses exceeding the tax deduction limit	6,468,018.78	1,617,004.69		
Deferred tax assets arising from leases	654,330,932.49	150,868,185.35	494,525,992.95	115,610,000.62
Total	1,576,868,787.94	306,074,227.05	1,452,063,905.88	278,187,460.43

(2) Unoffset deferred tax liabilities:

Expressed in Renminbi Yuan

Item	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	802,989,102.65	147,254,914.34	647,328,681.03	110,179,927.94
Changes in fair value of financial assets held for trading	37,518,003.21	5,642,558.53	41,058,540.71	6,289,451.44
Depreciation of fixed assets	186,776,801.45	28,423,676.90	116,084,112.68	17,416,107.82
Changes in fair value of other non-current financial assets	6,673,047.39	1,000,957.11		
Others	9,174,543.11	1,997,248.94	16,907,993.66	2,536,199.05
Deferred tax liabilities arising from leases	634,023,315.85	141,270,314.21	457,331,866.07	104,935,304.46
Total	1,677,154,813.66	325,589,670.03	1,278,711,194.15	241,356,990.71

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

Expressed in Renminbi Yuan

Item	Closing offset amount of deferred tax assets and liabilities	Ending 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	167,073,839.41	139,000,387.64	102,836,212.41	175,351,248.02
Deferred tax liabilities	167,073,839.41	158,515,830.62	102,836,212.41	138,520,778.30

(4) Details of unrecognised deferred tax assets

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Tax losses	276,754,326.94	237,469,440.67
Provision for impairment of assets	15,592,137.87	1,003,903.52
Total	292,346,464.81	238,473,344.19

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

Expressed in Renminbi Yuan

Year	Closing balance	Opening balance	Remarks
2024		49,242,056.04	
2025	44,694,974.69	53,806,994.23	
2026	65,550,076.42	67,039,319.19	
2027	75,041,455.71	64,047,377.46	
2028	20,645,028.50	2,597,636.60	
2029	12,715,543.46		
No maturity date	58,107,248.16	736,057.15	
Total	276,754,326.94	237,469,440.67	

Other descriptions:

30. Other non-current assets

Expressed in Renminbi Yuan

Item	Closing balance			Opening balance		
	Carrying amount	Impairment allowance	Carrying amounts	Gross carrying amount	Impairment allowance	Carrying amounts
CDs	1,841,393,117.97		1,841,393,117.97			
Prepayments for long-term assets	150,678,238.05		150,678,238.05	84,628,360.75		84,628,360.75
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	2,012,299,546.63		2,012,299,546.63	104,856,551.36		104,856,551.36

Other descriptions:

31. Assets with restricted ownership or use rights

Expressed in Renminbi Yuan

Item	Closing balance				Opening balance			
	Gross carrying amount	Carrying amounts	Type of restriction	Restricted situation	Gross carrying amount	Carrying amounts	Type of restriction	Restricted situation
Currency funds	54,991,513.28	54,991,513.28	Deposit	Further details are included in "Note VII.1. Currency funds"	28,791,288.82	28,791,288.82		Further details are included in "Note VII.1. Currency funds"
Intangible assets	75,150,000.00	74,210,625.00	Mortgage	Further details are included in "Note VII.32. Short-term borrowings"				
Other non-current assets	20,228,190.61	20,228,190.61	Mortgage	Further details are included in "Note XVI. 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		Further details are included in "Note XVI. 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
Other current assets					180,000,000.00	180,000,000.00		Further details are included in "Note VII.13. Other current assets"
Total	150,369,703.89	149,430,328.89			229,019,479.43	229,019,479.43		

Other descriptions:

32. Short-term borrowings

(1) Classification of short-term borrowings

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Mortgage borrowings	26,000,000.00	
Guaranteed borrowings	36,500,000.00	100,000.00
Unsecured borrowings	491,131,567.12	433,000,000.00
Bills discounting	1,415,000,000.00	1,060,000,000.00
Interest expenses on borrowings	412,597.53	138,955.00
Total	1,969,044,164.65	1,493,238,955.00

Description of classification of short-term borrowings:

Note 1: Unsecured borrowings

RMB unsecured borrowings: Winner Medical (Shenzhen), Winner Guilin, and GRI METC obtained unsecured borrowings totaling RMB286,451,192.73, with maturities falling between 7 March 2025 to 2 December 2025, bearing interest at rates ranging from 1.20% to 3.00%. The loan terms varied from 6 to 12 months.

USD unsecured borrowings: GRI METC and its overseas subsidiaries obtained unsecured borrowings amounting to USD28,146,219.73 maturing between 17 January 2025 and 24 March 2025, with interest rates ranging from 5.70% to 6.78% and terms of 3 to 6 months. Additionally, credit card borrowings by GRI subsidiaries totaled USD136,265.96.

VND unsecured borrowings: GRI VN secured an unsecured borrowing of VND4,856,946,852.00, due on 24 March 2025, carrying an interest rate of 4.80% and a term of 6 months.

Note 2: Bills discounting

Bills discounting represents the discounted and unmatured amounts of bank acceptance bills and domestic letters of credit issued between related parties within the scope of consolidation as at the end of the year. The total borrowing amount was RMB1,415,000,000.00, with an interest rate range of 0.60% to 1.60% and a term of 180 days.

Note 3: Mortgage borrowings

RMB mortgage borrowings: GRI METC obtained mortgage borrowings totaling RMB26,000,000.00, with interest rates between 3.00% and 3.50% and a term of 1 year, maturing ranging from 27 February 2025 to 25 November 2025. The collateral for these borrowings were certain patent rights owned by GRI METC.

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Note 4: Guaranteed borrowings

RMB guaranteed borrowings: GRI PM secured guaranteed borrowings of RMB8,000,000.00, maturing from 28 January 2025 to 12 April 2025 with terms from 6 to 12 months, carrying interest rates of 3.20% to 3.30%. The guarantor was Jiaxing Financing Guarantee Co., Ltd.

GRI METC's borrowings from Bank of Communications Zhejiang Branch totaled RMB20,000,000.00, maturing between 28 May and 31 May 2025 with interest rates of 3.30% to 3.45% and a term of 1 year. The guarantor was its related party, GRI Precision Medical Devices Co., Ltd.

GRI METC's borrowings from Bank of China amounted to RMB5,000,000.00, maturing on 31 January 2025 with an interest rate of 3.20% and a term of 1 year. The guarantor was its related party, GRI (Wuhu) New Materials Co., Ltd.

GRI METC's borrowings from China Minsheng Bank Hangzhou Branch totaled RMB3,500,000.00, maturing on 25 June 2025 with an interest rate of 3.10% and a term of 1 year. The guarantor was its related party GRI Precision Medical Devices Co., Ltd.

(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:

Expressed in Renminbi Yuan

Borrower	Closing balance	Borrowing rate	Overdue time	Overdue interest rate
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Other descriptions:

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33. Financial liabilities held for trading

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Including:		
Including:		
Total	0.00	

Other descriptions:

34. Derivative financial liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Total	0.00	

Other descriptions:

35. Notes payable

Expressed in Renminbi Yuan

Category	Closing balance	Opening balance
Bank acceptance bills	431,873,210.11	315,902,844.15
Total	431,873,210.11	315,902,844.15

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

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Within 1 year, inclusive	1,119,313,821.66	1,088,985,790.28
1 to 2 years, inclusive	25,848,505.23	21,481,374.19
2 to 3 years, inclusive	5,558,801.55	1,568,734.69
Over 3 years	5,209,426.54	4,766,321.22
Total	1,155,930,554.98	1,116,802,220.38

(2) Significant accounts payable aged over one year

Expressed in Renminbi Yuan

Item	Closing balance	Reasons for not repaying or carrying forward
Wuxi Hongqi Textile Machinery Equipment Co., Ltd.	10,600,000.00	Equipment not yet fully accepted
Total	10,600,000.00	

Other descriptions:

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37. Other payables

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Interest payable	0.00	
Dividends payable	164,868,250.80	
Other payables	516,522,493.00	591,310,917.61
Total	681,390,743.80	591,310,917.61

(1) Interest payables

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Total	0.00	

Significant overdue and unpaid interest:

Expressed in Renminbi Yuan

Borrower	Overdue amount	Reason for overdue

Other descriptions:

(2) Dividends payable

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Ordinary share dividends	164,868,250.80	
Total	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

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Deposit and guarantee	287,382,658.22	281,427,299.00
Accrued expenses such as freight	150,720,263.25	186,895,812.59
Commission	24,724,746.48	58,667,353.50
Repurchase obligations of employee stock ownership plans	7,282,100.00	10,857,500.00
Related party transactions	0.00	5,395,945.27
Others	46,412,725.05	48,067,007.25
Total	516,522,493.00	591,310,917.61

2) Significant other payables aged over one year or overdue

Expressed in Renminbi Yuan

Item	Closing balance	Reasons for not repaying or carrying forward
Shenzhen Xingda Real Estate Development Co., Ltd.	249,828,133.15	Relocation compensation deposits for the Urban Renewal Project of Winner Industrial Park (Note XVIII. Other significant events 7. Other important transactions and matters affecting the decision of investors)
Total	249,828,133.15	

Other descriptions:

38. Contract liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Consideration received from customers	170,470,757.56	184,366,349.03
Membership points	12,284,747.04	8,896,543.12
Total	182,755,504.60	193,262,892.15

Contract liabilities are mainly receipts in advance from customers before the Company fulfils its performance obligations. Revenue related to these contracts is recognised when the Company fulfils the corresponding performance obligations. Generally, for receipts in advance on goods, the Company typically fulfils its performance obligations and recognises revenue within approximately 30 days after receiving customer prepayments. For gift card balances, performance obligations are generally fulfilled and revenue is recognised within one year. For membership reward points, which have a validity period of one year, the Company fulfils its performance obligations and recognises revenue within this one-year period.

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Significant contract liabilities aged over one year

Expressed in Renminbi Yuan

Item	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

Expressed in Renminbi Yuan

Item	Change amount	Reason for change
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39. Employee benefits payable

(1) Presentation of employee benefits payable

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee benefits	242,607,317.55	1,550,915,063.07	1,496,750,749.72	296,771,630.90
II. Post-employment benefits – defined contribution plan	7,866,690.22	130,377,411.51	130,924,398.86	7,319,702.87
III. Termination benefits	4,001,227.95	30,291,793.20	29,429,278.03	4,863,743.12
Total	254,475,235.72	1,711,584,267.78	1,657,104,426.61	308,955,076.89

(2) Presentation of short-term employee benefits

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Wages or salaries, bonuses, allowances and subsidies	238,771,298.44	1,437,350,330.00	1,382,895,656.76	293,225,971.68
2. Staff welfare	2,824,314.61	15,951,237.84	16,880,638.90	1,894,913.55
3. Social security contributions	473,703.76	56,004,324.69	56,048,901.65	429,126.80
Including: Medical insurance	260,778.41	48,078,971.85	48,086,714.37	253,035.89
Work injury insurance	160,378.85	5,091,543.63	5,128,452.65	123,469.83
Maternity insurance	52,546.50	2,833,809.21	2,833,734.63	52,621.08
4. Housing funds	24,098.00	37,721,833.30	37,631,733.30	114,198.00
5. Union running costs and employee education costs	313,902.74	2,587,862.69	2,210,126.51	691,638.92
Other short-term benefits	200,000.00	1,299,474.55	1,083,692.60	415,781.95
Total	242,607,317.55	1,550,915,063.07	1,496,750,749.72	296,771,630.90

(3) Presentation of defined contribution plans

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension insurance	7,744,745.54	124,843,186.37	125,374,199.46	7,213,732.45
2. Unemployment insurance	121,944.68	5,534,225.14	5,550,199.40	105,970.42
Total	7,866,690.22	130,377,411.51	130,924,398.86	7,319,702.87

Other descriptions:

40. Taxes and surcharges payable

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
VAT	17,598,731.48	8,974,689.54
Excise tax	0.00	0.00
Corporate income tax	82,323,661.99	40,190,413.70
Individual income tax	8,002,053.24	3,866,181.55
Urban maintenance and construction tax	2,729,715.85	946,970.72
Property tax	7,165,168.93	6,172,395.17
Education surcharges and local education surcharges	2,088,623.81	837,582.92
Land use tax	1,839,746.31	1,057,104.57
Stamp duty	1,802,649.39	789,943.27
Others	80,223.88	42,498.42
Total	123,630,574.88	62,877,779.86

Other descriptions:

41. Liabilities classified as held for sale

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Total	0.00	

Other descriptions:

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42. Current portion of non-current liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Current portion of long-term borrowings	175,108,600.02	20,138,900.00
Current portion of long-term payables	6,017,646.86	
Current portion of lease liabilities	215,052,996.79	202,660,926.45
Current portion of long-term employee benefits payable	589,000.00	627,000.00
Total	396,768,243.67	223,426,826.45

Other descriptions:

Note: On 31 March 2023, Winner Medical (Shenzhen) entered into a working capital loan agreement with Bank of China Limited, Shenzhen Longhua Sub-branch, for RMB200,000,000.00 with a floating interest rate and a maturity date of 31 March 2025. As at 31 December 2024, the outstanding principal balance of this loan amounted to RMB170,000,000.00, which has been reclassified to current portion of non-current liabilities.

43. Other current liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Refunds payable	1,983,029.26	1,950,288.26
Output tax to be transferred	19,252,019.32	17,762,039.93
Total	21,235,048.58	19,712,328.19

Increase or decrease in short-term bonds payable:

Expressed in Renminbi Yuan

Bond name	Value	Coupon rate	Date of issue	Bond term	Amount issued	Opening balance	Issuance in current period	Interest at par	Amortization of profit and discount	Repayment in current period	Closing balance	Default or not
Total												

Other descriptions:

44. Long-term borrowings

(1) Classification of long-term borrowings

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Unsecured borrowings	53,000,000.00	170,000,000.00
Total	53,000,000.00	170,000,000.00

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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.

GRI METC executed a loan agreement with Agricultural Bank of China, which includes a RMB3,000,000.00 facility maturing on 26 February 2026.

Other descriptions, including interest rate ranges:

45. Bonds payable

(1) Bonds payable

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Total	0.00	

(2) Increase or decrease in bonds payable (excluding preference shares, perpetual bonds and other financial instruments classified as financial liabilities)

Expressed in Renminbi Yuan

Bond name	Value	Coupon rate	Date of issue	Bond term	Amount issued	Opening balance	Issuance in current period	Interest at par	Amortization of profit and discount	Repayment in current period	Closing balance	Default or not
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

Expressed in Renminbi Yuan

Financial instrument outstanding	Opening balance		Increase		Decrease		Closing balance	
	Amount	Carrying amounts	Amount	Carrying amounts	Amount	Carrying amounts	Amount	Carrying amounts

Description of the basis for classification of other financial instruments as financial liabilities

Other descriptions:

46. Lease liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Lease liabilities	655,929,649.12	494,670,430.49
Lease liabilities due within one year	-215,052,996.79	-202,660,926.45
Total	440,876,652.33	292,009,504.04

Other descriptions:

47. Long-term payables

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Long-term payables	48,544,431.64	
Total	48,544,431.64	

(1) Long-term payables by nature

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Borrowings from third parties (Note 1)	21,651,892.45	
Borrowings from related parties outside the scope of group consolidation (Note 2)	26,892,539.19	
Total	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%. The loan term spans from 1 May 2017 to 29 February 2028.

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. Further details are included in Note VII.55.

(2) Special payables

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Reason
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Other descriptions:

48. Long-term employee benefits payable

(1) Table of long-term employee benefits payable

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
I. Post-employment benefits – Net defined benefit liability	9,623,000.00	9,138,000.00
Current portion of long-term employee benefits payable	-589,000.00	-627,000.00
Deferred compensation ^{Note 1}	4,213,971.34	
Total	13,247,971.34	8,511,000.00

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:

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
I. Opening balance	9,138,000.00	9,199,637.94
II. Defined benefit costs included in profit or loss	243,000.00	335,000.00
1. Current service cost		16,000.00
2. Past service cost		52,000.00
3. Net interest	243,000.00	267,000.00
III. Defined benefit costs included in other comprehensive income	849,000.00	225,081.26
1. Actuarial gain (Loss expressed with "-")	849,000.00	225,081.26
IV. Other changes	-607,000.00	-621,719.20
2. Benefits paid	-607,000.00	-621,719.20
V. Closing balance	9,623,000.00	9,138,000.00

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Plan assets:

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
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Net defined benefit liability/(asset)

Expressed in Renminbi Yuan

Item	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:

Per *Accounting Standards for Business Enterprises No. 9 – Employee Compensation* and the Company's accounting policies, welfare payments made over the years to retired employees, survivors, and those remaining from previous Company restructuring must undergo actuarial calculation for inclusion as long-term employee remuneration payable. Welfare expenses for retired employees and survivors undergo actuarial assessment as post-employment benefit plans, while defined benefit plans cover continuing salary and benefit expenses for retired employees, subject to actuarial evaluation as termination benefit plans.

