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Jinxin Fertility Group Limited

錦欣生殖醫療集團有限公司*

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1951)

**ANNOUNCEMENT OF THE RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year ended December 31, 2025 was approximately RMB2,649.1 million, representing a decrease of 5.8% when compared with that of approximately RMB2,811.6 million for the year ended December 31, 2024.
- Net loss of the Group for the year ended December 31, 2025 was approximately RMB983.9 million when compared with the net profit of the Group of approximately RMB273.5 million for the year ended December 31, 2024. Loss attributable to owners of the Group for the year ended December 31, 2025 was approximately RMB976.1 million, when compared with the profit attributable to owners of the Group of approximately RMB283.1 million for the year ended December 31, 2024.
- Non-IFRS adjusted net profit⁽¹⁾ of the Group for the year ended December 31, 2025 was approximately RMB209.3 million, representing a decrease of 49.7% when compared with that of approximately RMB416.3 million for the year ended December 31, 2024. Non-IFRS EBITDA⁽²⁾ of the Group for the year ended December 31, 2025 was approximately negative RMB682.8 million, as compared with that of approximately RMB628.8 million for the year ended December 31, 2024. Non-IFRS adjusted EBITDA⁽³⁾ of the Group for the year ended December 31, 2025 was approximately RMB491.1 million, representing a decrease of 30.6% when compared with that of approximately RMB707.3 million for the year ended December 31, 2024.
- Basic loss per share for the year ended December 31, 2025 amounted to RMB0.36. Non-IFRS adjusted basic earning per share⁽⁴⁾ for the year ended December 31, 2025 amounted to RMB0.08.

- The Board recommended the payment of a final dividend of HK\$4.18 cents per Share for the year ended December 31, 2025 (for the year ended December 31, 2024: Nil).

Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Company has provided EBITDA, adjusted EBITDA, and adjusted net profit as non-IFRS measures, which are not required by, or presented in accordance with IFRS. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors and others in understanding and evaluating the Group's consolidated statements of profit or loss in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's operating performance during from period to period by eliminating impacts of items that the Group does not consider indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS.

Notes:

- (1) Non-IFRS adjusted net profit is calculated as the net profit for the reporting period, excluding (i) ESOP expenses; (ii) amortization and depreciation of medical practice licenses, non-compete agreements, and property, plant and equipment, as well as deferred tax assets and liabilities, all of which arise from acquisitions; (iii) impairment of goodwill and certain intangible assets related to the Group's business in the United States and Laos; (iv) impairment losses recognized under the expected credit loss model in respect of certain financial assets; (v) a one-off contribution to Jinjiang District Maternity and Child Health Hospital which the Group co-manages under the IOT agreement; (vi) depreciation of renovation expenses at Wuhan Jinxin Hospital and Shenzhen Zhongshan Hospital, which arises from the re-evaluation of the hospital's lease schedule.
- (2) Non-IFRS (negative) EBITDA is calculated as the earnings before interest, taxes, depreciation of property, plant and equipment and amortization of intangible assets, which is defined as profit before taxation plus finance cost (excluding interest on lease liabilities), depreciation of property, plant and equipment and amortization of medical practice license and non-compete agreement, less interest income.
- (3) Non-IFRS adjusted EBITDA is calculated as non-IFRS EBITDA for the Reporting Period, excluding (i) ESOP expenses; (ii) impairment of goodwill and certain intangible assets related to the Group's business in the United States and Laos; (iii) impairment losses recognized under the expected credit loss model in respect of certain financial assets; (iv) a one-off contribution to Jinjiang District Maternity and Child Health Hospital which the Group co-manages under the IOT agreement.
- (4) Non-IFRS adjusted basic (loss) earnings per share is calculated as non-IFRS adjusted net (loss) profit divided by weighted average number of ordinary shares for the purpose of calculating basic earnings per share.

ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025

The Board of Directors is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2025, together with the comparative figures for the corresponding period in 2024.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	3	2,649,073	2,811,596
Cost of revenue		<u>(1,762,532)</u>	<u>(1,712,142)</u>
Gross profit		886,541	1,099,454
Other income	4	27,803	35,081
Other expenses	5	(56,283)	(4,894)
Other gains and losses, net	6	(6,642)	(27,629)
Impairment losses under expected credit loss model	7	(99,009)	–
Impairment losses recognised on goodwill, licenses, contractual right to provide management services and trademarks	13	(992,579)	–
Research and development expenses		(20,647)	(24,691)
Selling and distribution expenses		(165,011)	(175,169)
Administrative expenses		(497,696)	(458,012)
Share of results of associates		12,653	3,912
Share of result of a joint venture		(1,036)	1,241
Finance costs	8	<u>(71,055)</u>	<u>(57,406)</u>
(Loss) profit before taxation	9	(982,961)	391,887
Income tax expenses	10	<u>(924)</u>	<u>(118,420)</u>
(Loss) profit for the year		<u>(983,885)</u>	<u>273,467</u>
Other comprehensive (expense) income:			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on equity instrument at fair value through other comprehensive income (“FVTOCI”), net of tax	15	(36,470)	–
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(56,903)</u>	<u>54,840</u>
Other comprehensive (expense) income for the year		<u>(93,373)</u>	<u>54,840</u>
Total comprehensive (expense) income for the year		<u>(1,077,258)</u>	<u>328,307</u>

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss) profit for the year attributable to:			
– Owners of the Company		(976,146)	283,099
– Non-controlling interests		<u>(7,739)</u>	<u>(9,632)</u>
		<u>(983,885)</u>	<u>273,467</u>
Total comprehensive (expense) income for the year attributable to:			
– Owners of the Company		(1,068,668)	337,199
– Non-controlling interests		<u>(8,590)</u>	<u>(8,892)</u>
		<u>(1,077,258)</u>	<u>328,307</u>
(Loss) earnings per share:	<i>12</i>		
– Basic (<i>RMB</i>)		<u>(0.36)</u>	<u>0.11</u>
– Diluted (<i>RMB</i>)		<u>(0.36)</u>	<u>0.10</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	<i>NOTES</i>	2025	2024
		RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		2,909,991	2,811,993
Right-of-use assets		484,160	458,909
Goodwill		2,873,085	3,506,618
Licenses		1,401,232	1,486,273
Non-compete agreement		16,135	18,186
Contractual right to provide management services		1,770,517	2,026,410
Trademarks		2,552,576	2,682,046
Interests in associates accounted for using equity method		392,266	391,626
Financial assets at FVTPL	<i>14</i>	–	80,000
Equity instrument at FVTOCI	<i>15</i>	35,676	84,303
Interest in a joint venture		25,298	26,334
Prepayments		13,290	–
Loans receivable		29,238	29,133
Refundable deposits		16,245	64,827
Amounts due from related parties		13,500	76,253
Deferred tax assets		155,886	124,487
Life insurance policy		24,548	24,467
		<u>12,713,643</u>	<u>13,891,865</u>
Current assets			
Inventories	<i>16</i>	55,935	50,948
Accounts and other receivables	<i>17</i>	205,348	322,265
Amounts due from related parties		15,243	86,955
Tax recoverable		67,180	58,940
Time deposits		–	24,625
Bank balances and cash		905,782	546,196
		<u>1,249,488</u>	<u>1,089,929</u>

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current liabilities			
Accounts and other payables	<i>18</i>	702,364	737,772
Amounts due to related parties		25,191	20,459
Lease liabilities		52,353	53,505
Tax payables		38,245	30,178
Bank borrowings	<i>19</i>	622,890	1,277,537
		<u>1,441,043</u>	<u>2,119,451</u>
Net current liabilities		<u>(191,555)</u>	<u>(1,029,522)</u>
Total assets less current liabilities		<u>12,522,088</u>	<u>12,862,343</u>
Non-current liabilities			
Lease liabilities		333,004	281,372
Deferred tax liabilities		1,150,714	1,234,225
Bank borrowings	<i>19</i>	1,839,549	992,559
		<u>3,323,267</u>	<u>2,508,156</u>
Net assets		<u>9,198,821</u>	<u>10,354,187</u>
Capital and reserves			
Share capital		182	182
Reserves		9,143,364	10,274,237
Equity attributable to owners of the Company		9,143,546	10,274,419
Non-controlling interests		55,275	79,768
Total equity		<u>9,198,821</u>	<u>10,354,187</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. GENERAL INFORMATION

Jinxin Fertility Group Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) was incorporated and registered as an exempted company in the Cayman Islands with limited liability under Companies Law (2018 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961) as amended or supplemented or otherwise modified from time to time on May 3, 2018 and the shares of the Company have been listed on the Stock Exchange since June 25, 2019. The addresses of the registered office of the Company and the principal place of business of the Company are disclosed in the section “Corporate Information” in the annual report.