Actuarial evaluation of a Company's employee benefit plans entails certain risks, including:

Interest rate risk: The discount rate utilised to calculate the present value of the plan's benefit obligations is derived from the yield on Chinese government bonds. Falling Treasury yields result in actuarial losses.

Welfare level growth risk: The selection of welfare growth rate assumptions for calculating the present value of plan welfare obligations relies on historical growth levels of various benefits and the long-term growth rate expectations set by the Company's management. An actuarial loss will arise if the actual welfare growth rate exceeds the actuarial assumption.

Description of significant actuarial assumptions and sensitivity analysis results of defined benefit plan:

The principal actuarial assumptions used as at the balance sheet date are as follows:

Item	2024	2023
Annual discount rates for post-retirement benefit plans for different personnel categories	1.75%	2.75%
Mortality	China's life insurance industry experience life table (2010-2013) for elderly care business, segmented into Men's and Women's tables	

Note: The discount rate is established using the government bond yield as the benchmark. During evaluation, the cash flow anticipated from the welfare plan in the future year is initially estimated. Subsequently, the modified duration of the welfare liability at the evaluation time is calculated based on this cash flow. Finally, the applicable discount rate is determined by referencing the Treasury bond yield corresponding to that period.

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The quantitative sensitivity analysis for significant assumptions used is as follows:

Item	Increase %	Increase/(decrease) in defined benefit obligations	Decrease %	Increase/(decrease) in defined benefit obligations
Discount rate	2%	-278	1.50%	291

Other descriptions:

49. Provisions

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance	Reason
Total	0.00		

Other descriptions, including relevant important assumptions and estimation descriptions of important provisions:

50. Deferred income

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Government grants	121,649,364.97	50,781,285.38	15,276,248.63	157,154,401.72	Government grants related to assets
Total	121,649,364.97	50,781,285.38	15,276,248.63	157,154,401.72	

Other descriptions:

51. Other non-current liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
GRI remaining equity forward purchase obligations	373,262,348.97	
Total	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 non-discretionary 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.

52. Share capital

Expressed in Renminbi Yuan

	Opening balance	Increase or decrease (+, -)				Subtotal	Closing balance
		New issue	Stock dividends	Conversion of provident fund into shares	Others		
Total number of shares	594,387,367.00				-12,057,559.00	-12,057,559.00	582,329,808.00

Other descriptions:

The decrease in share capital during the current period was mainly due to the combined effect of the following aspects: 1) In March 2024, the Company cancelled 6,094,659 remaining shares from the 2021 share repurchase program (excluding the first-phase employee stock ownership plan and reserved portion) that were held in the special repurchase securities account. Following this cancellation, the Company's total share capital was reduced from 594,387,367 shares to 588,292,708 shares; and 2) In October 2024, the Company changed the purpose of 5,962,900 shares in the repurchase account from "for employee stock ownership plans or equity incentives" to "for capital reduction through cancellation". After this cancellation, the total share capital was further reduced from 588,292,708 shares to 582,329,808 shares.

53. Other equity instruments

(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

Expressed in Renminbi Yuan

Financial instrument outstanding	Opening balance		Increase		Decrease		Closing balance	
	Amount	Carrying amounts	Amount	Carrying amounts	Amount	Carrying amounts	Amount	Carrying amounts
Total								0.00

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:

54. Capital reserves

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share premium)	4,263,337,205.04	3,257,250.00	1,018,881,568.03	3,247,712,887.01
Other capital reserves	117,789,282.25	19,997,593.69	6,959,647.95	130,827,227.99
Total	4,381,126,487.29	23,254,843.69	1,025,841,215.98	3,378,540,115.00

Other descriptions, including the changes in the current period and the reasons for the changes:

Note 1: The increase in capital premium during the current year was primarily attributable to the recognition of RMB3,257,250.00 capital premium resulting from the vesting and unlocking of the first-phase employee stock ownership plan. The decrease in capital premium was mainly due to the combined effect of the following aspects: 1) In March 2024, the Company cancelled 6,094,659 remaining shares from the 2021 share repurchase program (excluding the first-phase employee stock ownership plan and reserved portion) that were held in the special repurchase securities account. Following this cancellation, the Company's total share capital was reduced from 594,387,367 shares to 588,292,708 shares and capital premium declined by RMB445,124,823.17; 2) In October 2024, the Company changed the purpose of 5,962,900 shares in the repurchase account from "for employee stock ownership plans or equity incentives" to "for capital reduction through cancellation". After this cancellation, the total share capital was further reduced from 588,292,708 shares to 582,329,808 shares and capital premium decreased by RMB200,494,395.89; and 3) 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 for the remaining minority interests. This obligation represents a non-discretionary repurchase liability that cannot be unconditionally avoided in the consolidated financial statements. Accordingly, the Company initially recognised this repurchase obligation as a financial liability at the present value of the required settlement amount, and included it in capital premium.

Note 2: The increase in other capital reserves during the current year was primarily due to: 1) the recognition of aggregate incentive expenses of RMB14,795,634.88 related to the implementation of the 2023 and 2024 employee stock ownership plans; and 2) the discounting effect on the 5-year interest-free loan from the controlling shareholder – Winner Group Limited, which increased other capital reserves by RMB5,201,958.81. The decrease in other capital reserves was mainly attributable to the reduction of RMB3,257,250.00 resulting from the vesting and unlocking of the first-phase employee stock ownership plan shares.

55. Treasury shares

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Treasury shares	473,552,442.85	194,981,835.21	661,252,178.06	7,282,100.00
Total	473,552,442.85	194,981,835.21	661,252,178.06	7,282,100.00

Other descriptions, including the changes in the current period and the reasons for the changes:

The increase in treasury shares was primarily attributable to the Company's repurchase of 5,807,900 treasury shares, with a corresponding cost of RMB194,981,835.21.

The decrease in treasury shares was mainly due to the combined effect of the following aspects: 1) In March 2024, the Company cancelled 6,094,659 remaining shares from the 2021 share repurchase program (excluding the first-phase employee stock ownership plan and reserved portion) that were held in the special repurchase securities account. Following this cancellation, the Company's total share capital was reduced from 594,387,367 shares to 588,292,708 shares and the cost of treasury shares decreased by RMB451,219,482.17; 2) In October 2024, the Company changed the purpose of 5,962,900 shares in the repurchase account from "for employee stock ownership plans or equity incentives" to "for capital reduction through cancellation". After this cancellation, the total share capital was further reduced from 588,292,708 shares to 582,329,808 shares and the cost of treasury shares decreased by RMB206,457,295.89; 3) Pursuant to the resolution passed at the Company's third meeting of the fourth board of directors and third meeting of the fourth board of supervisors held on 12 October 2024 regarding the fulfilment of unlocking conditions for the first lock-up period of the first-phase employee stock ownership plan, the board determined that the unlocking conditions had been met for 151,500 shares, resulting in a decrease in treasury shares of RMB3,120,900.00; 4) In accordance with the resolution passed at the 2023 annual shareholders' meeting held on 21 May 2024, with total share capital of 588,292,708 shares (including 4,354,560 shares in the repurchase account), the Company declared a cash dividend of RMB5.00 per 10 shares (tax inclusive) based on 583,938,148 shares (excluding repurchased shares), which led to a decrease in treasury shares of RMB252,500.00 due to restricted stock dividends; and 5) As approved at the third extraordinary general meeting held on 19 September 2024, with total share capital of 588,292,708 shares (including 5,962,900 shares in the repurchase account), the Company declared an interim cash dividend of RMB4.00 per 10 shares (tax inclusive) based on 582,329,808 shares (excluding repurchased shares), resulting in a decrease in treasury shares of RMB202,000.00 due to restricted stock dividends.

56. Other comprehensive income

Expressed in Renminbi Yuan

Item	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	394,504.61	-842,334.54				-772,779.52	-69,555.02	-378,274.91
Including: Remeasurement of a defined benefit plan	394,504.61	-842,334.54				-772,779.52	-69,555.02	-378,274.91
II. Other comprehensive income that may be reclassified to profit or loss	1,820,864.83	-12,320,214.07				-4,080,417.02	-8,239,797.05	-2,259,552.19
Exchange differences on translation of foreign currency financial statements	1,820,864.83	-12,320,214.07				-4,080,417.02	-8,239,797.05	-2,259,552.19
Total other comprehensive income	2,215,369.44	-13,162,548.61				-4,853,196.54	-8,309,352.07	-2,637,827.10

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:

57. Specialised reserves

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Total				0.00

Other descriptions, including the changes in the current period and the reasons for the changes:

58. Surplus reserves

Expressed in Renminbi Yuan

Item	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: According to the provisions of the Company Law and the Company's Articles of Association, the Company appropriates 10% of the profit to the statutory surplus reserves. Where the accumulated amount of the surplus reserves reaches 50% or more of the Company's registered capital, further appropriation is not required.

59. Unappropriated profit

Expressed in Renminbi Yuan

Item	Current period	Last period
Opening undistributed profit	6,608,834,768.99	6,825,933,069.72
Add: Net profit attributable to owners of the parent company in the current period	695,378,928.72	580,403,232.37
Dividends payable on common stock	524,096,827.18	797,501,533.10
Undistributed profits at the end of the period	6,780,116,870.53	6,608,834,768.99

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.

60. Revenue and cost of sales

Expressed in Renminbi Yuan

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Primary business	8,896,470,309.08	4,681,905,777.13	8,124,324,653.18	4,139,502,655.31
Other businesses	81,383,322.65	47,656,341.10	60,697,404.02	35,094,632.43
Total	8,977,853,631.73	4,729,562,118.23	8,185,022,057.20	4,174,597,287.74

The lower of the Company's total audited profit, net profit and net profit after deducting non-recurring profit or loss in the latest fiscal year is negative

Yes No

Section X Financial Report

Breakdown of revenue and cost of sales:

Expressed in Renminbi Yuan

Contract classification	Segment 1		Segment 2		Medical supplies		Consumer goods		Total	
	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost
Business type					3,986,967,189.11	2,528,231,814.30	4,990,886,442.62	2,201,330,303.93	8,977,853,631.73	4,729,562,118.23
Including:										
Primary business					3,905,583,866.46	2,480,575,473.20	4,990,886,442.62	2,201,330,303.93	8,896,470,309.08	4,681,905,777.13
Other businesses					81,383,322.65	47,656,341.10			81,383,322.65	47,656,341.10
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:

Item	Time of fulfilling performance obligations	Significant payment terms	TNature 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
Sales of goods	Transfer of control of the goods to the customer	General domestic and overseas sales: The contract price is typically paid within the credit period after the goods have been inspected and accepted and the invoice has been received; E-commerce business (B2C): Goods will be shipped after the payment is made; E-commerce business (B2B): Payment shall be made within 30 to 60 days after delivery; Store sales model: Payment shall be made at the time of checkout upon the delivery of goods.	Goods	Yes	Certain sales contracts grant customers rights of return and sales discounts, which are estimated as variable consideration	Assurance-type warranty

Other descriptions

Section X Financial Report

Information relating to the transaction price allocated to the remaining performance obligations:

	2024	2023
Amount included in contract liabilities at the beginning of the year	193,262,892.15	566,819,254.08

Information about variable consideration in the contract:

Significant contract changes or significant transaction price adjustments

Expressed in Renminbi Yuan

Item	Accounting treatment	Amount affected on revenue
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Other descriptions:

61. Taxes and surcharges

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Urban maintenance and construction tax	26,181,066.83	23,828,308.48
Education surcharge	18,239,245.28	11,109,423.30
Property tax	7,890,858.73	13,826,245.30
Land use tax	7,300,430.54	5,164,407.85
Stamp duty	8,080,711.05	5,292,583.81
Education surcharge	11,851,888.21	6,894,324.42
Others	361,065.01	298,177.71
Total	79,905,265.65	66,413,470.87

Other descriptions:

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62. Administrative expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Employee benefits	373,522,613.27	343,893,839.96
Depreciation and amortisation expenses	151,453,865.79	126,637,904.03
Consulting and intermediary service fees	41,012,665.48	31,915,068.83
Maintenance and repair expenses	6,397,005.22	28,116,320.44
Depreciation of right-of-use assets	22,681,433.77	24,199,602.13
Information system expenses	20,895,255.38	18,991,236.76
Utility bills	11,346,170.45	12,013,901.42
Travel expenses	5,744,429.95	6,775,498.55
Office expenses	4,588,705.23	6,399,725.18
Others	36,095,022.29	94,704,524.12
Total	673,737,166.83	693,647,621.42

Other descriptions:

63. Selling expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Advertising and promotion expenses	816,381,913.54	651,816,390.71
Employee benefits	645,869,958.89	643,446,712.68
Sales commissions and charges by E-commerce platform	288,464,170.25	261,088,807.68
Depreciation of right-of-use assets	193,347,920.14	196,694,977.33
Lease and property management fees	139,382,565.32	118,909,705.83
Depreciation and amortisation	60,007,324.01	54,120,612.33
Travel expenses	27,862,714.05	24,738,868.66
Office communication expenses	19,943,206.56	15,318,336.04
Utility bills	13,337,799.99	12,448,568.50
Service charges	16,252,474.59	17,439,391.54
Insurance premium	5,368,181.67	7,355,088.51
Others	37,929,095.63	87,115,046.29
Total	2,264,147,324.64	2,090,492,506.10

Other descriptions:

64. Research and development expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Employee benefits	157,935,342.59	156,098,327.58
Materials	119,747,741.17	83,875,970.91
Depreciation and amortisation	20,781,848.78	20,944,780.06
Other miscellaneous expenses	49,698,993.47	61,132,789.88
Total	348,163,926.01	322,051,868.43

Other descriptions:

65. Finance expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Interest expenses	54,863,504.13	63,441,562.69
Including: Interest expense on lease liabilities	24,076,578.06	28,614,724.12
Less: Interest income	117,095,211.38	133,913,862.72
Exchange gains or losses	-40,189,278.02	7,627,126.27
Bank handling charges and others	3,209,724.85	986,213.83
Total	-99,211,260.42	-61,858,959.93

Other descriptions:

66. Other income

Expressed in Renminbi Yuan

Sources of other income	Amount for the current period	Amount for the last period
Government grants	57,514,145.42	80,639,097.23
Tax credits and exemptions	34,123,791.45	20,466,177.38
Total	91,637,936.87	101,105,274.61

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67. Net position hedging gains

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
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Other descriptions:

68. Fair value gains

Expressed in Renminbi Yuan

Source of fair value gains	Amount for the current period	Amount for the last period
Fund investments	6,673,047.39	
Convertible corporate bond investments	-860,828.53	
Bank WMPs and trust plans	-2,949,999.83	46,678,103.27
Total	2,862,219.03	46,678,103.27

Other descriptions:

69. Investment income

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Long-term equity investment income under the equity method	-11,305,734.64	1,581,608.21
Income from debt restructuring	1,788,767.41	
Investment income from financial assets held for trading	84,873,523.22	125,761,272.77
Others	31,274.94	
Total	75,387,830.93	127,342,880.98

Other descriptions:

The carrying amount of accounts receivable from the customer Better Life Commercial Chain Share Co., Ltd. is RMB6,387,334.23, and the Company has recognised impairment allowance. After litigation, the other party becomes insolvent and applies for bankruptcy reorganisation. According to the Reorganisation Plan approved by the court, the Company obtained 667,497.00 shares of Better Life and cash of RMB100,000.00 in 2024. The share price on the acquisition day was RMB2.53, the fair value of the shares obtained was RMB1,688,767.41, and the income from debt restructuring recognised was RMB1,788,767.41.