The Company is an investment holding company. The major subsidiaries of the Company are principally engaged in the provision of (i) assisted reproductive and related services; (ii) management services; (iii) women health related services and others; (iv) obstetrics and related medical services; (v) sales of medical consumables and equipment.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after January 1, 2026.

³ Effective for annual periods beginning on or after January 1, 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company (the “**Directors**”) anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for assisted reproductive and related services, management services, other medical services including gynecology and pediatrics medical services, obstetrics medical services, and sales of medical consumables and equipment, net of discounts.

During the years ended December 31, 2025 and 2024, the Group's revenue is mainly contributed from its operations in Chengdu, Shenzhen, Wuhan, Kunming, the U.S.A. and Hong Kong Special Administrative Region (“**Hong Kong**”).

Information reported to the chief executive officer, being the chief operating decision maker (“**CODM**”), for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The information reported to CODM is categorised into various jurisdictions, each of which is considered as a separate operating segment by the CODM.

The Group's operating and reportable segments under IFRS 8 *Operating Segments* are operations located in the Mainland China and Hong Kong (“**Greater China**”), and the U.S.A. and Lao People's Democratic Republic (“**Laos**”) (collectively referred to as “**Overseas**”) during the years ended December 31, 2025 and 2024. The following is an analysis of the Group's revenue and results by operating and reportable segments.

For the year ended December 31, 2025:

	Greater China <i>RMB'000</i>	Overseas <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Revenue			
Segment revenue from external customers	<u>2,030,987</u>	<u>618,086</u>	<u>2,649,073</u>
Segment profit (loss)	<u>194,798</u>	<u>(37,502)</u>	<u>157,296</u>
Unallocated administrative expenses			(72,251)
Share-based compensation benefits			(28,541)
Impairment losses recognised on goodwill, licenses, contractual right to provide management services and trademarks			(992,579)
Certain exchange loss, net			(7,862)
Certain interest income from banks			7,741
Certain interest income from time deposits			91
Interest on bank borrowings			<u>(46,856)</u>
Loss before taxation			<u><u>(982,961)</u></u>

For the year ended December 31, 2024:

	Greater China <i>RMB'000</i>	Overseas <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Revenue			
Segment revenue from external customers	<u>2,207,206</u>	<u>604,390</u>	<u>2,811,596</u>
Segment profit (loss)	<u>608,435</u>	<u>(3,917)</u>	<u>604,518</u>
Unallocated administrative expenses			(93,857)
Share-based compensation benefits			(47,285)
Certain exchange loss, net			(24,820)
Fair value changes of investments in preferred shares measured at FVTPL			(7,052)
Certain interest income from banks			328
Certain interest income from time deposits			753
Interest on bank borrowings			<u>(40,698)</u>
Profit before taxation			<u><u>391,887</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss) profit before taxation for each respective segment excluding unallocated administrative expenses (including the corporate expenses), impairment losses recognised on goodwill, licenses, contractual right to provide management services and trademarks, share-based compensation benefits, certain net exchange loss, certain interest income resulted from the corporate bank balances (including time deposits), and interest on bank borrowings. (2024: excluding unallocated administrative expenses (including the corporate expenses), share-based compensation benefits, certain net exchange loss, fair value changes of investments in preferred shares measured at FVTPL, certain interest income resulted from the corporate bank balances (including time deposits), and interest on bank borrowings).

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Disaggregation of revenue from contracts with customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of services		
Assisted reproductive and related services	1,383,345	1,477,125
Management services*	497,696	544,799
Women health related services and others	356,562	343,248
Obstetrics medical services	288,544	324,989
Sales of medical consumables and equipment	<u>122,926</u>	<u>121,435</u>
Total	<u><u>2,649,073</u></u>	<u><u>2,811,596</u></u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Timing of revenue recognition		
A point in time recognition	1,382,683	1,522,095
Over time recognition	<u>1,266,390</u>	<u>1,289,501</u>
Total	<u><u>2,649,073</u></u>	<u><u>2,811,596</u></u>

* During the year ended December 31, 2025, the Group provided management service to IVF and fertility centers and maternity institutions amounted to RMB487,443,000 and RMB10,253,000, respectively (2024: RMB516,349,000 and RMB28,450,000, respectively).

All services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. The Group applies the practical expedient of not disclosing the information about its remaining performance obligation when the performance obligation is part of a contract that has an original expected duration of one year or less.

Geographical information

At December 31, 2025, the non-current assets located in the Greater China and Overseas amounted to RMB8,880,708,000 and RMB3,582,390,000, respectively (December 31, 2024: RMB9,070,095,000 and RMB4,362,767,000, respectively). Non-current assets as at December 31, 2025 exclude equity instrument at FVTOCI, loans receivable, refundable deposits, deferred tax assets and amounts due from related parties -non-current (December 31, 2024: exclude equity instrument at FVTOCI, loans receivable, financial assets at FVTPL, refundable deposits, deferred tax assets and amounts due from related parties -non-current).

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Overseas:		
HRC Medical	<u><u>476,074</u></u>	<u><u>468,891</u></u>

4. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income from banks	9,303	5,257
Interest income from time deposits	91	2,014
Government grants (<i>Note</i>)	5,062	12,335
Consulting service income	3,597	4,165
Others	9,750	11,310
	<u>27,803</u>	<u>35,081</u>

Note: The government grants mainly comprise the basic medical subsidies, which is compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, and incentives received related to enhancing healthcare facility development, which are asset-related and recognised as deferred income as disclosed in Note 18 and then amortised in profit or loss systematically.

5. OTHER EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contribution to Jinjiang District Maternity and Child Health Hospital (“ Jinjiang Maternity ”) (<i>Note</i>)	50,000	–
Compensations	2,439	1,744
Others	3,844	3,150
	<u>56,283</u>	<u>4,894</u>

Note: During the current year, the Group provided one-off contribution amounted to RMB50,000,000 to Jinjiang Maternity with the special aim of enhancing Jinjiang Maternity’s capacity and sustainability of the management service (2024: Nil). Jinjiang Maternity is a non-profit maternity and child healthcare hospital established in the PRC and the Group provides management service to Jinjiang Maternity in return for management service fees. Jinjiang Maternity is no longer a related party as the entity does not have the same beneficial shareholders with the Company since January 19, 2024.

6. OTHER GAINS AND LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss on disposal/write-off of property, plant and equipment	(493)	(64)
Exchange loss, net	(8,699)	(24,173)
Fair value change of other financial assets at FVTPL	401	2,158
Fair value change of investments in preferred shares measured at FVTPL	–	(7,052)
Gain on early termination of leases	373	104
Fair value change of financial assets at FVTPL	2,062	–
Others	(286)	1,398
	<u>(6,642)</u>	<u>(27,629)</u>

7. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Impairment losses recognised in respect of		
– Refundable deposit (<i>Note</i>)	20,000	–
– Amounts due from related parties	79,009	–
	<u>99,009</u>	<u>–</u>

Note: Pursuant to the subscription deposit agreement entered into between the Group and an independent party on June 15, 2021, the Group paid a refundable deposit of RMB50,000,000 for a potential investment. In accordance with the final arbitration dated May 15, 2025, the independent third party shall refund RMB25,000,000 to the Group. As a result, the Group has recognised an ECL provision of RMB20,000,000 (2024: Nil) and written off the carrying amounts of this refundable deposit during the year ended December 31, 2025. The carrying amount of the refundable deposits to the independent third party was Nil as at December 31, 2025 (2024: RMB45,000,000).

8. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank borrowings (<i>Note</i>)	46,856	40,698
Interest on lease liabilities	<u>24,199</u>	<u>16,708</u>
	<u>71,055</u>	<u>57,406</u>

Note:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Total borrowing costs	109,705	122,462
Less: amounts capitalised in construction in progress	<u>(62,849)</u>	<u>(81,764)</u>
	<u>46,856</u>	<u>40,698</u>

Borrowing costs capitalised during the year ended December 31, 2025 arose on the specific borrowings with a weighted average rate of 3.40% (2024: 3.69%) per annum and general borrowings are calculated by applying a capitalization rate of 4.97% (2024: Nil) per annum to expenditure on qualifying assets.

9. (LOSS) PROFIT BEFORE TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss) profit before taxation has been arrived at after charging:		
Auditor's remuneration	4,367	5,799
Employee benefit expense (including directors' remuneration)		
– salaries, allowances and other benefits	773,524	771,577
– retirement benefit schemes contributions	106,885	97,691
– share-based compensation benefits	<u>28,541</u>	<u>47,285</u>
Total staff costs	<u>908,950</u>	<u>916,553</u>
Cost of inventories recognised as expenses (representing pharmaceutical products and consumables used, included in cost of revenue)	803,868	757,425
Amortisation of licenses (included in administrative expenses)	44,875	44,875
Amortisation of non-compete agreement (included in administrative expenses)	1,485	1,480
Depreciation of property, plant and equipment	216,295	157,123
Depreciation of right-of use assets	87,064	78,038
Less: capitalised in building under construction	<u>(3,715)</u>	<u>(3,715)</u>
Depreciation of right-of-use assets recognised in profit and loss	<u>83,349</u>	<u>74,323</u>

10. INCOME TAX EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	78,801	112,130
Over provision in respect of prior year	(2,373)	(14,136)
Hong Kong Profits Tax	4,154	3,443
California State Income Tax	<u>538</u>	<u>159</u>
	81,120	101,596
Withholding tax	14,323	3,586
Deferred tax:		
Current year	<u>(94,519)</u>	<u>13,238</u>
	<u>924</u>	<u>118,420</u>

The Company is tax exempted under the laws of the Cayman Islands and its subsidiaries incorporated in the BVI are also tax exempted under the laws of the BVI from a BVI tax perspective.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for years 2025 and 2024.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and implementation regulations of the EIT Law, the statutory EIT rate of subsidiaries of the Company operating in the PRC is 25%, except for certain subsidiaries that are engaged in “the Encouraged Industries in the Western Region” and eligible for the preferential EIT rate at 15%. The Company’s subsidiaries that are tax residents in the PRC are subject to the PRC dividend withholding tax of 10% for the non-PRC tax resident immediate holding Company established in Hong Kong, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after January 1, 2008.

Certain subsidiaries of the Company (the “**US Entities**”) are subject to U.S.A. corporate tax representing 21% of the applicable U.S.A. Federal Income Tax rate and an average of 8.84% for California State Income Tax rate for the years ended December 31, 2025 and 2024 for their operations in the U.S.A. During the year ended December 31, 2025 and 2024, no U.S.A Federal Income Tax was recognised for the US Entities were in a loss position at the consolidated level.

Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to the retained profits of the PRC subsidiaries amounting to approximately RMB560,924,000 as at December 31, 2025 (December 31, 2024: RMB1,147,074,000), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

The income tax expenses for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss) profit before taxation	<u>(982,961)</u>	<u>391,887</u>
Tax at PRC EIT rate of 25%	(245,740)	97,972
Tax effect of share of results of associates	(3,163)	(978)
Tax effect of share of results of a joint venture	259	(310)
Tax effect of expenses not deductible for tax purposes	175,843	1,706
Over provision in respect of prior year	(2,373)	(14,136)
Tax effect of income not taxable for tax purpose	(6,827)	(6,044)
Tax effect of research and development expense additional deduction	(5,865)	(6,666)
Effect of tax exemption and concessions granted to PRC subsidiaries	(33,827)	(55,126)
Utilisation of tax losses previously not recognized	-	(216)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(9,970)	(5,033)
Withholding tax on interest income among subsidiaries	4,323	3,586
Withholding tax on dividend income among subsidiaries	10,000	-
Tax effect of tax loss not recognised	<u>118,264</u>	<u>103,665</u>
Income tax expenses	<u>924</u>	<u>118,420</u>

At the end of the reporting period, the Group has accumulated unused tax losses of RMB1,822,412,000 (2024: RMB1,346,839,000), subject to approval of relevant tax authorities, available for offset against future profits and recognised accumulated tax losses of RMB465,835,000 (2024: RMB463,320,000) as deferred tax asset. The unrecognised tax losses of RMB274,306,000 (2024: RMB159,834,000) will expire in various years before 2030 (2024: 2029) and other unrecognised tax losses may be carried forward indefinitely.

11. DIVIDENDS

	2025	2024
	RMB'000	RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 final – Nil		
(2024: 2023 final – HK\$5.95 cents) (<i>Note</i>)	<u>–</u>	<u>150,000</u>

Note: No dividend was paid or proposed for ordinary shareholders of the Company during the year ended December 31, 2025. Final cash dividend in respect of the year ended December 31, 2025 of HK\$4.18 cents (equivalent to RMB3.70 cents) per ordinary share, in an aggregate amount of RMB100,000,000, has been proposed by the board of directors on March 26, 2026.

Final cash dividend in respect of the year ended December 31, 2023 of HK\$5.95 cents (equivalent to RMB5 cents) per ordinary share, in an aggregate amount of RMB150,000,000, has been proposed by the Directors and approved by the shareholders in the annual general meeting held on June 25, 2024.

12. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings		
(Loss) earnings for the purpose of basic (loss) earnings per share		
(Loss) profit for the year attributable to owners of the Company	<u>(976,146)</u>	<u>283,099</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	2,742,365	2,680,805
Effect of dilutive potential ordinary shares:		
– Restricted Shares Units (“RSUs”) issued by the Company	<u>–</u>	<u>38,377</u>
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	<u>2,742,365</u>	<u>2,719,182</u>

For the years ended December 31, 2025 and 2024, the weighted average number of ordinary shares for the purpose of calculation of basic (loss) earnings per share has been adjusted for the effect of ordinary shares held by the nominee under the RSU Scheme by the RSU Scheme’s Nominee and the effect of the ordinary shares issued by the Company.

For the years ended December 31, 2025 and 2024, the weighted average number of ordinary shares for the purpose of calculation of diluted (loss) earnings per share has been adjusted for the effect of assumption of the conversion of all potential dilutive ordinary shares arising from RSUs.

For the year ended December 31, 2025, the Group incurred a net loss attributable to ordinary shareholders of RMB976,146,000. The assumed exercise of all potential ordinary shares, including RSUs and share options, would result in a reduction in the loss per share and is therefore anti-dilutive. Accordingly, such potential ordinary shares have not been included in the computation of diluted loss per share. As a result, diluted loss per share is same as basic loss per share.

13. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

For the purposes of impairment testing, goodwill, contractual right to provide management services, trademarks, licenses and non-compete agreement acquired have been allocated to seven (2024: seven) individual CGUs and a group of CGUs (2024: a group of CGUs).