70. Credit impairment losses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Impairment loss for accounts receivable	-1,569,289.32	3,056,164.34
Impairment loss for other receivables	5,025,812.94	1,669,344.96
Impairment loss for long-term receivables	-3,011,897.37	
Total	444,626.25	4,725,509.30

Other descriptions:

71. Impairment losses of assets

Expressed in Renminbi Yuan

Item	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	-143,660,886.66	-190,214,320.23
IV. Impairment loss for fixed assets	-8,325,577.39	-1,470,305.23
VI. Impairment loss for construction in progress	0.00	-10,205,833.26
X. Impairment loss for goodwill	-90,742,076.94	-188,787,147.21
XII. Others	-167,220.35	-3,084,448.94
Total	-242,895,761.34	-393,762,054.87

Other descriptions:

72. Gains on disposal of non-current assets

Expressed in Renminbi Yuan

Source of gains on disposal of non-current assets	Amount for the current period	Amount for the last period
Gains on disposal of non-current assets	6,293,210.08	18,934,269.72
Including: Gains on disposal of fixed assets	6,291,053.00	10,540.42
Gains on disposal of right-of-use assets	2,157.08	18,923,729.30
Losses on disposal of non-current assets	-416,052.53	-1,232,319.71
Including: Losses on disposal of fixed assets	-416,052.53	-1,232,319.71
Others	0.00	14,500,000.00
Total	5,877,157.55	32,201,950.01

73. Non-operating income

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period	Included in the non-recurring profit or loss in the current period
Government grants	9,140.00	171,825.26	9,140.00
Gains on retirement of non-current assets	4,085,167.22	2,458,639.59	4,085,167.22
Income from compensation or fines	760,830.54	7,273,705.13	760,830.54
Others	7,070,984.86	6,714,326.50	7,070,984.86
Total	11,926,122.62	16,618,496.48	11,926,122.62

Other descriptions:

74. Non-operating expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period	Included in the non-recurring profit or loss in the current period
External donations	91,893.13	2,088,058.84	91,893.13
Losses on damage and retirement of non-current assets	12,045,702.87	81,125,472.09	12,045,702.87
Overdue fines	1,477,207.31	429,933.94	1,477,207.31
Liquidated damages	436,250.00	95,536.17	436,250.00
Others	4,389,856.72	1,003,147.30	4,389,856.72
Total	18,440,910.03	84,742,148.34	18,440,910.03

Other descriptions:

75. Income tax expenses

(1) Table of income tax expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Current tax	155,323,370.69	93,486,134.77
Deferred tax	12,319,004.58	27,814,952.80
Adjustment of income tax amount of prior years in the current period		
Total	167,642,375.27	121,301,087.57

(2) Accounting profit and income tax expense adjustment process

Expressed in Renminbi Yuan

Item	Amount for the current period
Profit before income tax	908,348,312.67
Tax at the statutory/applicable tax rate	136,252,246.90
Effect of different tax rates for subsidiaries	10,605,712.30
Effect of adjustments in respect of tax of previous periods	19,799,861.40
Effect of Income not subject to tax	-34,950.00
Effect of costs, expenses and losses not deductible for tax	28,666,799.31
Effect of tax losses for which deferred tax assets were not recognised in prior periods	-3,051,597.35
Effect of deductible temporary differences or tax losses for which deferred tax assets were not recognised in the current period	9,890,769.30
Effect of additional deductions for research and development expenses	-34,486,466.59
Income tax expenses	167,642,375.27

Other descriptions:

76. Other comprehensive income

Refer to Note 57. Other comprehensive income for details.

77. Items of the statement of cash flows**(1) Cash payments relating to operating activities**

Other cash receipts relating to operating activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Guarantee deposit, deposit and quality guarantee deposit received	14,621,877.86	18,253,683.99
Interest income received	45,989,314.70	34,146,193.53
Government grants received	93,028,322.17	107,118,837.18
Others	44,472,682.78	17,540,685.83
Total	198,112,197.51	177,059,400.53

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Descriptions of other cash receipts relating to operating activities:

Other cash payments relating to operating activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Management and R&D costs paid in cash	156,489,682.70	168,245,402.79
Selling expenses paid in cash	407,210,573.11	239,409,655.00
Deposit, guarantee deposit and quality guarantee deposit paid	297,880.24	8,959,379.78
Bank handling charge	3,209,724.85	1,921,639.86
Others	15,835,104.13	21,519,247.07
Total	583,042,965.03	440,055,324.50

Description of other cash payments relating to operating activities:

(2) Cash relating to investing activities

Other cash receipts relating to investing activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period

Cash receipts relating to significant investing activities

Expressed in Renminbi Yuan

Item	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

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period

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Significant cash payments relating to investing activities

Expressed in Renminbi Yuan

Item	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

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Guarantee deposit recovered	191,632,003.95	139,500,000.00
Loan from shareholders	32,094,498.00	
Employee stock ownership plan		10,857,500.00
Total	223,726,501.95	150,357,500.00

Description of other cash received relating to financing activities:

Other cash payments relating to financing activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Principal and interest paid on lease liabilities	261,127,378.72	280,704,130.49
Treasury shares repurchase paid	194,981,835.21	
Guarantee deposit paid on bills and letters of credit (for financing purposes)	44,202,960.58	183,507,300.00
Total	500,312,174.51	464,211,430.49

Description of other cash payments relating to financing activities:

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Changes in various liabilities arising from financing activities

Applicable Not applicable

Expressed in Renminbi Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	1,493,238,955.00	217,605,289.64	258,199,920.01			1,969,044,164.65
Dividends payable			546,794,328.26	381,926,077.46		164,868,250.80
Long-term payables		32,094,498.00	16,449,933.64			48,544,431.64
Current portion of non-current liabilities	223,426,826.45	0.00	396,768,243.67	223,426,826.45	0.00	396,768,243.67
Long-term borrowings	170,000,000.00	0.00	0.00		117,000,000.00	53,000,000.00
Lease liabilities	292,009,504.04		207,333,600.56	58,466,452.27		440,876,652.33
Total	2,178,675,285.49	249,699,787.64	1,425,546,026.14	663,819,356.18	117,000,000.00	3,073,101,743.09

(4) Description of cash flows presented on a net basis

Item	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

78. Supplemental information for the statement of cash flows

(1) Supplemental information for the statement of cash flows

Expressed in Renminbi Yuan

Supplemental information	Current period amount	Last period amount
1. Reconciliation of profit to net cash flows from operating activities		
Net profit	740,705,937.40	628,545,186.44
Add: Provisions for asset impairment	242,451,135.09	389,036,545.57
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	285,005,497.76	241,876,332.05
Depreciation of right-of-use assets	221,882,741.03	224,710,757.36
Amortisation of intangible assets	71,318,426.36	73,803,773.72
Amortisation of long-term prepaid expenses	57,386,838.25	54,638,701.93
Losses on disposal of fixed assets, intangible assets and other long-term assets (Gains are indicated by "-")	-5,877,157.55	-32,201,950.01
Losses on retirement of fixed assets (Gains are indicated by "-")	7,960,535.65	78,666,832.50
Losses from changes in fair value (Gains are indicated by "-")	-2,862,219.03	-46,678,103.27
Losses from changes in fair value (Gains are indicated by "-")	-12,380,830.37	-35,603,859.98
Investment losses (Gains are indicated by "-")	-75,387,830.93	-127,342,880.98
Decrease in deferred income tax assets (Increase is indicated by "-")	36,350,860.38	36,620,728.88
Increase in deferred income tax liabilities (Decrease is indicated by "-")	-32,532,070.71	-8,805,924.74
Decrease in inventories (increase is indicated by "-")	-238,086,698.24	-53,103,044.13
Decrease in operating receivables (increase is indicated by "-")	-7,992,919.07	182,401,595.94
Increase in operating payables (Decrease is indicated by "-")	-36,982,614.19	-578,417,187.65
Others	14,795,634.87	35,178,728.60
Net cash flows from operating activities	1,265,755,266.70	1,063,326,232.23
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	1,357,097,385.35	4,677,340,782.45
Less: Opening balance of cash	4,677,340,782.45	4,370,821,958.17
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-3,320,243,397.10	306,518,824.28

(2) Net cash paid for acquisition of subsidiaries in the current period

Expressed in Renminbi Yuan

	Amount
Cash or cash equivalents paid for business combinations in the current period	850,203,684.02
Including:	
Including: GRI	841,903,684.02
Zhejiang Honlan	5,000,000.00
Hubei Zhongfu	3,300,000.00
Less: Cash and cash equivalents held by the subsidiary on the acquisition date	82,611,643.89
Including:	
Including: GRI	77,642,896.09
Zhejiang Honlan	4,944,394.31
Hubei Zhongfu	24,353.49
Including:	
Net amount of cash paid for the acquisition of a subsidiary	767,592,040.13

Other descriptions:

(3) Net cash received from disposal of subsidiaries in the current period

Expressed in Renminbi Yuan

	Amount
Including:	
Including:	
Including:	

Other descriptions:

(4) Composition of cash and cash equivalents

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
I. Cash	1,357,097,385.35	4,677,340,782.45
Including: Cash on hand	152,838.15	76,471.98
Bank deposits on demand	1,348,440,889.85	4,676,600,881.85
Other currency funds on demand	8,503,657.35	663,428.62
III. Closing balance of cash and cash equivalents	1,357,097,385.35	4,677,340,782.45

(5) Limited scope of use but still classified as cash and cash equivalents

Expressed in Renminbi Yuan

Item	Current period amount	Last period amount	Reason for remaining cash and cash equivalents
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(6) Currency funds that do not belong to cash and cash equivalents

Expressed in Renminbi Yuan

Item	Current period amount	Last period amount	Reasons for not being classified as cash and cash equivalents
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Other descriptions:

(7) Description of other significant activities**79. 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:

80. Monetary items measured in a foreign currency

(1) Monetary items measured in a foreign currency

Expressed in Renminbi Yuan

Item	Closing foreign currency balance	Translation exchange rate	Closing balance in RMB
Currency funds			343,593,738.58
Including: USD	42,529,427.03	7.1884	305,718,533.26
Euro	1,283,628.09	7.5257	9,660,199.92
HKD	21,388,938.04	0.92604	19,807,012.18
JPY	153,147,082.00	0.0462	7,075,395.19
GBP	97,970.59	9.0765	889,230.06
VND	1,027,204,248.64	0.000283008	290,707.02
SGD	14,435.40	5.3214	76,816.54
MYR	46,820.43	1.6199	75,844.41
Accounts receivable			419,160,007.20
Including: USD	47,411,035.20	7.1884	340,809,485.43
Euro	4,017,242.14	7.5257	30,232,559.17
HKD	32,753,841.08	0.92604	30,331,366.99
GBP	1,936,450.94	9.0765	17,576,196.96
CAD	26,941.42	5.0498	136,048.78
MXN	212,549.67	0.3498	74,349.87
Other receivables			26,695,421.54
USD	2,168,331.16	7.1884	15,586,831.71
HKD	5,750,734.12	0.92604	5,325,409.82
VND	18,028,611,178.00	0.000283008	5,102,241.19
Euro	85,007.73	7.5257	639,742.67
GBP	4,538.77	9.0765	41,196.15
Accounts payable			31,415,944.89
USD	2,762,948.50	7.1884	19,861,179.00
Euro	139,212.41	7.5257	1,047,670.83
HKD	5,559,880.55	0.92604	5,148,671.78
MXN	933,300.87	0.3498	326,468.64
MYR	1,090,333.83	1.6199053	1,766,237.55
VND	11,539,310,164.91	0.000283	3,265,717.09

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Item	Closing foreign currency balance	Translation exchange rate	Closing balance in RMB
Other payables			17,366,754.31
USD	1,139,896.98	7.1884	8,194,035.45
VND	19,168,915,522.54	0.000283	5,424,956.44
HKD	3,758,644.46	0.92604	3,480,655.12
Euro	33,908.01	7.5257	255,181.51
SGD	2,241.10	5.3214	11,925.79
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 Not applicable

The important overseas operating entities included in the consolidated financial statements of the Company are the Company's subsidiaries GRI USA, Alleset Inc, GRI Alleset, 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 2024, there were no changes to the functional currencies used for accounting by the above-mentioned important overseas operating entities.

81. Leases

(1) The Company as lessee

Applicable Not applicable

Variable lease payments not included in the measurement of the lease liabilities

Applicable Not applicable

Item	2024	2023
Interest expense on lease liabilities	24,076,578.06	28,614,724.12
Expenses relating to short-term leases that are included in costs of related assets or profit or loss and accounted for applying practical expedients	35,562,765.73	687,850.31
Variable lease payments that are included in costs of related assets or profit or loss and not included in the measurement of lease liabilities	17,811,753.36	20,627,211.88
Cash outflow from fixed lease payments	261,127,378.72	280,704,130.49
Total cash outflow for leases	314,501,897.81	302,019,192.68

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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.

Potential future cash outflows not included in the measurement of lease liabilities

The potential future cash outflows that the Company does not include in the measurement of lease liabilities mainly arise from variable lease payments and risk exposures such as leases that have been promised but not yet commenced.

Variable lease payments

A portion of the Company's real estate lease contracts incorporate provisions for variable lease payments that are indexed to the sales revenue of the leased stores. The objective of utilizing such provisions, to the extent feasible, is to align lease payments with stores that generate significant cash inflows.

Other information relating to leases

For the right-of-use assets, please refer to Note VII.25; for the lease liabilities, please refer to Note VII.46 and Note XII.1.

Lease payments on short-term leases and leases of low-value assets applying practical expedients

Applicable Not applicable

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 Not applicable

Currency: Renminbi Yuan

Item	Rental income	Including: Income relating to variable lease payments not included in the lease receivables
Rental income ^{Note 1}	455,045.87	0.00
Total	455,045.87	0.00

Note: Note 1 The Company has entered into operating leases on the fourth floor of Building No. 8 and the warehouse in Building No. 9 located in Deqing County, Zhejiang Province, and the lease term is from May 2023 to April 2025. Additionally, the Company has entered into operating leases on the No. 8 factory building (with a total of six rooms) in Lixian County, Hunan Province, and the lease term for this property is from January 2021 to December 2025.

Finance leases – the Company as lessor

Applicable Not applicable

Currency: Renminbi Yuan

Item	Selling profit or loss	Finance income	Income relating to variable lease payments not included in the measurement of the net investment in the leases
Selling profit or loss		2,079,022.89	
Total		2,079,022.89	

Annual undiscounted lease receivables for the next five years

 Applicable Not applicable

Currency: Renminbi Yuan

Item	Annual undiscounted lease receivables	
	Closing balance	Opening balance
the first year	6,313,958.29	6,458,331.07
the second year	6,289,948.26	6,313,958.29
the third year	6,145,575.48	6,289,948.26
the fourth year	6,126,136.18	6,145,575.48
the fifth year	5,981,763.41	6,126,136.18
Total undiscounted lease receivables after five years	12,073,666.72	18,055,430.12
Less: Unearned finance income	7,241,784.14	9,320,807.04
Net investment in the leases	35,689,264.20	40,068,572.38

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 Not applicable**82. Data resources****83. Others**

VIII. Research and development expenditure

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Employee benefits	157,935,342.59	156,098,327.58
Materials	119,747,741.17	83,875,970.91
Depreciation and amortisation	20,781,848.78	20,944,780.06
Other miscellaneous expenses	49,698,993.47	61,132,789.88
Total	348,163,926.01	322,051,868.43
Including: Research and development expenditure expensed as incurred	348,163,926.01	322,051,868.43

1. Research and development items eligible for capitalisation

Currency: Renminbi Yuan

Item	Additions during the period			Reductions during the period		Closing balance
	Opening balance	Internal development expenditures	Others	Recognised as intangible assets	Transferred to profit or loss	
Total						

Significant capitalised research and development items

Item	Research and development progress	Estimated completion date	How economic benefits is expected to be generated	Commencement date of capitalisation	Specific basis for commencement of capitalisation
Provision for impairment of development expenditures					

Currency: Renminbi Yuan

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Impairment test
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2. Important outsourced research projects

Project name	How economic benefits are expected to be generated	Judgment criteria and specific basis for capitalisation or being expensed
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Other descriptions:

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

Currency: Renminbi Yuan

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
Global Resources International, Inc.	30 September 2024	863,649,918.97	75.20%	Purchase of equity	30 September 2024	Obtaining control	298,788,941.22	9,521,983.31	-11,111,165.60
Zhejiang Honglan Technology Co., Ltd.	31 March 2024	6,071,163.00	57.00%	Purchase of equity	31 March 2024	Obtaining control	116,037.73	-1,523,143.63	-1,674,444.43
Hubei Zhongfu New Material Co., Ltd.	30 September 2024	6,700,000.00	67.00%	Increase in capital	30 September 2024	Obtaining control	205,248.68	-577,392.07	2,020,883.52

Other descriptions:

Note 1: The Company entered into the Agreement and Plan of Merger with James Michael Mabry, Min Tang, John Brian Steward, Martin Dean Paugh, Mark Steven Fellows, Ecolab U.S.14 Inc. and other companies on 27 June 2024 to transfer 75.20% equity of GRI held by the above shareholders at a consideration of USD120 million. The equity transfer formalities were completed on 20 September 2024, and the majority of the directors dispatched by the Company in the new board of directors had been included in the scope of consolidated financial statements from 30 September 2024.

Note 2: The Company entered into an Investment Agreement on Zhejiang Honglan Technology Co., Ltd. in February 2024 to hold 57.00% equity of Zhejiang Honglan by increasing capital by RMB6,071,163. Zhejiang Honglan had completed the formalities of industrial and commercial change registration before 31 March 2024, and the majority of the directors dispatched by the Company in the new board of directors had been included in the scope of consolidated financial statements since 31 March 2024.

Note 3: According to the Capital Increase Agreement on Hubei Zhongfu New Materials Co., Ltd. entered into by the Company in August 2024, the Company holds 67.00% equity of Hubei Zhongfu by increasing capital by RMB6.7 million. Hubei Zhongfu had completed the formalities of industrial and commercial change registration before 30 September 2024. In the new board of directors, the majority of the directors dispatched by the Company had been included in the scope of consolidated financial statements since 30 September 2024. As of 31 December 2024, the Company made a paid-in capital contribution of RMB3.3 million.