During the six months ended June 30, 2025, the operating performance of HRC Management and its subsidiaries (collectively referred to as the “**HRC Management Group**”) fell below projections and the implementation of California’s insurance coverage for IVF under Senate Bill 729 was postponed. In response, the Group adjusted its strategic direction and performed revision on its cash flow projections accordingly. The recoverable amount of HRC Management Group is determined based on a value in use calculation. The Group has consequently recognised impairment of goodwill and intangible assets directly related to HRC Management Group amounting to RMB952,413,000 (2024: Nil). Goodwill related to HRC Management Group amounting to RMB631,594,000 has been fully impaired and impairment amounting to RMB320,819,000 has been allocated pro rata to intangible assets of the CGU directly related to HRC Management Group, to the extent that the carrying amount of these intangible assets are not reduced below the highest of (i) fair value less costs of disposal, (ii) value in use, and (iii) zero. Accordingly, the Group has recognised impairment loss of contractual right to provide management services and trademarks amounting to RMB215,556,000 and RMB105,263,000 respectively (2024: Nil impairment of contractual right to provide management services and trademarks was recognised). As at December 31, 2025, based on the assessment of Group, the recoverable amount of RMB23,104,000 in HRC Management Group exceeds its carrying amount, although headroom exists for HRC Management Group, no significant improvement in forecast assumptions was identified compared with June 30, 2025, and accordingly no change was made to the impairment loss recognised during the interim period. The recoverable amount of the HRC Management Group amounted to RMB2,110,552,000 as at December 31, 2025 (2024: RMB3,229,087,000).

14. FINANCIAL ASSETS AT FVTPL

On November 26, 2023, Xizang Jinli Enterprise Management Co., Ltd., a subsidiary of the Group, acquired 7.52% of the aggregate committed capital in WP Healthcare Investment (Wuxi Yixing) Partnership (Limited Partnership) (“**WP Partnership**”), a comprehensive investment fund, as a limited partner with a total subscribe capital of RMB200,000,000. As of December 31, 2024, the capital amounting to RMB80,000,000 had been injected by the Group.

On November 17, 2025, the Group disposed its investment in WP Partnership, with the consideration of RMB82,062,000 settled in cash. During the year ended December 31, 2025, fair value gain of RMB2,062,000 was recognised in profit or loss, as detailed in Note 6. As of December 31, 2025, the carrying amount of financial assets at FVTPL was Nil (2024: RMB80,000,000).

15. EQUITY INSTRUMENT AT FVTOCI

The Directors have elected to designate this unlisted investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in this unlisted investment's fair value on profit or loss would not be consistent with the Group's strategy of holding this unlisted investment for long-term purposes and realising its performance potential in the long run. The Group does not have the power to direct the relevant activities of Jincheng Hongda, nor have joint control over or the right to participate in the financial and operating policy decisions over Jincheng Hongda under the shareholders' agreement.

During the year ended December 31, 2025, loss on fair value change of equity investment at FVTOCI amounted to RMB48,627,000 (2024: Nil) and related deferred tax impact amounted to RMB12,157,000, resulting in a net impact of RMB36,470,000 was recognised due to Jincheng Hongda's unsuccessful investment in andrology business by Chengdu Jinxin Aijian Hospital Co., Ltd. ("Jinxin Aijian"), a wholly owned subsidiary of Jincheng Hongda. As of December 31, 2025, the fair value of the equity investment at FVTOCI was RMB35,676,000 (2024: RMB84,303,000).

16. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Pharmaceutical products	31,443	20,388
Consumables and others	<u>24,492</u>	<u>30,560</u>
	<u><u>55,935</u></u>	<u><u>50,948</u></u>

17. ACCOUNTS AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Accounts receivables	137,791	234,406
Other receivables and prepayment:		
Prepayments to a director of a subsidiary (<i>Note i</i>)	–	13,001
Prepayments to suppliers	45,878	52,239
Loans receivable (<i>Note ii</i>)	29,238	29,133
Others	<u>34,969</u>	<u>22,619</u>
	247,876	351,398
Less: Prepayments classified as non-current assets	(13,290)	–
Loans receivable classified as non-current assets (<i>Note ii</i>)	<u>(29,238)</u>	<u>(29,133)</u>
Accounts and other receivables classified as current assets	<u><u>205,348</u></u>	<u><u>322,265</u></u>

Notes:

- i. With effect from December 1, 2022 to November 30, 2025, a director of Shenzhen Zhongshan Hospital is entitled to an aggregate remuneration of HK\$43,300,000 (equivalent to approximately RMB40,100,000). As of December 31, 2025, the amount has been fully recognised as administrative expenses.
- ii. The amount represent US\$3,205,000 (equivalent to approximately RMB22,526,000) (2024: US\$3,115,000 (equivalent to approximately RMB22,391,000)) loans receivable from a shareholder of an associate and US\$955,000 (equivalent to approximately RMB6,712,000) (2024: US\$938,000 (equivalent to approximately RMB6,742,000)) loans receivable from IVF Universal, LLC, a supplier to the Group. These amounts are unsecured and interest-free and repayable on demand. The loans receivables from a supplier and a shareholder of an associate are not expected to collected within one year and are therefore classified as non-current assets (2024: non-current assets) in the consolidated statement of financial position.

As at January 1, 2024, accounts receivables amounted to RMB73,086,000.

The individual customers of Chengdu Xinan Clinic, Shenzhen Zhongshan Hospital, Wuhan Jinxin Hospital, Hong Kong Assisted Reproduction Centre Ltd (“**HK ARC**”), Hong Kong Reproductive Health Centre Ltd (“**HK RHC**”), Sichuan Jinxin Xinan Hospital, Yunnan Jiuzhou Hospital and Kunming Hewanjia Hospital generally settle payments by cash, credit cards, debit cards or governments’ social insurance schemes. Payments under government social insurance schemes are normally settled by the local social insurance bureau and similar government departments responsible for the reimbursement of medical expenses for patients who are covered by the government medical insurance schemes within 90 days (2024: 90 days) from the transaction date.

The individual customers of HRC Management Group usually settle by cash or payments through insurance schemes. Payments through insurance schemes are normally settled by commercial insurance companies from 60 to 365 days from the transaction date.

The corporate customers of Chengdu Xinan Clinic and Sichuan Jinxin Xinan Hospital usually settle by cash and the payment terms are normally from 60 to 180 days from the transaction date.

The Directors are of the view that there have been no significant increase in credit risk of default because the amounts are from local social insurance bureau, similar government departments or insurance companies with good credit rating and continuous repayment.

The accounts receivables are assessed individually for impairment allowance based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forward-looking information at the reporting date. The Directors considered that the ECL for accounts receivables is insignificant as at December 31, 2024 and 2025.

In determining the recoverability of accounts receivables, the management of the Group considers any change in the credit quality of the accounts receivables from the date credit was initially granted up to the end of the reporting period.

The following is an aged analysis of accounts receivables, presented based on the invoice date.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	126,693	208,840
91 to 180 days	2,148	15,405
Over 180 days	<u>8,950</u>	<u>10,161</u>
	<u>137,791</u>	<u>234,406</u>

The Directors closely monitor the credit quality of accounts and other receivables and consider the debts are of a good credit quality.

18. ACCOUNTS AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Accounts payables	<u>228,181</u>	<u>216,965</u>
Other payables:		
Construction payables	89,727	72,916
Loans payables (<i>Note i</i>)	110,004	110,004
Refundable customers' deposits	88,461	149,874
Accrued employee expenses (including social insurances and housing fund contributions)	116,930	121,928
Value-added tax and other tax payables	3,521	7,905
Deferred income (<i>Note ii</i>)	10,620	12,752
Interest payables	1,028	3,816
Others	<u>53,892</u>	<u>41,612</u>
	<u>474,183</u>	<u>520,807</u>
Total accounts and other payables as current liabilities	<u>702,364</u>	<u>737,772</u>

Notes:

- (i) The amounts represent unsecured, interest-free loans payables to the former shareholders of 深圳市恆裕聯翔投資發展有限公司 (Shenzhen Hengyu Lianxiang Investment Development Co., Ltd) (“**Shenzhen Hengyu**”)*. Pursuant to the equity transfer agreement entered into on February 4, 2022, certain consideration is payable by the Group to the former shareholders upon completion of certain construction milestone, which is due to be settled within one year as at December 31, 2025 (December 31, 2024: certain consideration is payable by the Group to the former shareholders upon completion of certain construction milestone, which is due to be settled within one year).

* *The English names of these entities registered in the PRC represent the best efforts made by the Directors to directly translate their Chinese names as they did not register any official English names.*

- (ii) The amount mainly represents government grants received for research and development projects but with conditions not yet fulfilled.

The credit period of accounts payables is from 30 to 90 days from the invoice date.

The following is an aged analysis of accounts payables presented based on the invoice date at the end of the reporting period.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	206,314	155,863
91 to 180 days	6,177	27,840
181 to 365 days	8,203	18,840
Over 365 days	7,487	14,422
	<u>228,181</u>	<u>216,965</u>

19. BANK BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank borrowings, guaranteed	<u>2,462,439</u>	<u>2,270,096</u>

The carrying amounts of the above borrowings are repayable:

Within one year	622,890	1,277,537
Within a period of more than one year but not exceeding two years	357,860	288,327
Within a period of more than two years but not exceeding five years	1,418,442	646,470
Within a period of more than five years	63,247	57,762
	<u>2,462,439</u>	<u>2,270,096</u>

During the year ended December 31, 2025, the Group obtained new loans amounting to RMB3,121,013,000 (2024: RMB3,294,476,000) and made repayments amounting to approximately RMB2,927,397,000 (2024: RMB3,183,799,000). The borrowings carry a weighted average annual interest rate of 4.36% during the year ended December 31, 2025 (2024: 5.87%) and are repayable between 2026 and 2034 (December 31, 2024: repayable between 2025 and 2034).

As at December 31, 2025, certain bank borrowings were secured by (i) the joint and several liability guarantees by subsidiaries of the Company, (ii) certain of the buildings owned by Shenzhen Hengyu.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY TRENDS

Looking ahead at the global market, the assisted reproduction market demonstrates a sustainable growth trend that defies declining birth rates over the medium to long term. We believe that against the broader backdrop of falling global birth rates, assisted reproduction undoubtedly represents a highly certain medium- to long-term growth opportunity. According to data from SAC Insight, the global IVF market size is estimated at USD3.156 billion in 2025 and is projected to reach USD10.466 billion by 2032, representing a compound annual growth rate (CAGR) of 18.7% during this period. Such a high growth rate is truly rare among most industries.

From 2019 to 2025, the number of births in China continued to decline. Particularly post-pandemic, according to data from the National Bureau of Statistics of China, the number of births experienced an accelerated decline, dropping to approximately 8 million. This decline is the result of multiple compounding factors, primarily including the post-pandemic economic slowdown, tightened regulations in the real estate sector, and foundational impacts of the population structure. The intertwining of these factors has also distorted the short-term growth trajectory of the assisted reproduction market, leading to market skepticism regarding an overall mid-term decline in assisted reproduction cycles.

However, we firmly believe that our foundational assessment remains unchanged: in the medium to long term, the volume of assisted reproductive cycles will exhibit a sustainable growth trend that defies the overall decline in birth rates. This is primarily driven by multiple factors, including the continuously rising median age of childbearing, an increase in the number of cycles per patient, the application of new assisted reproductive technologies, and improved patient awareness and education regarding assisted reproduction. According to our statistical data, in 2025, the average patient age at our Chengdu and Shenzhen campuses has increased to 34 and 35.7 years old, respectively. Notably, among patients of advanced maternal age (over 35), an increasing number are choosing to utilize Preimplantation Genetic Testing (PGT) technologies and further opting for our integrated reproductive health and maternity care services.

We must view the short-term suppression of the willingness to have children—stemming from the impacts of the economic slowdown and real estate regulations on short-term per capita disposable income and household wealth—with greater rationality and patience. We are delighted to observe that, according to the latest marriage registration data released by the Ministry of Civil Affairs on February 11, 2026, the number of marriage registrations reached 6.763 million couples, representing a 10.76% increase compared to 2024.

According to the latest research report by Frost & Sullivan, the number of newborns in China is predicted to have hit the bottom in 2025, potentially marking an upcoming inflection point. Moving forward, the number of newborns is expected to gradually stabilize and slightly rebound. Concurrently, according to Frost & Sullivan, while the number of births dropped between 2016 and 2025, the number of couples experiencing infertility has continued to rise. The China Infertility Status Research Report indicates that China’s infertility rate stood at approximately 18.2% in 2023. The number of infertile couples in China is increasing year by year, having grown from 54.8 million in 2020 to an estimated 60.6 million in 2025, and is projected to further rise to 67.4 million in 2030 and 74.4 million in 2035.

Overall, China’s assisted reproductive service (ARS) penetration rate¹ remains significantly lower than that of developed countries. In 2025, China’s ARS penetration rate was only about 10.5%, far below Europe (36.5%) and the U.S. (34.5%). With the intensive rollout of fertility subsidy policies across various regions in China and the inclusion of ARS treatment in the national medical reimbursement program, further recovery of China’s birthrates and improvements in ARS penetration rates are expected.

¹ Penetration rate refers to the proportion of patients with ARS needs who actually receive treatment. The data is sourced from the “2026 White Paper on the Development Status and Future Trends of China’s Assisted Reproduction Industry” released by Frost & Sullivan in March 2026.

REGULATORY OVERVIEW

During the 2026 National “Two Sessions” (Lianghui), multiple delegates and committee members actively offered suggestions and proposals regarding the development of a fertility-friendly society and fertility preservation efforts:

- Establishing specialized clinics for fertility protection and preservation counseling, accelerating the improvement of the fertility support policy system, and establishing a national-level fertility protection and preservation center centered on ovarian tissue cryopreservation and transplantation. Currently, 47 medical institutions nationwide have carried out minimally invasive surgeries for ovarian tissue retrieval, initially establishing a national fertility protection network centered on ovarian tissue cryobanks, with related technologies gradually becoming standardized and scalable.
- Urging national policies to break through administrative bottlenecks, removing barriers for populations seeking egg freezing, while setting preconditions for the act of egg freezing. Enhancing fertility protection by including the costs of infertility examinations and assisted reproductive technologies into the scope of medical insurance pooling, continuously expanding the coverage of maternity insurance, and exploring the inclusion of urban and rural residents into the social security system.
- Formulating a unified national medical insurance payment catalog for assisted reproduction, promoting direct settlement for cross-provincial medical treatments, implementing multidisciplinary cooperation in reproductive medicine, and including psychological counseling costs in medical insurance. Simultaneously, it was suggested to allow single women to use assisted reproductive technologies and abolish discriminatory policies against out-of-wedlock births.
- Allowing single women to use assisted reproductive technologies and abolishing discriminatory policies against out-of-wedlock births to respond to the societal demand for fertility preservation. Previously, the National Health Commission stated that it is advancing the drafting of the “Regulations on the Administration of Assisted Reproductive Technology” and will prudently study issues such as egg freezing for single women, balancing medical, ethical, and social risks. As a reference for policy optimization in the mainland, Hong Kong officially abolished its time limit on egg freezing storage starting December 1, 2025, allowing eggs to be frozen indefinitely.

Since 2021, the Chinese government has introduced a series of policies to encourage childbirth and launched multiple initiatives to improve the accessibility and affordability of assisted reproductive services.