(2) Cost of the combination and goodwill

Currency: Renminbi Yuan

Cost of the combination	GRI	Zhejiang Honglan	Hubei Zhongfu
– Cash	841,903,683.99 ^{Note 1*}	6,071,163.00	6,700,000.00
– 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	841,903,683.99	6,071,163.00	6,700,000.00
Less: Interest in the fair value of the net identifiable assets acquired	378,773,739.68	3,857,742.84	6,288,355.87
Excess of interest in the fair value of the net identifiable assets acquired over goodwill/cost of the combination	463,129,944.31	2,213,420.16	411,644.13

Note 1*: The difference between the cost of the combination of GRI of RMB840 million and the cost of equity acquisition of GRI of RMB860 million in Note IX.1 is the exchange difference. Specifically, the cost of the combination of RMB840 million is translated at the exchange rate at the acquisition date, and the cost of equity acquisition of RMB860 million is translated at the exchange rate on the reporting date of 31 December 2024. The effect of the difference is reflected in other comprehensive income.

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:

(3) Identifiable assets and liabilities of the acquiree at the acquisition date

Currency: Renminbi Yuan

	GRI		Zhejiang Honglan		Hubei Zhongfu	
	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date
Assets:						
Currency funds	77,642,896.08	77,642,896.08				
Accounts receivable	218,215,543.90	218,215,543.90				
Inventories	429,062,508.73	404,144,751.77				
Fixed assets	295,224,369.48	187,573,831.66				
Intangible assets	169,216,985.82	30,500,584.47				
Financial assets held for trading	2,014,391.84	2,014,391.84				
Notes receivable	297,977.00	297,977.00				
Accounts receivable financing	87,019.72	87,019.72				
Prepayments	23,396,319.51	23,396,319.51				
Other receivables, net	17,393,115.62	17,393,115.62				
Other current assets	8,926,074.60	8,926,074.60				
Long-term equity investments	1,222,118.15	1,222,118.15				
Construction in progress	15,484,125.51	15,484,125.51				
Right-of-use assets, net	160,349,007.88	160,349,007.88				
Long-term prepaid expenses	10,657,378.07	10,657,378.07				
Deferred tax assets	26,880,307.55	26,880,307.55				
Other non-current assets	8,847,603.85	8,847,603.85				
Liabilities:						
Borrowings	258,199,920.01	258,199,920.01				
Accounts payable	93,594,155.47	93,594,155.47				
Deferred tax liabilities	69,802,071.88	18,597,553.19				
Notes payable	208,413,877.85	208,413,877.85				
Contract liabilities	4,340,007.82	4,340,007.82				
Employee benefits payable	23,746,313.35	23,746,313.35				
Taxes and surcharges payable	11,005,261.08	11,005,261.08				
Other payables	57,681,654.80	57,681,654.80				
Other current liabilities	334,043.53	334,043.53				
Long-term borrowings	44,019,709.96	44,019,709.96				
Lease liabilities	159,031,415.44	159,031,415.44				

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	GRI		Zhejiang Honglan		Hubei Zhongfu	
	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date
Long-term payables	26,972,835.38	26,972,835.38				
Long-term employee benefits payable	4,087,993.13	4,087,993.13				
Net assets	503,688,483.61	283,608,306.17	6,767,969.89	6,767,969.89	2,685,605.77	2,685,605.77
Less: Non-controlling interests	124,914,743.91	70,334,859.93	2,910,227.05	2,910,227.05	97,249.90	97,249.90
Net assets acquired	378,773,739.70	213,273,446.24	3,857,742.84	3,857,742.84	2,588,355.87	2,588,355.87

Methods for determining the fair values of identifiable assets and liabilities:

The Company has engaged Yinxin Appraisal Co., Ltd. to appraise GRI, the company to be acquired. Yinxin Appraisal Co., Ltd. has issued the "Valuation Report on the Market Values of Various Identifiable Assets, Liabilities and Contingent Liabilities of Global Resources International, Inc. for the Purpose of Business Combination Consideration Allocation by Winner Medical Co., Ltd." (Yin Xin Zi Bao Zi [2025] D0006). The appraisal benchmark date is 30 September 2024. The fair value of identifiable net assets of the 75.2% equity interest in Global Resources International, Inc. acquired was RMB378,773,739.71, taking into account the effect of deferred taxes in accordance with the valuation report.

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 disclosure

2. Business combination involving entities under common control

(1) Business combination involving entities under common control during the period

Currency: Renminbi Yuan

Name of the entity being 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	Profit 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	Profit of the entity being absorbed during the comparative accounting period
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Other descriptions:

(2) Cost of the combination

Currency: Renminbi Yuan

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:

(3) Carrying amount of assets and liabilities of the entity being absorbed on the combination date

Currency: Renminbi Yuan

	Combination date	At end of the prior period
Assets:		
Currency funds		
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:

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

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:

Due to the business needs of the Company, the subsidiary Wuhan Winner established Winner Biomedical Technology (Wuhan) Co., Ltd. on 30 April 2024, with a shareholding ratio of 67%. The subsidiary Wuhan Purcotton established Purcotton Agricultural Technology (Wuhan) Co., Ltd. on 14 May 2024, with a shareholding ratio of 58%.

6. Others

X. Interests in other entities

1. Interests in a subsidiary

(1) Composition of enterprise group

Currency: Renminbi Yuan

Name of the subsidiary	Registered capital	Place of business	Registered address	Nature of business	Proportion of ownership interest (%)		
					Direct	Indirect	Method of acquisition
Shenzhen Purcotton	130,000,000.00	Shenzhen City, Guangdong Province	Shenzhen City, 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 City, Guangdong Province	Guangzhou City, 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 City, Guangdong Province	Shenzhen City, Guangdong Province	Sale of Purcotton products	0.00%	100.00%	Establishment
Winner Medical (Huanggang)	259,459,200.00	Huanggang City, Hubei Province	Huanggang City, 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	Zhijiang City, Hubei Province	Zhijiang 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, medical consumables 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
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 Medical (Heyuan)	100,000,000.00	Heyuan City, Guangdong Province	Heyuan City, Guangdong Province	No actual business operation	100.00%	0.00%	Establishment
Winner Medical (Wuhan)	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

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Name of the subsidiary	Registered capital	Place of business	Registered address	Nature of business	Proportion of ownership interest (%)		
					Direct	Indirect	Method of acquisition
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 Medical (Hunan)	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 Medical Device	2,000,000.00	Changde City, Hunan Province	Changde City, Hunan Province	Engineering technical research and experimental development	0.00%	68.70%	Business combination not involving entities under common control
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

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Name of the subsidiary	Registered capital	Place of business	Registered address	Nature of business	Proportion of ownership interest (%)		Method of acquisition
					Direct	Indirect	
Purcotton Wuhan	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 ^{Note 1}	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 Alleset	926,040.00 ^{Note 2}	Hong Kong	Hong Kong	Sales of medical products		75.20%	Business combination not involving entities under common control
Alleset Inc	3,503.70 ^{Note 3}	the United States	the United States	Sales of medical products		75.20%	Business combination not involving entities under common control

Note 1: The registered capital of GRI METC is USD6.6 million

Note 2: The registered capital of GRI Alleset is HKD1 million

Note 3: The registered capital of Alleset 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:

Basis for determining whether the company is an agent or a principal:

Other descriptions:

(2) Material non-wholly owned subsidiary

Currency: Renminbi Yuan

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%	37,444,957.98	4,967,347.10	363,505,394.66

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

Currency: Renminbi Yuan

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	260,695,340.14	730,160,168.87	990,855,509.01	141,735,028.57	44,087,161.99	185,822,190.56	214,203,437.33	694,725,448.10	908,928,885.43	123,153,978.54	39,002,186.43	162,156,164.97

Currency: Renminbi Yuan

Name of the subsidiary	Amount for the current period					Amount for the prior period			
	Revenue for the year	Profit for the year	Total comprehensive income for the year	Net cash flows from operating activities		Revenue	Profit	Total comprehensive income	Net cash flows from operating activities
Longterm Medical	507,708,291.13	84,011,514.32	84,011,514.32			448,324,347.78	85,086,538.88	85,086,538.88	

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

(2) Effect of the transaction on non-controlling interests and equity attributable to owners of the parent

Currency: Renminbi Yuan

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 descriptions:

3. Equity in joint ventures and associates

(1) Material joint ventures or associates:

Name of joint ventures and associates	Principal place of business	Registered address	Nature of business	Proportion of ownership interest (%)		Accounting for joint ventures and associates
				Direct	Indirect	
Company S	the United States	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:

(2) Summarised financial information of material joint ventures:

Currency: Renminbi Yuan

	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		
Revenue		
Finance expenses		
Income tax expenses		
Profit		
Profit from a discontinued operation		
Other comprehensive income		
Total comprehensive income		
Dividends received from joint ventures during the year		
Other descriptions:		

(3) Summarised financial information of material associates:

Currency: Renminbi Yuan

	Closing balance/amount for the current period	Opening balance/amount for the prior period
	Company S	
Current assets	290,143,817.75	
Including: Cash and cash equivalents	51,512,979.33	
Non-current assets	229,332,861.79	
Total assets	519,476,679.54	
Current liabilities	174,562,102.54	
Non-current liabilities	18,526,435.94	
Total liabilities	193,088,538.48	
Net assets	326,388,141.06	
Non-controlling interests		
Equity attributable to shareholders of the parent		
Net assets calculated by the proportion of ownership interests	114,906,577.00	
Adjustments	308,242,072.68	
– Unrealised profit on inter-company transactions		
– Others		
Carrying amount of equity investments in associates	423,148,649.68	
Fair value of equity investments in associates at quoted market price		
Revenue	474,262,397.56	
Profit	-41,608,752.11	
Profit from a discontinued operation		
Other comprehensive income		
Total comprehensive income	-41,608,752.11	
Finance expenses	7,737,158.11	
Income tax expenses	-2,278,273.92	
Dividends received from associates during the year		

Other descriptions:

(4) Aggregate financial information of individually immaterial joint ventures and associates:

Currency: Renminbi Yuan

	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	22,207,128.31	20,879,244.20
Total based on shareholding ratios		
– Profit	74,946.72	1,581,608.21
– Total comprehensive income	74,946.72	1,581,608.21

Other descriptions:

(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:**

Currency: Renminbi Yuan

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
---------------------------------------	------------------------------------------------	------------------------------------------------------------	-------------------------------------------------------------

Other descriptions:

(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	Principal 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:

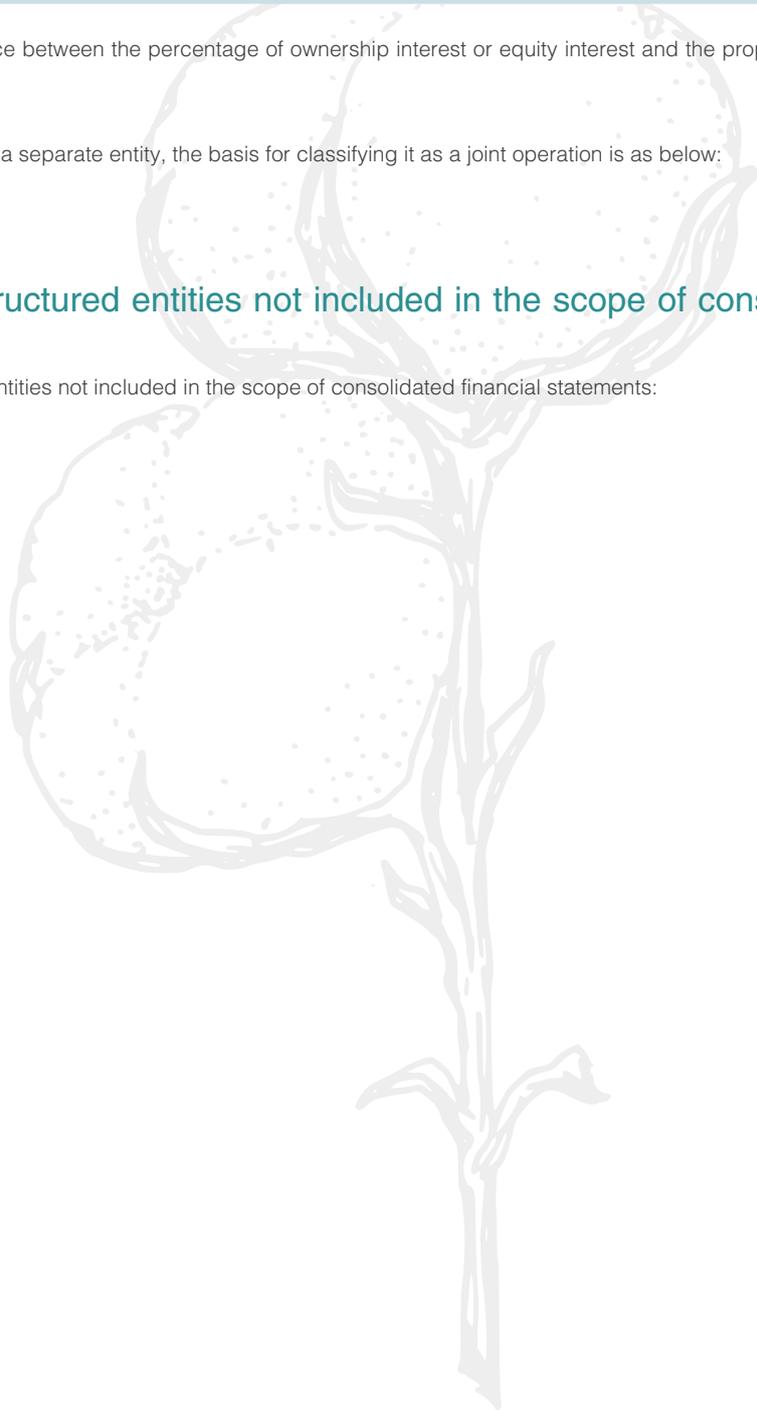
When the joint operation is a separate entity, the basis for classifying it as a joint operation is as below:

Other descriptions:

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 Not applicable

Reasons for failing to receive the estimated amount of government grants at the estimated time point

Applicable Not applicable

2. Liability items relating to government grants

Applicable Not applicable

Currency: Renminbi Yuan

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	121,649,364.97	50,781,285.38		15,276,248.63		157,154,401.72	Related to assets

3. Government grants included in profit or loss

Applicable Not applicable

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Government grants related to assets		
Recognised as other income	15,276,248.63	11,319,335.31
Government grants related to income		
Recognised as other income	42,237,896.79	69,319,761.92
Recognised as non-operating income	9,140.00	171,825.26
Total	57,523,285.42	80,810,922.49

Other descriptions:

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

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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:

2024

Items	Within 1 year	1 to 2 years	2 to 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
Current portion of non-current liabilities	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

2023

Items	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	1,493,238,955.00	-	-	-	1,493,238,955.00
Notes payable	315,902,844.15	-	-	-	315,902,844.15
Accounts payable	1,116,802,220.38	-	-	-	1,116,802,220.38
Other payables	591,310,917.61	-	-	-	591,310,917.61
Current portion of non-current liabilities	223,426,826.45	-	-	-	223,426,826.45
Long-term borrowings	-	170,000,000.00	-	-	170,000,000.00
Lease liabilities	-	152,725,191.59	160,706,193.96	19,232,032.29	332,663,417.84
Total	3,740,681,763.59	322,725,191.59	160,706,193.96	19,232,032.29	4,243,345,181.43

- 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 31 December 2024, 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 RMB3,257,632.71 (31 December 2023: RMB3,680,579.09). 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.

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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:

2024

Items	Increase/(decrease) in exchange rates (%)	Increase/(decrease) in net profit or loss	Increase/(decrease) in other comprehensive income, net of tax	Increase/(decrease) in total equity
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

2023

Items	Increase/(decrease) in exchange rates (%)	Increase/(decrease) in net profit or loss	Increase/(decrease) in other comprehensive income, net of tax	Increase/(decrease) in total equity
Weaker RMB against USD	5%	27,958,311.17	-	27,958,311.17
Stronger RMB against USD	-5%	-27,958,311.17	-	-27,958,311.17
Weaker RMB against EUR	5%	487,799.50	-	487,799.50
Stronger RMB against EUR	-5%	-487,799.50	-	-487,799.50

As at 31 December 2024, 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 RMB25,254,988.35 (31 December 2023: RMB28,446,110.67). 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 financial assets and liabilities held for trading 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 financial assets held for trading, based on the carrying amounts as at the balance sheet date, with all other variables held constant.

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2024

Items	Carrying amount of financial assets held for trading	Increase/(decrease) in net profit or loss	Increase/(decrease) in other comprehensive income, net of tax	Increase/(decrease) in total equity
Financial assets held for trading				
Financial assets and liabilities at fair value through profit or loss	2,921,341,484.39	123,525,008.09	-	123,525,008.09

2023

Items	Carrying amount of financial assets held for trading	Increase/(decrease) in net profit or loss	Increase/(decrease) in other comprehensive income, net of tax	Increase/(decrease) in total equity
Financial assets held for trading				
Financial assets and liabilities at fair value through profit or loss	2,850,058,540.71	120,495,954.46	-	120,495,954.46

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 2024 and 2023.