In August 2022, 17 governmental departments including the National Health Commission issued the “Guidelines on Further Improving and Implementing Supportive Measures for Active Fertility” (《關於進一步完善和落實積極生育支持措施的指導意見》) to guide local governments to consider the affordability of medical insurance (including maternity insurance) funds, relevant technical standards, and other factors as a whole, and in accordance with the procedures, gradually list appropriate labor analgesia and assisted reproductive technology programs in the coverage of such medical insurance funds. By March 2025, a total of 31 provinces/municipalities in China and the Xinjiang Production and Construction Corps have officially included ARS treatment in the scope of national medical insurance payment, and geographically the coverage has been expanded across mainland China. In addition, Sichuan, Guangdong, Hubei, and Yunnan provinces, where the Group’s operating subsidiaries are located, have also started to include ARS treatment in the scope of national medical insurance payment since the fourth quarter of 2024.

The “Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization” (the “**Resolution**”) adopted at the Third Plenary Session of the 20th Central Committee of the Communist Party of China in July 2024 set forth a strategic plan for improving the systems that support population development and provide related services. The Resolution also emphasizes the promotion of a childbirth-friendly society. From the perspective of refining the policy system and incentive mechanism for boosting fertility, the Resolution, in accordance with the requirements of covering the entire population and the full life cycle, has instituted a series of major measures centered on bringing down the “Trio Nurture Costs” (i.e., the costs of childbirth, parenting, and education). These measures include introducing a system of childbirth subsidies; integrating various subsidy forms based on the current common practices of various provinces and cities and gradually increasing the level of subsidies; and synergistically advancing this with the expanded coverage of maternity insurance. This aims to form a broadly covered fundamental childcare support system for families, raise the public share of expenses relating to childbirth, parenting, and education, improve the standard of public services for basic childbirth and pediatric medical services, enhance the capabilities of basic medical and healthcare services throughout the entire childbirth cycle, expand assisted reproductive technology service resources, and improve the healthcare service systems for maternal and infant health, reproductive health, and pediatrics.

In October 2024, the General Office of the State Council issued the “Several Measures on Accelerating the Improvement of the Fertility Support Policy System to Promote the Construction of a Fertility-Friendly Society” (《關於加快完善生育支持政策體系推動建設生育友好型社會的若干措施》) (the “**Several Measures**”). The Several Measures proposed 13 specific measures for building a fertility support system across four dimensions: fertility service support, childcare service systems, education, housing and employment, and fostering a childbirth-friendly society. It aims to accelerate the improvement of fertility support policies and promote the creation of a childbirth-friendly society. On November 27, 2024, the National Health Commission convened a meeting to implement the Several Measures, emphasizing the need for all regions and departments to plan in a coordinated manner and advance the implementation of various policy measures to achieve effective results. On December 11, 2024, the Central Economic Work Conference proposed “formulating policies to promote childbirth” as one of the key tasks for 2025.

In 2025, the Report of the Work of the Government delivered at the Third Session of the 14th National People’s Congress of the People’s Republic of China proposed for the first time the establishment of a specialized fund covering the full cycle of “childbirth, parenting, and education,” focusing on measures such as the distribution of childcare subsidies and increasing affordable childcare services. This marks a new height in childbirth support policies.

On March 7, 2025, Mr. Lei Haichao, the Director of the National Health Commission of China, pointed out during the open delegation meeting of the Jiangsu delegation at the Third Session of the 14th National People’s Congress of the People’s Republic of China, that “The population issue remains an important issue requiring in-depth and dynamic study. This year, childcare subsidies will be available, and the National Health Commission of China is working with relevant departments to draft an operational plan for these childcare subsidies.”

On March 13, 2025, the Hohhot Municipal Health Commission issued the implementation details and service procedures for the childcare subsidy project as part of the implementation of the “Opinions on Promoting Population Aggregation and High-Quality Population Development” (《關於促進人口集聚推動人口高質量發展的實施意見》). The subsidy standards are set as follows: a one-time childcare subsidy of RMB10,000 for the first child, RMB50,000 for the second child, and RMB100,000 for the third child and beyond.

In July 2025, the General Office of the CPC Central Committee and the General Office of the State Council issued the Implementation Plan for the Childcare Subsidy System. The plan stipulates that, starting from January 1, 2025, subsidies will be provided for infants and toddlers under 3 years old who are born in accordance with laws and regulations, until they reach the age of 3. According to the plan, the subsidy targets are infants and toddlers under 3 years old born on or after January 1, 2025, in compliance with laws and regulations. In other words, subsidies can be applied for regardless of whether the child is the first, second, or third child.

BUSINESS UPDATES

Key Operating Information

The following operating data have been provided by the Group’s in-network hospitals and by hospitals and clinics managed under invest-operate-transfer (“**IOT**”) agreements or management service agreements (“**MSA**”). IOT/MSA institutions refer to hospitals and clinics controlled by the Group through discipline co-construction and cooperation agreements and management service agreements.

Operating data as at December 31, 2025

Region	Number of Institutions	Number of IVF treatment cycles	RMB: million		Total
			Self-owned institutions	IOT/MSA institutions	
Chengdu	3	14,070	1,176	371	1,547
Greater Bay Area	3	5,428	428	–	428
Kunming and Wuhan	3	4,306	274	–	274
Overseas	14	4,235	156	673	829
Total	23	28,039	2,034	1,044	3,078

Operating data as at December 31, 2024

Region	Number of Institutions	Number of IVF treatment cycles	RMB: million		Total
			Self-owned institutions	IOT/MSA institutions	
Chengdu	3	13,884	1,258	424	1,682
Greater Bay Area	3	5,769	469	–	469
Kunming and Wuhan	3	4,242	266	–	266
Overseas	14	4,548	153	636	789
Total	23	28,443	2,146	1,060	3,206

Notes:

- (1) The revenue from IOT/MSA organizations in the operating data is the reported revenue of the hospitals, which has not been consolidated into the Group's consolidated statements. The consolidated revenue of the Group is the management fee received from IOT/MSA organizations, which amounted to approximately RMB497.7 million in 2025, compared to approximately RMB544.8 million in 2024.
- (2) The above operating data do not include non-medical institutions.
- (3) To capitalize on the historic growth opportunities in California's IVF industry spurred by the enactment of SB 729, which took effect in January 2026, HRC Fertility has expanded its operational network across the state to capture the anticipated surge in patient volume and market share. Under SB 729, large corporate health insurance plans (i.e., those covering over 100 employees) are required to provide coverage for infertility diagnosis and treatment, while small and medium-sized employers have the option to participate voluntarily. This coverage mandates three complete oocyte retrieval (OPU) cycles and unlimited embryo transfer cycles, while strictly prohibiting differential treatment based on marital status or other personal characteristics.

Specifically, HRC Fertility expanded its footprint in the San Francisco Bay Area in Q1 2025 by opening a new satellite clinic in the city center and acquiring an established, premier fertility clinic in Silicon Valley. Furthermore, in Q3 2025, HRC Fertility launched a new state-of-the-art clinic in Beverly Hills—one of the most affluent and high-potential markets in the Los Angeles area.

Chengdu operations

As disclosed in the interim report, our Chengdu operations experienced a significant decline in the first half of the year, with the number of oocyte retrieval (OPU) cycles decreasing by 6.1% year-on-year compared to the first half of 2024. In the second half of the year, the Company actively responded to various challenges by implementing a series of measures, such as optimizing patient management and improving the patient experience, to enhance patient retention and reduce patient loss. Notably, the re-consultation rate within three months for patients who experienced prior artificial insemination (“IUI”) failures increased by 6 percentage points year-on-year compared to 2024, and the proportion of patients with a history of treatment failure at other hospitals increased by 2 percentage points year-on-year. These efforts enabled the full-year cycle volume to achieve year-on-year growth, with the number of IVF treatment cycles increasing by 1.3% from 13,884 in 2024 to 14,070 in 2025. Concurrently, the VIP penetration rate at the Sichuan Jinxin Xinan Hospital (Bisheng Campus) continued to rise to approximately 21.2%, representing a year-on-year increase of 1 percentage point compared to 2024. Furthermore, the number of IUI patients increased from 660 for the year ended December 31, 2024 to 1,947 for the year ended December 31, 2025. The total number of treatment cycles for our Chengdu operations (i.e., IUI and OPU cycles) continued to rise during the Reporting Period, with the total number of treatment cycles increasing by 10.1%.

Since the introduction of third-generation IVF in 2024, we have cumulatively served over 2,500 patients as at the date of this announcement. Notably, in 2025, we completed 1,583 third-generation IVF cycles, representing a significant year-on-year increase of 72.8%. As the median age of our patients continues to rise, the penetration rate of this business is expected to also achieve rapid growth over the next five years. According to U.S. market reports based on CDC data, over 50% of IVF cycles in the United States currently utilize PGT technology. Simultaneously, the Group launched prenatal diagnosis and genetic counseling services in 2024 to safeguard the pregnancies of women who conceived via IVF, providing multiple layers of protection for the birth of healthy babies. Furthermore, leveraging over 70 years of experience in maternal and child healthcare and 20 years of expertise in assisted reproductive technology, Jinxin has pioneered the creation of an integrated IVF maternity and neonatal care model featuring “Assisted Reproduction | Full-Cycle | Individualization.” By combining an all-round expert team with multidisciplinary team (“MDT”) consultations, the Group streamlines inefficiencies with technology, safeguards the entire diagnosis and treatment process for patients from conception to birth, and achieves the goal of delivering healthy babies. VIP services are designed to provide a stress-free experience, covering all dimensions from physical to psychological support, and achieving a burden-free pregnancy through systematic integration.

In response to the current economic environment and the growing concern on public health, the Chengdu campus launched great health management services covering the full lifecycle. Operating under a centralized model, our Chengdu operation launched new specialized businesses, such as establishing a Women’s Health Management Center focused on developing services around cervical clinics, menopause management clinics, pelvic floor clinics, and anti-aging. It also established a Men’s Health Management Center, adding male minimally invasive surgeries and andrology center, alongside opening new departments including dentistry, ENT (ear, nose, and throat), ophthalmology, psychology (sleep clinics and adolescent clinics), weight loss centers, and medical dermatology & aesthetics. Furthermore, a Sino-Western Medicine Children’s Health Center was established to provide full-cycle diagnosis and treatment services for children from birth to adolescence through integrated Chinese and Western medicine. These initiatives aim to expand great healthcare services for the full lifecycle and provide multidimensional health diagnoses and treatments.

Operations in the Greater Bay Area

Starting from the second half of 2025, the Greater Bay Area operations have continued to recover. The Shenzhen campus optimized its diagnosis and treatment processes, as well as the management of patients who failed IUI, achieving remarkable results in improving the conversion rate of IUI-failed patients to IVF cycles. Compared to the first half of 2025, the number of IVF cycles in the Greater Bay Area in the second half of 2025 increased by 13.8%. As disclosed in the interim report, the Greater Bay Area operations experienced a significant decline in the first half of the year, with the number of oocyte retrieval (OPU) cycles decreasing by 16% year-on-year compared to the first half of 2024. This was primarily due to changes in the clinical visit process, which led to a significant increase in the proportion of IUI cycles, as well as the delayed relocation to the new Shenzhen campus. For the full year, the number of OPU cycles decreased by 5.9% from 5,769 in 2024 to 5,428 in 2025, while the number of IUI patients increased from 746 for the year ended December 31, 2024 to 1,769 for the year ended December 31, 2025. During the Reporting Period, the total number of treatment cycles (i.e., IUI and OPU cycles) for our Greater Bay Area operations continued to increase, overall growing by 10.5%. Revenue decreased by 8.8% from approximately RMB468.8 million for the year ended December 31, 2024 to approximately RMB427.6 million for the year ended December 31, 2025.

The new Shenzhen campus completed its relocation and officially commenced operations in February 2026. In its first two months, it has already achieved an 18% year-on-year growth in business volume. The new campus covers a gross floor area of approximately 40,000 square meters, increasing cycle capacity by approximately four times. Leveraging this capacity advantage and favorable policies in the Greater Bay Area, the IVF business is expected to experience strong growth. Additionally, the campus will expand its offerings to include VIP services, featured specialties, and international medical services.

Our Shenzhen campus is exploring new full lifecycle operation models, with a core focus on the reproductive business while providing more precise diagnosis and treatment services for patients with immune diseases. By resolving complex cases, we aim to improve success rates and thereby build a reproductive immunology specialty brand. In the process, we have expanded integrated IVF maternity care and high-end VIP services to provide featured diagnosis and treatment services. For male azoospermia patients, we have introduced in vitro sperm extraction technology and laboratory embryonic protein screening technology, effectively improving male sperm quality and thereby increasing the success rate of IVF treatments.

Operations in Kunming and Wuhan

Following in Jiuzhou Hospital's footsteps, Hewanjia Hospital also completed its renovation and upgrades in September 2025, enhancing the patient experience while exploring an integrated IVF maternity care model. This model enables patients who successfully conceive through IVF to seamlessly transition to our obstetrics departments for continued medical services. Although the six-month-long campus renovation caused a 2.7% decline in cycle numbers in Kunming during the first half of the year, the Kunming campus actively caught up in the second half, achieving a 5.3% half-on-half growth in cycle numbers. Overall, the total number of IVF treatment cycles for our operations in Wuhan and Kunming increased by 1.5% from 4,242 in 2024 to 4,306 in 2025. Revenue increased by 2.9% from approximately RMB265.9 million for the year ended December 31, 2024 to approximately RMB273.7 million for the year ended December 31, 2025.

The Group has strengthened the integration process for newly acquired hospitals, comprehensively advancing high-standard quality control management by establishing medical quality control inspection standards, focusing on key reproductive quality control data, and conducting on-site inspections and guidance for medical and reproductive quality control. Over the past two to three years, no medical safety issues have occurred at the newly acquired hospitals. Each campus strictly adheres to the core value of "safety and quality," building a safe, reliable, and standardized medical system for the provision of assisted reproductive medical services.

In the private assisted reproductive medical institution market across Yunnan and Guizhou provinces, our license resources possess extreme scarcity and represent a core competitive advantage. Currently, only five private hospitals in total across the two provinces have been approved for assisted reproductive licenses, and we exclusively hold two of them. This ranks our market share at the forefront of the industry and forms a significant license advantage. The Kunming campus not only deeply covers the patient demographic within Yunnan Province but also effectively radiates to and attracts patients from Guizhou Province. Currently, IVF patients from Guizhou Province account for 31% of the hospital's total patient visits.

In 2025, the Kunming and Wuhan regions achieved remarkable results in operational optimization, with marketing expenses decreasing by 10.9% year-on-year, realizing effective cost control. Meanwhile, the proportion of word-of-mouth (WOM) patients in the region has shown a steady upward trend year by year, continuously highlighting the value of WOM referrals. Based on current development achievements and market feedback, the campuses in Kunming and Wuhan will continue to deepen their operational strategies. Moving forward, they will further reduce marketing costs and tilt resources more towards the in-depth maintenance of WOM patients, the expansion of new WOM patients, and the establishment and optimization of two-way referral channels. By building a customer acquisition system centered on WOM, we aim to fully leverage the promotional effect of existing WOM patients to attract more high-quality patients through recommendations. This will form a virtuous cycle that continuously lowers overall customer acquisition costs and achieves sustainable, high-quality business development.

Overseas Operations

Despite the operational challenges posed by the delayed implementation of SB 729 and the LA wildfires in January, HRC Fertility maintained solid management revenue growth momentum, with a 5.1% year-over-year increase compared to 2024.