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	2024	2023
Total assets	18,391,855,961.52	17,112,022,449.97
Total liabilities	6,516,184,758.78	5,001,700,646.82
Asset-liability ratio	35.43%	29.23%

2. Hedge

(1) The Company carries out hedging business for risk management

Applicable Not applicable

(2) The Company carries out qualified hedging business and applies hedging accounting

Unit: RMB Yuan

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
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 Not applicable

3. Financial assets

(1) Transfer method classification

Applicable Not applicable

Unit: RMB Yuan

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for derecognition
Endorsed bills	Notes receivable	12,654,437.35	Not derecognised	It has retained substantially all the risks and rewards, including related default risks
Endorsed bills	Receivables financing	44,646,850.70	Derecognition	It has transferred substantially all the risks and rewards
Factoring	Accounts receivable	69,687,419.55	Derecognition	It has transferred substantially all the risks and rewards
Total		126,988,707.60		

(2) Financial assets derecognised due to transfers

Applicable Not applicable

Unit: RMB Yuan

Items	Transfer method	Amount of financial assets derecognised	Gains or losses related to derecognition
Receivables financing	Endorsed bills	159,281,106.29	
Accounts receivable	Factoring	69,687,419.55	36,585.05
Total		228,968,525.84	36,585.05

(3) Asset transfer financial assets that continue to be involved

Applicable Not applicable

Other description

XIII. Fair value disclosure**1. Closing fair value of assets and liabilities measured with fair value**

Unit: RMB Yuan

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. Financial assets held for trading		2,921,341,484.39		2,921,341,484.39
(1) Financial assets at fair value through profit or loss		2,921,341,484.39		2,921,341,484.39
Receivables financing		68,349,926.24		68,349,926.24
Other non-current financial assets		31,233,669.47	76,673,047.39	107,906,716.86
Total assets continuously measured at fair value		3,020,925,080.10	76,673,047.39	3,097,598,127.49
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.

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.

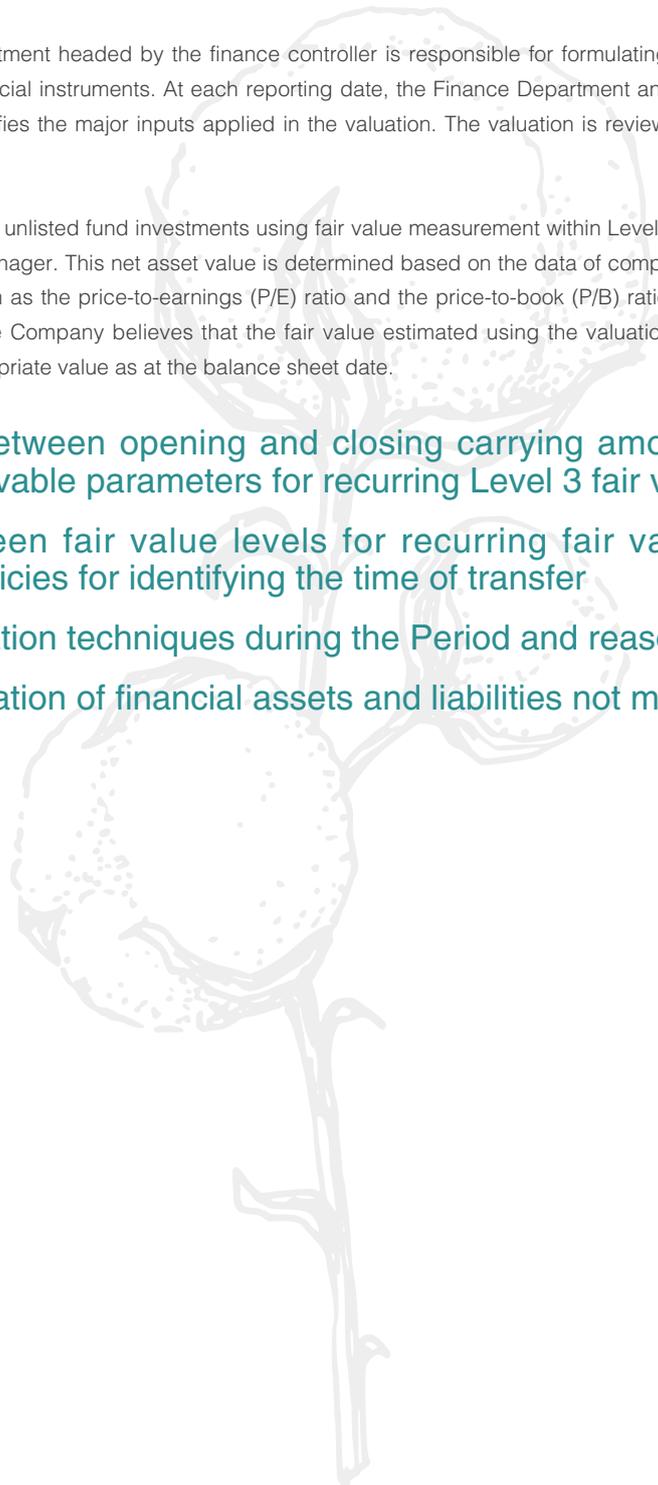
5. Reconciliation between opening and closing carrying amounts, and sensitivity analysis of unobservable parameters for recurring Level 3 fair value measurements

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. Other information



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 description:

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 Shiyou Medical Materials Co., Ltd.	Associate
Company S	Associate

Other description:

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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-Alleaset 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
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

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Name	Related party relationships
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.54 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 Yuan

Related parties	Transactions	2024	Approved transaction quota	Whether the transaction quota is exceeded?	2023
Wuhan Zhuoling Packaging Co., Ltd.	Purchasing goods or services				16,916,433.65
Chengdu Winner Likang Medical Products Co., Ltd.	Purchasing goods or services	47,928.39			216,261.26
Shenzhen Nine Stars Printing and Packaging Group Co., Ltd.	Purchasing goods or services	1,392,814.81			1,985,289.48
Shenzhen Shengtianning Medical Device Co., Ltd.	Purchasing goods or services				897,359.19
Shenzhen Zhengjun Medical Device Co., Ltd.	Purchasing goods or services				25,872.75
ZheJiang Longrising Medical New Materials Co., Ltd.	Purchasing goods or services				15,974.14
ZheJiang Longmed Medical Technology Co., Ltd.	Purchasing goods or services				225,644.59
Guilin Golden Eagle Latex Technology Co., Ltd.	Purchasing goods or services	5,242,433.42			2,345,811.69
Hubei Zhuoling Packaging Co., Ltd.	Purchasing goods or services	18,540,650.80			

Sales of goods/provision of services to related parties

Unit: RMB Yuan

Related parties	Transactions	2024	2023
Zhejiang Kanglidi Medical Articles Co., Ltd.	Selling goods or services	5,596,407.11	7,958,719.59
Chengdu Winner Likang Medical Products Co., Ltd.	Selling goods or services	1,390,142.67	3,310,936.37
ZheJiang Longmed Medical Technology Co., Ltd.	Selling goods or services	673,072.48	784,905.96
GRI-Alleset India Pvt Ltd	Selling goods or services	146,735.86	
Company S	Selling goods or services	113,424.99	
Shenzhen Shengtianning Medical Device Co., Ltd.	Selling goods or services	30,889.38	1,427,243.15
Shenzhen Zhengjun Medical Device Co., Ltd.	Selling goods or services		-424,759.31

Description of related party transactions of sales and purchases of goods and provision and receipts of services

(2) Entrusted/contracted activities and delegated/outsourced activities with related party

Entrusted/contracted activities:

Unit: RMB Yuan

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 Yuan

Entrusting/ outsourcing party	Trustee/contractor	Type of delegated/ outsourced assets	Commencement date	Termination date	Pricing basis for trusteeship/ outsourcing fees	Trusteeship/ outsourcing income 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 Yuan

Lessees	Type of leased assets	Rental income in 2024	Rental income in 2023
Zhejiang Longmed Medical Technology Co., Ltd.	Plant	363,302.75	430,764.22
Chengdu Winner Likang Medical Products Co., Ltd.	Plant	2,079,022.91 ^{Note 1}	908,441.15

Note 1: This amount represents interest income from unrealised financing income of long-term receivables. See Note VII.81 for details.

The Company as lessee:

Unit: RMB Yuan

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	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023

Description of related party leases

(4) Related party guarantees

The Company as guarantor

Unit: RMB Yuan

Guaranteed party	Guarantee amount	Commencement date	Expiry date	Whether guarantee has been fulfilled
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The Company as guaranteed party

Unit: RMB Yuan

Guaranteed party	Guarantee amount	Commencement date	Expiry date	Whether guarantee has been fulfilled
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0.00

Description of related party guarantees

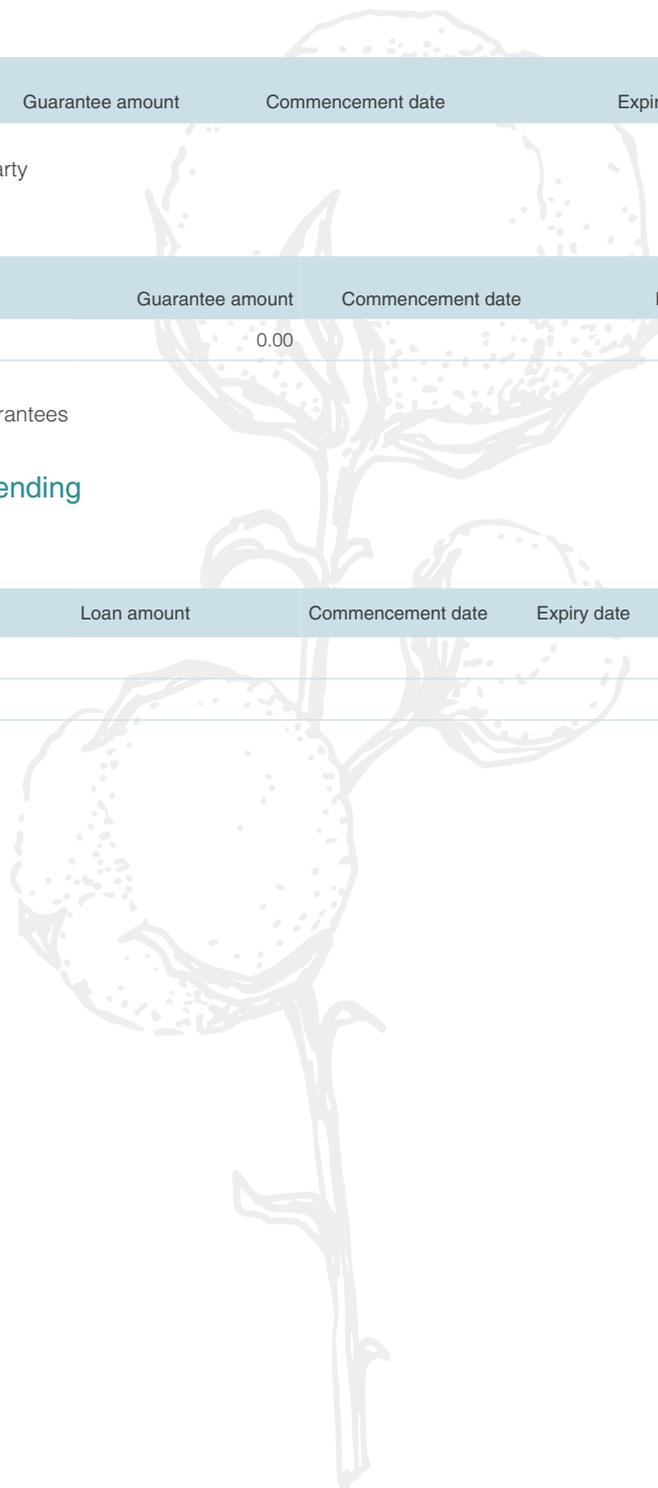
(5) Related party fund lending

Unit: RMB Yuan

Related party	Loan amount	Commencement date	Expiry date	Remarks
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Funds borrowed

Funds lent



(6) Related party asset transfers and debt restructuring

Unit: RMB Yuan

Related parties	Transactions	2024	2023
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(7) Compensation of key management personnel

Unit: RMB Yuan

Items	2024	2023
Compensation of key management personnel	18,245,607.48	11,823,627.11
Including: Share-based payments	2,020,576.80	561,630.58

(8) Other related party transactions**Related party borrowings**

Item	2024	2023
Related party borrowings (Note)	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.47 and 54 for details.

6. Amounts due from/to related parties**(1) Receivables**

Unit: RMB Yuan

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	GRI-Alleaset India Pvt Ltd	13,056,602.47	6,955,786.99		
Accounts receivable	Zhejiang Kanglidi Medical Articles Co., Ltd.	1,870,228.80	93,511.44	6,273,681.66	3,262,314.46
Accounts receivable	Chengdu Winner Likang Medical Products Co., Ltd.	538,133.25	26,906.66	121,107.25	6,055.36
Accounts receivable	ZheJiang Longmed Medical Technology Co., Ltd.	37,705.56	1,885.28	44,264.20	22,132.10
Accounts receivable	Jingyun Biotechnology (Shanghai) Co., Ltd.	0.00	0.00	651,786.67	362,599.47
Prepayments	ZheJiang Longmed Medical Technology Co., Ltd.	0.00	0.00	62,934.14	
Prepayments	Winner Group Limited	0.00	0.00	516,504.00	
Long-term receivables	GRI-Alleaset India Pvt Ltd	31,209,579.38	0.00	35,689,264.21	
Current portion of non-current assets	Chengdu Winner Likang Medical Products Co., Ltd.	4,479,684.84		4,379,308.17	
Other receivables	GRI-Alleaset India Pvt Ltd	5,186,667.64	5,150,927.49		

(2) Payables

Unit: RMB Yuan

Items	Related parties	Closing book value	Opening book value
Accounts payable	Wuhan Zhuoling Packaging Co., Ltd.		763,921.27
Accounts payable	Chengdu Winner Likang Medical Products Co., Ltd.	11,417.02	11,682.12
Accounts payable	Shenzhen Nine Stars Printing and Packaging Group Co., Ltd.	846,592.73	
Accounts payable	Shenzhen Shengtianning Medical Device Co., Ltd.		54,808.53
Accounts payable	Zhejiang Kanglidi Medical Articles Co., Ltd.		83,441.97
Accounts payable	Guilin Golden Eagle Latex Technology Co., Ltd.	623,503.50	7,048,938.08
Accounts payable	Hubei Zhuoling Packaging Co., Ltd.	5,962,746.26	
Accounts payable	ZheJiang Longrising Medical New Materials Co., Ltd.	5,229.00	
Other payables	Huang Jun		3,157,385.18
Other payables	Cao Wensong		568,310.09
Other payables	Guilin Golden Eagle Latex Technology Co., Ltd.		1,670,250.00
Contract liabilities	Company S	150,714.54	
Contract liabilities	Shenzhen Capital Group Co., Ltd.	11,946.90	
Contract liabilities	Shenzhen Shengtianning Medical Device Co., Ltd.	1,165.93	1,165.93
Dividends declared	Winner Group Limited	162,645,754.80	
Long-term payables	Winner Group Limited	26,892,539.19	
Other non-current liabilities	Minority shareholders of GRI	373,262,348.97	

7. Commitments with related parties

8. Other information

XV. Share-based payments

1. Share-based payments

Applicable Not applicable

Unit: RMB Yuan

Categories of grantees	Granted in the current year		Exercised in the current year		Unlocked in the current year		Expired in the current year	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management personnel	4,285,000.00	76,398,914.85			151,500.00	3,257,250.00		
Sales personnel	2,000,300.00	35,664,118.88						
R&D personnel	691,000.00	12,320,105.06						
Total	6,976,300.00	124,383,138.79			151,500.00	3,257,250.00		

Share options or other equity instruments outstanding at period end

Applicable Not applicable

Categories of grantees	Remaining contractual term of		Remaining contractual term	
	Scope of grant price	restricted shares	Scope of exercise price	of share options
Management personnel	RMB21.5/share	21 months	RMB15.39/share	52.5 months
Salesperson	RMB21.5/share	21 months	RMB15.39/share	52.5 months
R&D personnel	RMB21.5/share	21 months	RMB15.39/share	52.5 months

Other description:

2. Equity-settled share-based payments

Applicable Not applicable

Unit: RMB Yuan

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	106,431,782.29
Total expense recognised for equity-settled share-based payments during the period	14,795,634.88

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.

(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%.

As at 31 December 2024, the exercise price of the scheme was RMB15.39 per share, and the remaining periods were 16.5 months, 28.5 months and 40.5 months, respectively.

3. Cash-settled share-based payments

Applicable Not applicable

4. Share-based payments in current period

Applicable Not applicable

Unit: RMB Yuan

Categories of grantees	Equity-settled share-based payments	Cash-settled share-based payments
Management personnel	11,052,994.04	
Salesperson	2,781,705.67	
R&D personnel	960,935.17	
Total	14,795,634.88	

Other description:

5. Modifications and terminations of share-based payments

None

6. Other information

None

XVI. Commitments and contingencies

1. Significant commitments

Items	2024	2023
Capital commitments	109,806,872.21	407,020,916.69
Total	109,806,872.21	407,020,916.69

Significant commitments existing at the balance sheet date

2. Contingencies

(1) Significant contingencies existing at the balance sheet date

As at 31 December 2024, 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. Other information

None

XVII. Events after the balance sheet date

1. Significant non-adjusting events

Unit: RMB Yuan

Items	Events	Impact on financial position and operating results	Reasons for the inability to estimate the impact
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2. Profit distribution

Dividend to be distributed per 10 shares (RMB Yuan)	2.50		
Bonus shares to be distributed per 10 shares (shares)			
Capitalisation shares per 10 shares (shares)			
Declared dividend per 10 shares after approval (RMB Yuan)	2.50		
Declared bonus shares per 10 shares after approval (shares)			
Declared capitalisation shares per 10 shares after approval (shares)			

Profit distribution plan

On 27 April 2025, the Company held the sixth meeting of the fourth board of directors to consider and adopt the Proposal on the Profit Distribution Plan for 2024 and the Authorisation of Interim Profit Distribution for 2025. The profit distribution plan for 2024: Based on the Company's total existing share capital of 582,329,808 shares, a cash dividend of RMB2.50 (tax included) per 10 shares will be distributed to all shareholders, with a total cash dividend of RMB145,582,452.00 (tax included). No capital reserve will be converted into share capital, no bonus shares will be distributed, and the remaining undistributed profit will be accumulated to the next year.

Authorisation of interim profit distribution for 2025: The Company intends to request the general meeting of shareholders to authorise the board of directors to formulate a specific plan for interim profit distribution in 2025 and handle matters related to interim profit distribution based on the Company's operation and reasonable return for shareholders, on the premise that conditions for profit distribution are satisfied. Related authorisation includes but is not limited to deciding whether to distribute profit and formulating profit distribution plans. The above matters need to be submitted to the general meeting of shareholders of the Company for deliberation and approval.

3. Sales return

4. Explanation for other events after the balance sheet date

On 1 February and 3 March 2025, the United States government announced that it would impose a 10% base tariff on all Chinese goods exported to the United States, and the base tariff rate of products exported from China to the United States would be increased to 20%. In early April 2025, the United States government announced the imposition of "reciprocal tariffs" on global trading partners of the United States. As at the date of these financial statement, the tax rate of "reciprocal tariffs" imposed on mainland China has been increased to 125%, and the United States has increased its tariffs on China by 145% in 2025.

The Company will pay close attention to the development of tariff matters in the United States and actively respond to them, including but not limited to actively tracking the developments and trends of tariff policies in the United States, accelerating the capacity investment in overseas production bases, adjusting the layout of export business to the United States according to the latest tariff policies, and maintaining close communication with customers, so as to reduce the impact on the Company's financial position and operating results.

XVIII. Other significant events

1. Correction of accounts prior period errors

(1) Retrospective restatement

Correction of prior period errors and reasons

In 2023, the Company did not conduct impairment testing on long-term equity investment with indicators of impairment at the level of financial statements of the parent. According to the results of the Company's impairment testing, it shall recognise RMB64,697,100 impairment losses for the long-term equity investment at the level of 2023 financial statements of the parent. Management of the Company corrected these prior period accounting errors in the financial statements of the current year. The impact on the financial statements of the parent is as follows:

The Company

	Balance at the end of 2023/Amount incurred in 2023 (Before correction)	Impairment of long-term equity investment Correction of errors in 2023	Balance at the end of 2023/Amount incurred in 2023 (After correction)
Long-term equity investments	3,628,308,515.87	(64,697,140.41)	3,563,611,375.46
Total assets	12,230,952,294.62	(64,697,140.41)	12,166,255,154.21
Unappropriated profit	4,897,039,093.59	(64,697,140.41)	4,832,341,953.18
Equity	9,809,651,243.75	(64,697,140.41)	9,744,954,103.34
Impairment losses of assets	135,881,132.07	64,697,140.41	200,578,272.48
Profit before taxation	835,721,225.19	(64,697,140.41)	771,024,084.78
Profit	825,570,993.25	(64,697,140.41)	760,873,852.84

This matter had no impact on the consolidated financial statements of the Company.

(2) Prospective application

Correction of errors	Approval procedures	Reasons for prospective application
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2. Debt restructuring

3. Asset replacement

(1) Exchange of non-monetary assets

(2) Other asset replacement

4. Annuity plan

5. Discontinued operation

Unit: RMB Yuan

Items	Revenue	Expenses	Profit before income tax	Income tax expenses	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 Yuan

Items	Medical consumables (Segment 1)	Consumer goods (Segment 2)	Unallocated	Offset between segments	Total
Revenue	3,986,967,189.11	4,990,886,442.62			8,977,853,631.73
Cost of sales	2,528,231,814.30	2,201,330,303.93			4,729,562,118.23
Impairment losses of assets and credit impairment losses	229,623,830.31	12,827,304.78			242,451,135.09
Depreciation and amortisation	157,589,285.24	290,683,107.25			448,272,392.49
Operating profit/loss	302,026,302.11	604,097,421.39	8,739,376.58		914,863,100.08
Non-operating income and expenses			-6,514,787.41		-6,514,787.41
Assets and liabilities					
Total assets	9,049,678,069.47	4,008,082,353.19	5,334,095,538.86		18,391,855,961.52
Total liabilities	1,850,493,659.92	1,660,676,189.09	3,005,014,909.77		6,516,184,758.78

(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 methods

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.

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 31 December 2024, 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 31 December 2024, the land was not transferred and was recorded in other non-current assets.

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 High-speed 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 above-ground 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.

As at December 2024, 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, above-ground 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. Other information

Geographic information

Non-current assets

Items	2024	2023
Mainland China	8,773,793,530.38	6,526,825,445.12
Outside Mainland China	1,536,922,204.38	29,338,011.60
Total	10,310,715,734.76	6,556,163,456.72

Key customer information

In 2024, the Company did not have a single customer from whom the revenue accounted for 10% or more of the total revenue.



XIX. Notes to key items of the Parent's financial statements

1. Accounts receivable

(1) Disclosure by aging

Currency: Renminbi Yuan

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	360,752,595.26	340,774,634.65
1 to 2 years	3,165,440.79	1,043,737.97
2 to 3 years	967,899.68	179,652.24
Over 3 years	2,490,041.24	2,318,934.33
3 to 4 years	171,106.91	57,900.37
4 to 5 years	57,900.37	118,509.20
Over 5 years	2,261,033.96	2,142,524.76
Total	367,375,976.97	344,316,959.19

(2) Disclosure by bad debt provision accrual method

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Including:										
Accounts receivable with provision for bad debts made on a collective basis	367,375,976.97	100.00%	17,767,875.15	4.84%	349,608,101.82	344,316,959.19	100.00%	15,260,708.63	4.43%	329,056,250.56
Including:										
Aging analysis method	344,944,096.15	93.89%	17,767,875.15	5.15%	327,176,221.00	302,550,055.56	87.87%	15,260,708.63	5.04%	287,289,346.93
Other collective methods	22,431,880.82	6.11%	0.00	0.00%	22,431,880.82	41,766,903.63	12.13%	0.00	0.00%	41,766,903.63
Total	367,375,976.97	100.00%	17,767,875.15	4.84%	349,608,101.82	344,316,959.19	100.00%	15,260,708.63	4.43%	329,056,250.56

Provision for bad debts is made based on the general expected credit loss (ECL) model:

Applicable Not applicable

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

Changes in provision for bad debts are as follows:

Currency: Renminbi Yuan

Category	Opening balance	Changes				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Provision for bad debts	15,260,708.63	7,703,104.88	5,195,938.36			17,767,875.15
Total	15,260,708.63	7,703,104.88	5,195,938.36			17,767,875.15

Significant recovery or reversal of provision for bad debts:

Currency: Renminbi Yuan

Unit name	Amount recovered or reversed	Reasons for reversal	Method of recovery	Basis and rationale for proportion of original provision for bad debts accrued
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(4) Accounts receivable actually written off

Currency: Renminbi Yuan

Item	Amount written off
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Significant write-off of accounts receivable:

Currency: Renminbi Yuan

Unit name	Nature of accounts receivable	Amount written off	Reasons for write-off	Write-off procedures performed	Whether caused by related-party transactions
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Notes on the write-off of accounts receivable:

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

Currency: Renminbi Yuan

Unit 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
Customer I	21,281,539.57		21,281,539.57	5.79%	1,101,286.08
Customer II	17,902,016.22		17,902,016.22	4.87%	895,100.83
Customer III	16,850,363.86		16,850,363.86	4.59%	842,518.19
Customer IV	12,011,745.90		12,011,745.90	3.27%	600,587.30
Customer V	11,875,563.71		11,875,563.71	3.23%	593,778.18
Total	79,921,229.26		79,921,229.26	21.75%	4,033,270.58

2 Other receivables

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Interest receivable	0.00	
Dividends receivable	9,404,946.00	
Other receivables	157,621,914.96	116,040,893.47
Total	167,026,860.96	116,040,893.47

(1) Interest receivable**1) Classification of interest receivable**

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Total	0.00	

2) Significant overdue interest

Currency: Renminbi Yuan

Borrower	Closing balance	Overdue time	Overdue reasons	Impairment determination basis
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Other description:

3) Disclosure by bad debt provision accrual method
 Applicable Not applicable

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4) Provision for bad debts accrued, reversed or recovered

Currency: Renminbi Yuan

Category	Opening balance	Accrual	Changes			Closing balance
			Recovery or reversal	Disposal or write-off	Other changes	

Significant recovery or reversal of provision for bad debts:

Currency: Renminbi Yuan

Unit name	Amount recovered or reversed	Reasons for reversal	Method of recovery	Basis and rationale for original bad debt provision ratio
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Other description:

5) Interest receivable actually written off

Currency: Renminbi Yuan

Item	Amount written-off
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Significant write-off of interest receivable:

Currency: Renminbi Yuan

Unit name	Nature of interest receivable	Amount written-off	Reasons for write-off	Write-off procedures performed	Whether caused by related party transactions
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Notes on write-off interest receivable:

Other description:

(2) Dividends receivable

1) Classification of dividends receivable

Currency: Renminbi Yuan

Item (Investee)	Closing balance	Opening balance
Longterm Medical	6,071,202.00	
Hong Kong Winner	3,333,744.00	
Total	9,404,946.00	

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2) Significant dividends receivable aged over 1 year

Currency: Renminbi Yuan

Item (Investee)	Closing balance	Aging	Reasons for non-recovery	Impairment determination basis
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3) Disclosure by bad debt provision accrual method

 Applicable Not applicable

4) Provision for bad debts accrued, reversed or recovered

Currency: Renminbi Yuan

Category	Opening balance	Accrual	Changes			Closing balance
			Recovery or reversal	Disposal or write-off	Other changes	

Significant recovery or reversal of provision for bad debts:

Currency: Renminbi Yuan

Unit name	Amount recovered or reversed	Reasons for reversal	Method of recovery	Basis and rationale for original bad debt provision ratio
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Other description:

5) Dividends receivable actually written off

Currency: Renminbi Yuan

Item	Amount written off
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Significant write-off of dividends receivable

Currency: Renminbi Yuan

Unit name	Nature of dividends receivable	Amount written off	Reasons for write-off	Write-off procedures performed	Whether caused by related-party transactions
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Notes on write-off dividends receivable:

Other description:

(3) Other receivables

1) Classification by nature

Currency: Renminbi Yuan

Nature of other receivables	Closing balance	Opening balance
Compensation for investment and construction project of Winner Medical (Heyuan)	217,155,320.00	220,155,320.00
Amounts due from/to related parties	43,000,000.00	
Deposits and guarantee deposits	3,765,362.49	3,740,072.80
Employee pretty cash	340,211.01	558,778.18
Others	2,256,800.14	1,978,710.15
Total	266,517,693.64	226,432,881.13

2) Disclosure by aging

Currency: Renminbi Yuan

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	49,362,373.64	3,533,854.33
1 to 2 years		28,992.00
2 to 3 years		2,714,714.80
Over 3 years	217,155,320.00	220,155,320.00
4 to 5 years		220,155,320.00
Over 5 years	217,155,320.00	
Total	266,517,693.64	226,432,881.13

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3) Disclosure by bad debt provision accrual method

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Other receivables with provision for bad debts made on an individual basis	217,155,320.00	81.48%	108,577,660.00	50.00%	108,577,660.00	220,155,320.00	97.23%	110,077,660.00	50.00%	110,077,660.00
Including:										
Other receivables with provision for bad debts made on a collective basis	49,362,373.64	18.52%	318,118.68	0.64%	49,044,254.96	6,277,561.13	2.77%	314,327.66	5.01%	5,963,233.47
Including:										
Aging group	2,597,011.16	0.97%	129,850.56	5.00%	2,467,160.60	2,537,488.33	1.12%	127,324.02	5.02%	2,410,164.31
Deposits and guarantee deposits	3,765,362.48	1.42%	188,268.12	5.00%	3,577,094.36	3,740,072.80	1.65%	187,003.64	5.00%	3,553,069.16
No credit risk group	43,000,000.00	16.13%			43,000,000.00					
Total	266,517,693.64	100.00%	108,895,778.68	40.86%	157,621,914.96	226,432,881.13	100.00%	110,391,987.66	48.75%	116,040,893.47

provision for bad debts is made on an individual basis:

Currency: Renminbi Yuan

Name	Opening balance		Closing balance			Reasons for provision
	Book balance	Impairment allowance	Book balance	Impairment allowance	Accruing proportion (%)	
Zijin County People's Government	220,155,320.00	110,077,660.00	217,155,320.00	108,577,660.00	50.00%	Government receivables, aged over 5 years
Total	220,155,320.00	110,077,660.00	217,155,320.00	108,577,660.00		

Provision for bad debts is made on a collective basis:

Currency: Renminbi Yuan

Name	Closing balance		
	Book balance	Impairment allowance	Accruing proportion (%)
Within 1 year	2,597,011.16	129,850.56	5.00%
Total	2,597,011.16	129,850.56	

Basis for provision for bad debts:

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Provision for bad debts is made based on the general expected credit loss (ECL) model:

Currency: Renminbi Yuan

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	
Balance as at 1 January 2024	314,327.66	110,077,660.00		110,391,987.66
Balance as at 1 January 2024, in the current year				
Accrual	318,118.69			318,118.69
Reversal	314,327.66	1,500,000.00		1,814,327.66
Balance as at 31 December 2024	318,118.69	108,577,660.00		108,895,778.69

Basis for allocating provision for bad debts to each ECL stage and determining its proportion applicable to each stage:

Material changes in balance of provision for bad debts:

Applicable Not applicable

4) Provision for bad debts accrued, reversed or recovered

Provision for bad debts:

Currency: Renminbi Yuan

Category	Opening balance	Changes				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Provision for bad debts	110,391,987.66	318,118.69	1,814,327.67			108,895,778.68
Total	110,391,987.66	318,118.69	1,814,327.67			108,895,778.68

Significant reversal of recovery of provision for bad debts:

Currency: Renminbi Yuan

Unit name	Amount recovered or reversed	Reasons for reversal	Method of recovery	Basis and rationale for original bad debt provision ratio
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5) Other receivables actually written off

Currency: Renminbi Yuan

Item	Amount written off
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Significant write-off of other receivables:

Currency: Renminbi Yuan

Unit name	Nature of other receivables	Amount written off	Reasons for write-off	Write-off procedures performed	Whether caused by related-party transactions
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Write-off of other receivables:

6) Top 5 other receivables with closing balances by debtor

Currency: Renminbi Yuan

Unit name	Nature of other receivables	Closing balance	Aging	Proportion of the total closing balance of other receivables	Closing balance of provision for bad debts
First	Other receivables related to project of Winner Medical (Heyuan)	217,155,320.00	Over 5 years	81.48%	108,577,660.00
Second	Others	43,000,000.00	Within 1 year	16.13%	
Third	Deposits and guarantee deposits	2,311,115.80	Within 1 year	0.87%	115,555.79
Fourth	Deposits and guarantee deposits	941,098.00	Within 1 year	0.35%	47,054.90
Fifth	Deposits and guarantee deposits	93,549.68	Within 1 year	0.04%	4,677.48
Total		263,501,083.48		98.87%	108,744,948.17

7) Recorded under other receivables due to centralized fund management

Currency: Renminbi Yuan

Other description:

3. Long-term equity investment

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment allowance	Carrying amount	Book balance	Impairment allowance (restated)	Carrying amount (restated)
Investment in subsidiaries	5,313,477,317.52	138,692,158.62	5,174,785,158.90	3,612,018,476.28	68,784,134.89	3,543,234,341.39
Investment in associates and joint ventures	20,712,599.93		20,712,599.93	20,377,034.07		20,377,034.07
Total	5,334,189,917.45	138,692,158.62	5,195,497,758.83	3,632,395,510.35	68,784,134.89	3,563,611,375.46

(1) Investment in subsidiaries

Currency: Renminbi Yuan

Investee	Opening balance (carrying amount) (restated)	Opening balance of impairment allowance (restated)	Changes			Closing balance (carrying amount)	Closing balance of impairment allowance
			Increase in investment	Decrease in investment	Impairment allowance charged for the current period		
Winner Medical (Huanggang)	267,491,627.79		305,941.73			267,797,569.52	
Winner Medical (Jingmen)	27,242,761.31		187,736.97			27,430,498.28	
Shenzhen Purcotton	131,058,457.65		5,775,974.96			136,834,432.61	
Winner Medical (Chongyang)	33,629,806.08		243,362.74			33,873,168.82	
Winner Medical (Jiayu)	236,436,595.28		208,596.64			236,645,191.92	
Winner Medical (Tianmen)	39,697,276.28		250,315.96			39,947,592.24	
Hong Kong Winner	1,456,720.00					1,456,720.00	
Winner Medical (Yichang)	18,595,897.41		55,625.77			18,651,523.18	
Winner Medical Malaysia	0.00	4,086,994.48				0.00	4,086,994.48
Winner Medical (Heyuan)	100,000,000.00					100,000,000.00	
Winner Medical (Wuhan)	400,000,000.00		400,166,877.31			800,166,877.31	
PureH2B	150,000,000.00					150,000,000.00	
Longterm Medical	727,540,000.00					727,540,000.00	
Winner Guilin	500,000,000.00		180,783.75		69,908,023.73	430,272,760.02	69,908,023.73
Winner Medical (Hunan)	687,224,359.59	64,697,140.41	115,423.47			687,339,783.06	64,697,140.41
Junjian Medical	192,000,000.00		41,719.33			192,041,719.33	
Shanghai Hongsong	30,000,000.00		9,255,994.87			39,255,994.87	
Nature Health (HK)	860,840.00		1,284,670,487.74			1,285,531,327.74	
Total	3,543,234,341.39	68,784,134.89	1,701,458,841.24		69,908,023.73	5,174,785,158.90	138,692,158.62

(2) Investment in associates and joint ventures

Currency: Renminbi Yuan

Investee	Opening balance (carrying amount)	Opening balance of impairment allowance	Increase in investment	Decrease in investment	Changes					Closing balance (carrying amount)	Closing balance of impairment allowance	
					Investment income or losses recognised under the equity method	Adjustments to accumulated other comprehensive income	Other equity changes	Cash dividends or profits declared	Impairment allowance charged for the current period			Others
I. Joint ventures												
II. Associates												
Chengdu Winner Likang Medical Products Co., Ltd.	20,377,034.07				335,565.86							20,712,599.93
Subtotal	20,377,034.07				335,565.86							20,712,599.93
Total	20,377,034.07				335,565.86							20,712,599.93

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

Applicable Not applicable

The recoverable amount was determined according to the present value of the expected future cash flows.

Applicable Not applicable

Reasons for the apparent inconsistency between the aforementioned information and the data used in impairment testing in prior years or external information

Reasons for the variance between the information utilised in the Company's impairment testing in prior years and the actual circumstances of the current year

(3) Other description**4. Revenue and cost of sales**

Currency: Renminbi Yuan

Item	2024		2023	
	Revenue	Costs of sales	Revenue	Costs of sales
Primary business	2,530,913,125.43	1,994,278,688.89	2,814,210,405.74	2,028,042,457.15
Other businesses	139,685,563.75	3,164,777.49	77,880,248.71	6,073,049.88
Total	2,670,598,689.18	1,997,443,466.38	2,892,090,654.45	2,034,115,507.03

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Breakdown of revenue and cost of sales:

Currency: Renminbi Yuan

Classification of contracts	Segment 1		Segment 2		Total			
	Revenue	Costs of sales	Revenue	Costs of sales	Revenue	Costs of sales	Revenue	Costs of sales
Business type								
Including:								
Classified by geographical region								
Including:								
Type of markets or clients								
Including:								
Type of contracts								
Including:								
Classified by timing of transfer of goods								
Including:								
Classified by contract duration								
Including:								
Classified by sales channels								
Including:								
Total								

Information about the Company's performance obligations:

Item	Time to fulfill performance obligations	Significant payment terms	The nature of the goods the Company promises to transfer	Whether a principal	Amounts borne by the Company that are expected to be refunded to customers	Types of quality assurance provided by the Company and related obligations
Other description						

Other description

Information related 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 2024, and RMB0.00 is expected to be recognised in 2025.

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Significant contract changes or significant transaction price adjustments

Currency: Renminbi Yuan

Item	Accounting treatment	Impact on revenue
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Other description:

5. Investment income

Currency: Renminbi Yuan

Item	2024	2023
Long-term equity investment income under the cost method	532,715,812.41	700,000,000.00
Long-term equity investment income under the equity method	335,565.86	1,184,337.91
Investment income from redemption of financial assets held for trading	83,601,581.10	115,840,345.05
Total	616,652,959.37	817,024,682.96

6. Others

XX. Supplemental information

1. Schedule of non-recurring profit or loss

 Applicable Not applicable

Currency: Renminbi Yuan

Item	Amount	Description
Profit or loss on disposal of non-current assets	-2,083,378.10	Mainly attributable to significant disposals of infection prevention products in the prior year
Government grants recognised in profit or loss (excluding grants closely related to the Company's regular business operations, aligned with national policies, and meeting specific criteria with a continuous impact on the Company's profit or loss)	37,931,590.29	
Gains or losses on fair value changes of financial assets and liabilities held by non-financial corporations, and gains or losses on disposal of financial assets and liabilities, excluding effective hedging operations related to the Company's regular business operations	87,767,017.20	Mainly attributable to the decrease in holdings of wealth management products and fluctuations in their rates of return
Gains or losses from debt restructuring	1,788,767.41	
Other non-operating income and expenses other than those mentioned above	1,445,748.24	
Less: Income tax effects	20,765,995.02	
Amount attributable to non-controlling interests (net of tax)	1,562,880.08	
Total	104,520,869.94	-

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

Applicable Not applicable

The Company has no other items meeting the definition of non-recurring profit or loss that require disclosure.

Description on classifying the items listed in Interpretative Announcement No. 1 on Information Disclosure by Publicly Offered Securities Companies – Non-recurring Profit or Loss as recurring Items:

Applicable Not applicable

Item	Reason
Subsidy for freight of cotton out of Xinjiang	Compliance with national policies and regulations, determined standards, continuous impact on profit or loss
Interest income from large certificates of deposit	The Company's daily fund management model, continuous impact on profit or loss

2. Return on equity (ROE) and earnings per share (EPS)

Profit for the reporting period	Weighted average return on equity (%)	Earnings per share (in Renminbi Yuan)	
		Basic earnings per share	Diluted earnings per share
Profit attributable to ordinary shareholders of the Company	6.07%	1.19	1.19
Profit attributable to ordinary shareholders of the Company after excluding non-recurring items	5.16%	1.01	1.01

3. Differences in accounting information prepared under domestic and foreign accounting standards

(1) Differences in profit and net assets between financial reports prepared under IAS and CAS

Applicable Not applicable

(2) Differences in profit and net assets between financial reports prepared under foreign accounting standards and CAS

Applicable Not applicable

(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 Not applicable

4. Others

Appendix:

Information on medical device products

(I) Statistics on the number of registration certificates for medical devices

Statistics on the number of domestic product registration certificate				
Registration Categories	Opening balance	Number of additions	Number of failures	Closing balance
Class I	113	36	0	149
Category II	137	26	2	161
Category III	25	0	0	25
Total	275	62	2	335

Statistics on the number of foreign product registration certificate				
Registration Categories	Opening balance	Number of additions	Number of failures	Closing balance
Abroad	92	222	0	314

Note: The statistical caliber of new registration certificates is that of new certificates in the Company's consolidated financial statements at the end of 2024, including the registration certificates of GRI and its holding subsidiaries acquired in 2024: 30 domestic (18 Class I, 12 Class II) and 52 abroad.

(II) Certificates of newly registered medical devices in 2024

1. Domestic

S/N	Name of certificate	Registration category	Certificate Holder	Date of issue
1	First aid kit	Class I	Winner Medical (Tianmen)	16 January 2024
2	Cotton pads	Class I	Winner Medical (Tianmen)	26 January 2024
3	Seawater nasal cleansing solution	Class II	Winner Medical (Jiayu)	2 February 2024
4	External body position fixation brace	Class I	Winner Medical	20 March 2024
5	Medical absorbent pad	Class I	Winner Medical (Huanggang)	6 June 2024
6	Nursing pad sheet	Class I	Winner Medical (Huanggang)	12 June 2024
7	Radiation suit	Class I	Winner Medical	29 July 2024
8	Radiation protective cap	Class I	Winner Medical	29 July 2024
9	Radiation protective collar	Class I	Winner Medical	29 July 2024
10	Transparent dressing	Class II	Winner Medical (Huanggang)	12 August 2024

S/N	Name of certificate	Registration category	Certificate Holder	Date of issue
11	Medical sodium hyaluronate wound dressing	Class II	Winner Medical (Jiayu)	14 October 2024
12	Medical radiation gonad protective curtain	Class I	Winner Medical	13 November 2024
13	Radiation protective vest	Class I	Winner Medical	20 November 2024
14	Disposable coreless rod medicinal syringe	Class II	Winner Medical (Hunan)	2 February 2024
15	Disposable medical protective clothing	Class II (Cancellation)	Winner Medical (Hunan)	6 June 2024
16	Disposable sterile sampling swab	Class II (Cancellation)	Winner Medical (Hunan)	6 June 2024
17	Medical radiation protective gloves	Class I	Winner Guilin	1 March 2024
18	Medical radiation protective gloves	Class I	Winner Guilin	4 March 2024
19	Medical rubber gloves	Class I	Winner Guilin	5 March 2024
20	Disposable medical nitrile gloves	Class I	Winner Guilin	5 March 2024
21	Disposable sterile nitrile examination gloves	Class II	Winner Guilin	9 April 2024
22	Sterile ultrasound probe isolation sheath	Class II	Winner Guilin	22 May 2024
23	Transparent film dressing	Class II	Longterm Medical	30 July 2024
24	Plaque disclosing solution	Class I	Longterm Medical	14 August 2024
25	Hypoallergenic breathable medical tape	Class I	Longterm Medical	29 August 2024
26	Scar gel	Class II	Longterm Medical	21 October 2024
27	Disposable suction tube	Class II	GRI METC	6 January 2024
28	Disposable suction tip	Class II	GRI METC	6 January 2024
29	Disposable positioning pillow	Class I	GRI METC	26 June 2024
30	Disposable fluid collection bag	Class I	GRI METC	15 July 2024
31	Disposable isolation gown	Class II	GRI METC	22 July 2024
32	Disposable umbilical cord clamp	Class II	GRI METC	24 July 2024
33	Disposable interventional procedure kit	Class II	GRI METC	26 September 2024
34	Disposable anal tube	Class II	GRI METC	13 December 2024

2. Overseas

Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
Saudi Arabia	1	MDMA-2-2024-0118	MDMA Authorization Number	Class A	Winner Medical Co., Ltd.	Sterilized non-woven eye pad	13 January 2024	13 January 2027
Saudi Arabia	2	MDMA-2-2024-0655	MDMA Authorization Number	Class D	Winner Medical Co., Ltd.	Silver-containing foam dressing	26 March 2024	26 March 2027
Saudi Arabia	3	MDMA-2-2024-0655	MDMA Authorization Number	Class D	Winner Medical Co., Ltd.	Silver-containing silicone foam dressing	26 March 2024	26 March 2027
Saudi Arabia	4	MDMA-2-2024-0655	MDMA Authorization Number	Class D	Winner Medical Co., Ltd.	PHMB foam dressing	26 March 2024	26 March 2027
Saudi Arabia	5	MDMA-2-2024-0655	MDMA Authorization Number	Class D	Winner Medical Co., Ltd.	PHMB silicone foam dressing	26 March 2024	26 March 2027
Saudi Arabia	6	MDMA-2-2024-2559	MDMA Authorization Number	Class A	Winner Medical Co., Ltd.	Tubular hydrogel	8 September 2024	8 September 2027
Saudi Arabia	7	MDMA-2-2024-2795	MDMA Authorization Number	Class A	Winner Medical Co., Ltd.	Adhesive remover	4 October 2024	4 October 2027
Saudi Arabia	8	MDMA-2-2024-3567	MDMA Authorization Number	Class C	Winner Medical Co., Ltd.	CMC dressing (Standard/Extra Strength/Reinforced)	19 December 2024	19 December 2027
Saudi Arabia	9	MDMA-2-2024-3567	MDMA Authorization Number	Class A	Winner Medical Co., Ltd.	Non-sterilized skin protective film (wipe + spray)	20 December 2024	20 December 2027
Malaysia	10	GC9560124-174564	MDA Certificate	Class C	Winner Medical Co., Ltd.	CMC hydrophilic fiber dressing	27 May 2024	26 May 2029
Malaysia	11	GD10564724-183245	MDA Certificate	Class D	Winner Medical Co., Ltd.	Silver-containing foam dressing (with adhesive border)	5 September 2024	4 September 2029
Malaysia	12	GD10509924-183247	MDA Certificate	Class D	Winner Medical Co., Ltd.	Silver-containing foam dressing (without adhesive border)	5 September 2024	4 September 2029
UK	13	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIb	Winner Medical Co., Ltd.	Alginate dressing	11 July 2024	30 June 2030
UK	14	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIb	Winner Medical Co., Ltd.	Foam dressing	11 July 2024	30 June 2030
UK	15	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIb	Winner Medical Co., Ltd.	Silicone foam dressing	11 July 2024	30 June 2030
UK	16	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIb	Winner Medical Co., Ltd.	Superabsorbent pad	11 July 2024	30 June 2030
UK	17	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIa	Winner Medical Co., Ltd.	Radiopaque gauze (piece, pad, ball, roll)	11 July 2024	30 June 2030
UK	18	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIb	Winner Medical Co., Ltd.	Silicone anti-adhesive layer	11 July 2024	30 June 2030

Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
UK	19	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIb	Winner Medical Co., Ltd.	Silicone superabsorbent pad	11 July 2024	30 June 2030
UK	20	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIb	Winner Medical Co., Ltd.	Activated carbon superabsorbent pad	11 July 2024	30 June 2030
UK	21	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIb	Winner Medical Co., Ltd.	Hydrocolloid dressing	11 July 2024	30 June 2030
UK	22	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIb	Winner Medical Co., Ltd.	CMC hydrophilic fiber dressing	11 July 2024	30 June 2030
UK	23	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile non-radiopaque gauze (piece, pad, ball, roll, throat pack)	11 July 2024	30 June 2030
UK	24	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile cotton surgical gown	11 July 2024	30 June 2030
UK	25	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Silicone scar tape	11 July 2024	30 June 2030
UK	26	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Transparent dressing	11 July 2024	30 June 2030
UK	27	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Nonstick pad	11 July 2024	30 June 2030
UK	28	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Synthetic non-woven surgical gown	11 July 2024	30 June 2030
UK	29	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Surgical drape	11 July 2024	30 June 2030
UK	30	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class IIa	Winner Medical Co., Ltd.	Radiopaque synthetic non-woven products (piece, pad, ball, roll)	11 July 2024	30 June 2030
UK	31	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Non-woven fabric dressing	11 July 2024	30 June 2030
UK	32	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Cotton products (cotton ball, cotton roll, dental cotton, cotton swab, plaster pad)	11 July 2024	30 June 2030
UK	33	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Medical mask	11 July 2024	30 June 2030

Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
UK	34	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Absorbent dressings (including eye pad, ABD pad, gauze with cotton ball and gauze with cotton pad)	11 July 2024	30 June 2030
UK	35	Registration Confirmation Letter – 2024071101374285	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Surgical drape kit	11 July 2024	30 June 2030
UK	36	Registration Confirmation Letter – 2024122202401221	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile universal nursing kit	23 December 2024	30 June 2030
UK	37	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile wound dressing change kit	23 December 2024	30 June 2030
UK	38	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile dialysis care kit	23 December 2024	30 June 2030
UK	39	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile urinary catheter care kit	23 December 2024	30 June 2030
UK	40	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile intravenous infusion care kit	23 December 2024	30 June 2030
UK	41	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile PEG care kit	23 December 2024	30 June 2030
UK	42	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile anesthesia care kit	23 December 2024	30 June 2030
UK	43	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile oral care kit	23 December 2024	30 June 2030
UK	44	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile gynecological examination kit	23 December 2024	30 June 2030
UK	45	Registration Confirmation Letter – 2024122202401220	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile ophthalmic care kit	23 December 2024	30 June 2030
UK	46	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile skin protective film (wipe, stick, spray)	23 December 2024	30 June 2030
UK	47	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile polypropylene non-woven piece	23 December 2024	30 June 2030
UK	48	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile polypropylene non-woven pad	23 December 2024	30 June 2030

Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
UK	49	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile polypropylene non-woven ball	23 December 2024	30 June 2030
UK	50	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile care pad	23 December 2024	30 June 2030
UK	51	Registration Confirmation Letter – 2024122202401219	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile silicone non-woven fabric dressing	23 December 2024	30 June 2030
UK	52	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile hydrocolloid band aid	23 December 2024	30 June 2030
UK	53	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile hydrogel band aid	23 December 2024	30 June 2030
UK	54	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile hydrogel pad	23 December 2024	30 June 2030
UK	55	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile silicone band aid	23 December 2024	30 June 2030
UK	56	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Is	Winner Medical Co., Ltd.	Class I sterile band aids	23 December 2024	30 June 2030
UK	57	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile skin protective film (wipe, spray)	23 December 2024	30 June 2030
UK	58	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile polypropylene non-woven piece	23 December 2024	30 June 2030
UK	59	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile polypropylene non-woven pad	23 December 2024	30 June 2030
UK	60	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile polypropylene non-woven ball	23 December 2024	30 June 2030
UK	61	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile gauze pad	23 December 2024	30 June 2030
UK	62	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile gauze roll	23 December 2024	30 June 2030
UK	63	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile gauze throat pack	23 December 2024	30 June 2030

Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
UK	64	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile auxiliary drape (absorbent pad and drainage bag only)	23 December 2024	30 June 2030
UK	65	Registration Confirmation Letter – 2024122301401268	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile tourniquet	23 December 2024	30 June 2030
EU	66	NO.G10 046241 0073 Rev.01	EU Quality Management System Certificate(MDR)	Class IIb	Winner Medical Co., Ltd.	Silicone anti-adhesive layer	10 June 2024	9 July 2028
European Union	67	NO.G10 046241 0073 Rev.01	EU Quality Management System Certificate(MDR)	Class IIb	Winner Medical Co., Ltd.	Activated carbon superabsorbent pad	10 June 2024	9 July 2028
EU	68	NO.G10 046241 0073 Rev.01	EU Quality Management System Certificate(MDR)	Class IIb	Winner Medical Co., Ltd.	Silicone superabsorbent pad	10 June 2024	9 July 2028
EU	69	NO.G10 046241 0073 Rev.01	EU Quality Management System Certificate(MDR)	Class IIb	Winner Medical Co., Ltd.	Hydrocolloid dressing	10 June 2024	9 July 2028
EU	70	NO.G10 046241 0073 Rev.01	EU Quality Management System Certificate(MDR)	Class IIb	Winner Medical Co., Ltd.	CMC hydrophilic fiber dressing	10 June 2024	9 July 2028
EU	71	NO.G10 046241 0073 Rev.01	EU Quality Management System Certificate(MDR)	Class IIa	Winner Medical Co., Ltd.	Radiopaque pure cotton non-woven dressings (piece/pad/ball/roll)	10 June 2024	9 July 2028
EU	72	NO.G10 046241 0073 Rev.01	EU Quality Management System Certificate(MDR)	Class IIa	Winner Medical Co., Ltd.	Radiopaque synthetic non-woven dressings (piece/pad/ball/roll)	10 June 2024	9 July 2028
EU	73	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Synthetic non-woven surgical gown	10 June 2024	9 July 2028
EU	74	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Surgical drape	10 June 2024	9 July 2028
EU	75	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Non-woven fabric dressing	10 June 2024	9 July 2028
EU	76	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Transparent dressing	10 June 2024	9 July 2028
EU	77	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Nonstick pad	10 June 2024	9 July 2028
EU	78	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Non-radiopaque pure cotton non-woven dressings (piece/pad/ball/roll/throat pack)	10 June 2024	9 July 2028
EU	79	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Non-radiopaque synthetic non-woven dressings (piece/pad/ball/roll)	10 June 2024	9 July 2028
EU	80	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Cotton roll	10 June 2024	9 July 2028
EU	81	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Cotton ball	10 June 2024	9 July 2028
EU	82	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Dental cotton	10 June 2024	9 July 2028
EU	83	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Cotton swab	10 June 2024	9 July 2028

Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
EU	84	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Plaster pad	10 June 2024	9 July 2028
EU	85	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	ABD pad	10 June 2024	9 July 2028
EU	86	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Gauze and cotton composite dressing	10 June 2024	9 July 2028
EU	87	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Examination care pad	10 June 2024	9 July 2028
EU	88	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Universal nursing kit	18 October 2024	10 June 2029
EU	89	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Wound dressing change kit	18 October 2024	10 June 2029
EU	90	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Hemodialysis care kit	18 October 2024	10 June 2029
EU	91	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Urinary catheter kit	18 October 2024	10 June 2029
EU	92	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Intravenous injection care kit	18 October 2024	10 June 2029
EU	93	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	PEG care kit	18 October 2024	10 June 2029
EU	94	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Anesthesia kit	18 October 2024	10 June 2029
EU	95	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Oral care kit	18 October 2024	10 June 2029
EU	96	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Gynecological examination care kit	18 October 2024	10 June 2029
EU	97	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Ophthalmic care kit	18 October 2024	10 June 2029
EU	98	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Universal surgical kit	18 October 2024	10 June 2029
EU	99	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Radiopaque surgical kit	18 October 2024	10 June 2029
EU	100	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Cesarean section surgical kit	18 October 2024	10 June 2029
EU	101	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Urological surgical kit	18 October 2024	10 June 2029
EU	102	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Orthopedic surgical kit	18 October 2024	10 June 2029
EU	103	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Ophthalmic surgical kit	18 October 2024	10 June 2029
EU	104	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Skin protective film wipe	18 October 2024	10 June 2029

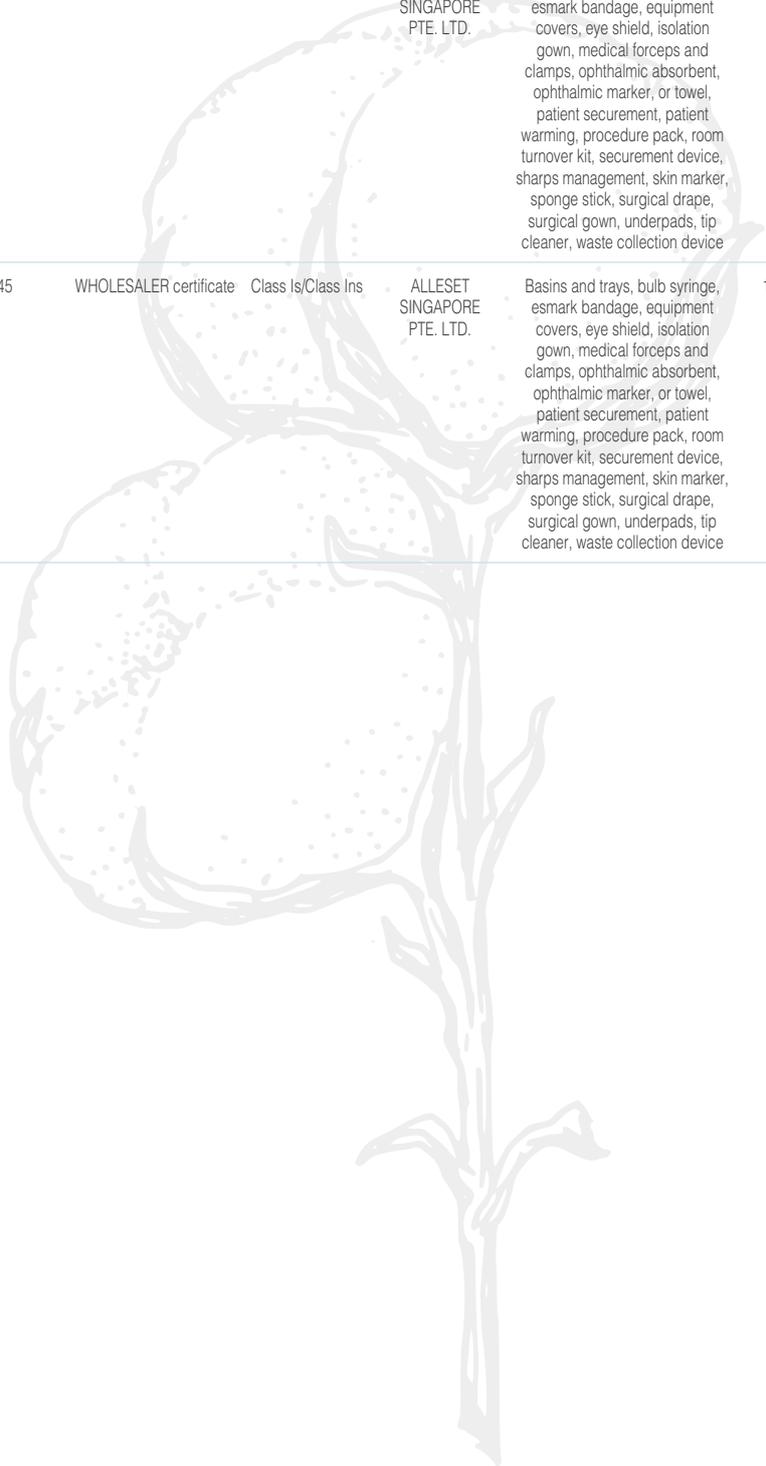
Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
EU	105	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Skin protective film sponge stick	18 October 2024	10 June 2029
EU	106	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Skin protective film spray	18 October 2024	10 June 2029
EU	107	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Hydrocolloid band aid	18 October 2024	10 June 2029
EU	108	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Hydrogel band aid	18 October 2024	10 June 2029
EU	109	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Hydrogel pad	18 October 2024	10 June 2029
EU	110	NO.G11 046241 0075 Rev.01	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Silicone band aid	18 October 2024	10 June 2029
EU	111	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Silicone non-woven fabric dressing	10 June 2024	9 July 2028
EU	112	NO.G11 046241 0074 Rev.02	EU Quality Management System Certificate(MDR)	Class Is	Winner Medical Co., Ltd.	Band aid	10 June 2024	9 July 2028
EU	113	DE/CA20/00200255	Registration Confirmation Letter	Class IIb	Winner Guilin Latex Co., Ltd.	Latex Male Condoms	11 March 2024	/
EU	114	DE/CA20/00200253	Registration Confirmation Letter	Class IIa	Winner Guilin Latex Co., Ltd.	Latex surgical gloves	11 March 2024	/
EU	115	2777124992-01/E00-00	EU Module C2 Examination Certificate	Category III	Winner Guilin Latex Co., Ltd.	Category III PPE protective gloves	11 October 2024	11 October 2025
South Africa	116	11851/18523	permit to apply certification mark	Class IIb	Winner Guilin Latex Co., Ltd.	Single-use sterilized rubber surgical gloves	12 June 2024	11 June 2027
South Africa	117	11851/15834	permit to apply certification mark	Class IIa	Winner Guilin Latex Co., Ltd.	Latex Male Condoms	27 June 2024	26 June 2027
UK	118	AB0321125241-01/E00-00UKCA	Module C2 Examination Certificate	Category III	Winner Guilin Latex Co., Ltd.	Category III PPE protective gloves	30 October 2024	11 October 2025
Uzbekistan	119	TB/X 07152/04/24	Uzbekistan Registration Certificate	/	Winner Guilin Latex Co., Ltd.	Natural rubber latex male condom	29 April 2024	29 April 2029
Pakistan	120	ELI00720	DRAP	II	Winner Guilin Latex Co., Ltd.	Natural rubber latex male condom	16 September 2024	15 September 2029
Taiwan	121	Wei Bu Yi Qi Lu Shu Zi No.001658	Ministry of Health and Welfare Medical Device License	Class II	Xiutian Co., Ltd.	Surgical gowns (sterile/non-sterile)	3 December 2024	3 December 2029
US	122	K242664	510(k) premarket notification	Class II	GRI-Alleset, Inc.	Infusion Device	5 November 2024	/
EU	123	G11 056820 0042	EU Quality Management System Certificate (MDR)	Class Is	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Bulb syringes, ophthalmic absorbents	17 June 2024	24 April 2028

Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
EU	124	CIBG-20241839	Notification	Class Ins	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Bulb syringes, ophthalmic absorbents	21 May 2024	/
EU	125	CIBG-20240290	Notification	Class Ins	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Waste collection device	24 January 2024	/
Switzerland	126	/	/	Class Ins	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Underpad, waste collection device, patient securement, medical forceps and clamps, room turnover kit	23 January 2024	/
Saudi Arabia	127	MDMA-2-2024-0075	Medical Device Marketing Authorization	Class A non-sterile	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Patient securement	9 January 2024	24 December 2027
Saudi Arabia	128	MDMA-2-2024-0371	Medical Device Marketing Authorization	Class A non-sterile	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Equipment covers	25 February 2024	25 February 2027
Saudi Arabia	129	MDMA-2-2024-0490	Medical Device Marketing Authorization	Class A sterile	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Equipment covers	10 March 2024	10 March 2027
Japan	130	26B2X10022000004	Manufacturing and Marketing Notification of Medical Devices	Class Ins	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Patient securement	5 September 2024	10 July 2027
Australia	131	437592	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Underpad	25 January 2024	/
Australia	132	435595	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Basin and trays	19 January 2024	/
Australia	133	440134	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Waste collection device	7 February 2024	/
Australia	134	435051	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Waste collection device	18 January 2024	/
Australia	135	439257	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Medical forceps and clamps	1 February 2024	/
Australia	136	435593	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Patient securement	19 January 2024	/

Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
Australia	137	435594	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Isolation gown	19 January 2024	/
Australia	138	435050	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Bulb syringe	18 January 2024	/
Australia	139	439593	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	OR towel	2 February 2024	/
Australia	140	442033	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Equipment covers	22 February 2024	/
Australia	141	442510	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	OR towel	27 February 2024	/
Australia	142	443852	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Diathermy pouch	15 March 2024	/
Australia	143	443848	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Equipment cover	15 March 2024	/
Australia	144	443850	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Instrument pad	15 March 2024	/
Australia	145	443851	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Sharp counter	15 March 2024	/
Australia	146	443853	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Sharp transfer device	15 March 2024	/
Australia	147	445855	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Room turnover kit	17 April 2024	/
Australia	148	446532	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Sharp management	24 April 2024	/
Australia	149	446533	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Securement devices	24 April 2024	/
Australia	150	446534	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Esmark bandage	24 April 2024	/
Australia	151	446897	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Skin marker	29 April 2024	/

Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
Australia	152	446898	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Sponge stick	29 April 2024	/
Australia	153	447051	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Specimen jars	29 April 2024	/
Australia	154	448905	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Esmark bandage	17 May 2024	/
Australia	155	448906	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Securement devices	17 May 2024	/
Australia	156	448907	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Skin marker	17 May 2024	/
Australia	157	448945	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Sponge stick	17 May 2024	/
Australia	158	454417	Australian Register of Therapeutic Goods Certificate	Class Ins	Compliance Management Solutions	Suction tubing	4 July 2024	/
Australia	159	459647	Australian Register of Therapeutic Goods Certificate	Class Is	Compliance Management Solutions	Suction tubing	15 August 2024	/
Australia	160	463508	Australian Register of Therapeutic Goods Certificate	Class IIa	Compliance Management Solutions	Insufflation tubing	1 October 2024	/
Australia	161	463509	Australian Register of Therapeutic Goods Certificate	Class IIa	Compliance Management Solutions	Suction tips	1 October 2024	/

Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
Singapore	162	ES0502512	Importer certificate	Class Is/Class Ins	ALLESET SINGAPORE PTE. LTD.	Basins and trays, bulb syringe, esmark bandage, equipment covers, eye shield, isolation gown, medical forceps and clamps, ophthalmic absorbent, ophthalmic marker, or towel, patient securement, patient warming, procedure pack, room turnover kit, securement device, sharps management, skin marker, sponge stick, surgical drape, surgical gown, underpads, tip cleaner, waste collection device	15 May 2024	14 May 2024
Singapore	163	ES0502545	WHOLESALE certificate	Class Is/Class Ins	ALLESET SINGAPORE PTE. LTD.	Basins and trays, bulb syringe, esmark bandage, equipment covers, eye shield, isolation gown, medical forceps and clamps, ophthalmic absorbent, ophthalmic marker, or towel, patient securement, patient warming, procedure pack, room turnover kit, securement device, sharps management, skin marker, sponge stick, surgical drape, surgical gown, underpads, tip cleaner, waste collection device	10 June 2024	9 June 2024



Region	S/N	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
New Zealand	164	240403-WAND-734VQP	Medical Device Details	Class Ins	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Chemotherapy gown	15 April 2024	/
New Zealand	165	240403-WAND-734VQA	Medical Device Details	Class Ins	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Equipment covers	15 April 2024	/
New Zealand	166	240403-WAND-734VOS	Medical Device Details	Class Ins	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Patient securement	15 April 2024	/
New Zealand	167	240403-WAND-734VRK	Medical Device Details	Class Ins	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Sharps management	15 April 2024	/
New Zealand	168	240403-WAND-734VNB	Medical Device Details	Class Is	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Sharps management	15 April 2024	/
New Zealand	169	240403-WAND-734VIT	Medical Device Details	Class Is	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Skin marker	15 April 2024	/
Canada	170	111894	Medical Device Licence	Class B	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Ophthalmic pack	27 September 2024	26 September 2025

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