Furthermore, through ongoing enhancements in medical quality and patient care, HRC has strengthened its pricing power in a competitive market. Its blended average selling price (ASP) rose by 11.8% in 2025 relative to 2024.

Looking ahead to the historic growth opportunities in California's IVF industry driven by SB 729, HRC made proactive pre-investments in facility and medical team expansion over the past year. This has positioned HRC as one of the most competitive fertility providers in California, well placed to capture a larger market share in the future.

Leveraging HRC Medical's 37 year-long renowned medical brand and industry-leading physician recruitment capabilities, we continue to focus on 2 core areas: on one hand, we consistently attract top-tier physician talent, strengthening our physician network to build core competitiveness for business growth; on the other hand, we possess the ability to explore new markets through the Denovo model, continuously expanding our market presence in California. In 2025, 7 new physicians will join HRC Medical, and by the end of 2025, the total number of in-house physicians already reached 29, positioning HRC Medical among the leading assisted reproductive physician groups in the United States. In terms of regional expansion, HRC Medical entered Northern California's San Francisco area for the first time in 2025, while its flagship clinic in Beverly Hills commenced operations in September 2025. Currently, HRC Medical's medical network has established a comprehensive presence centered in Los Angeles, covering Northern California (San Francisco) and Southern California (San Diego). However, the simultaneous expansion of physician teams, medical staff development, and clinic growth in 2025 has put significant pressure on profitability, leading to a year-on-year decline in profits.

While expanding its physician team and clinic network in an orderly manner, HRC Medical focused on optimizing internal operational efficiency in 2025, particularly emphasizing improvements in staff productivity. By benchmarking operational model differences across its internal clinics and drawing on best practices from leading industry peers, HRC Medical further refined its operational model: optimizing staff structure and establishing more efficient work mechanisms. This significantly reduced labor costs and greatly improved operational efficiency.

HRC Medical's sustained development is inseparable from its continuous advancements in medical technology and its continued deepening of its focus on technological innovation and patient service experience optimization. For instance, in the first half of 2025, HRC Medical pioneered the introduction of needle-free technology, effectively alleviating the pain of repeated injections for patients during ovulation induction treatment. Additionally, since acquiring the Keck School of Medicine of the University of Southern California (USC) in 2021, HRC Medical has continuously strengthened its research collaboration and physician training with USC, laying a solid foundation for clinical technological breakthroughs and physician talent development.

OUTLOOK AND FUTURE

With the fertility rate gradually bottoming out and stabilizing, the era of advanced maternal age arriving, the penetration rate of assisted reproduction increasing year by year, the intensive rollout of childbirth-promoting policies in China, and China's support of standardized private healthcare, alongside the domestic economy and consumption regaining its momentum, we are embracing a rare long-term development opportunity.

Strengthening the discipline of capital allocation and increasing the medium- to long-term predictability of shareholder returns

In 2025, despite extremely difficult organizational adjustments, the Group's operating cash flow reached RMB588 million, and the adjusted EBITDA under non-IFRS was approximately RMB490 million. Against the backdrop of the basic completion of the Shenzhen building construction, our existing medical properties can provide an ample foundation for the Group's future development. We will further strengthen the discipline of capital allocation and enhance the ability to convert EBITDA into high-quality free cash flow. On this basis, we have formulated a new shareholder return plan.

Notwithstanding the industry challenges and operational transition in 2025, the Board has decided to propose a final dividend for the year ended 31 December 2025 of approximately RMB100 million (equivalent to approximately HKD113.2 million), or approximately RMB3.70 cents (HKD4.18 cents) per share, representing about 20% of the Group's non-IFRS adjusted EBITDA for 2025, as a token of appreciation to Shareholders. The final dividend is subject to approval by Shareholders at the forthcoming annual general meeting. In addition, the Board has approved a Shareholder Return Plan for 2026-2028, aiming to return 50% to 80% of the Group's non-IFRS adjusted EBITDA to Shareholders through dividends and/or share repurchases. Further, the Board has resolved to repurchase shares of the Company in the open market for a period of 12 months from the date hereof at its absolute discretion with an aggregate amount of up to RMB300 million, subject to the prevailing market conditions and due compliance with the applicable laws and regulations as well as the memorandum and articles of association of the Company. The Company has also amended its dividend policy, under which not less than 20% of the Company's annual non-IFRS adjusted EBITDA will be used for cash dividends.

We are a key force in the international cooperation of China's assisted reproduction industry

Opportunities for international expansion in the assisted reproduction sector remain robust. We have accumulated a proven track record through our strategic investments in Indonesia's largest assisted reproductive group, USC Fertility in the United States, and the HRC Group. Jinxin stands as a pivotal force representing China's high-quality assisted reproductive services in the global competitive landscape. This strategic positioning enables Jinxin to capture more stable medium- to long-term growth opportunities against the broader backdrop of declining global birth rates and the long-term growth in demand for assisted reproduction.

Currently, compared to assisted reproductive groups of a similar scale in the international market, we are in a valuation trough. We believe that with the continuous improvement of our operational capabilities and more rational and disciplined arrangements for capital allocation and returns, the restoration of the Company's value will be highly certain.

Historically, by acquiring hospitals with IVF/ICSI licenses—which have high entry barriers in China (IVF/ICSI accounts for nearly 80% of all assisted reproductive methods)—We are the largest service provider in the ARS industry in China and operate across core cities of Chinese provinces covering populations totaling over 380 million (including Yunnan, Guizhou, Sichuan, Chongqing, Hubei and Guangdong). We are also the fourth largest ARS provider in the world. In the United States, we are reinforcing our “Physician as Partner” strategy, and it is expected that by 2027, our U.S. operations will have 40 physicians. In Southeast Asia, we have consolidated our leading position in the ARS markets of China, the U.S., and Southeast Asia through the acquisition of PT Morula Indonesia (“**Morula**”), the largest assisted reproduction center in Indonesia (which has a population of 280 million, making it the most populous country in Southeast Asia) with a market share of approximately 40%.

International expansion is never without its challenges; however, experience and opportunity consistently complement one another through our continuous reflection and operational review.

We continuously optimize our products, technologies, services, and management, and summarize historical experiences and lessons to form a replicable development system. While providing patients with a high-quality experience of full-lifecycle health management centered on assisted reproduction, we also promote the sustainable and steady development of the Company in terms of business and scale.

Growth driven by new markets, new products, and new technologies

Among the major cities we serve, most regions continue to experience net population inflows even against the broader backdrop of population decline, particularly in the Chengdu area of Sichuan and the Guangdong region. Jinxin Fertility's Southern Headquarters was officially established in March 2026. The assisted reproduction market in Guangdong Province ranks first nationwide in terms of annual assisted reproductive cycle volume. Covering the Greater Bay Area, the Southern Headquarters will continuously provide abundant momentum for Jinxin Fertility's development over the next decade.

Leveraging the geographical and policy advantages of the Guangdong-Hong Kong-Macao Greater Bay Area, in 2026, we will use Shenzhen as a strategic fulcrum to deeply integrate into the international medical system, committing to breaking down the “information barriers” and “payment barriers” of cross-border medical care. We will fully align with the mainstream international commercial insurance system and establish a direct billing network with well-known domestic and foreign insurance companies, thoroughly solving the payment pain points for expatriates and high-net-worth clients in China, and realizing a cashless, hassle-free settlement process for medical expenses.

Capitalizing on the unique advantages of the Greater Bay Area, we will provide a one-stop international medical service ranging from “pregnancy preparation and assisted reproduction” to “delivery and postpartum care” for expatriates working and living in China, as well as compatriots from Hong Kong, Macao, and Taiwan. This will eliminate medical anxieties caused by differences in language, culture, and medical systems, thereby elevating Jinxin Fertility’s international brand.

We are dedicated to providing users with our core value: “Time to delivery.” Time costs, success rates, and live birth rates are often the most significant hidden costs for users in the global reproductive health sector. Our goal is to save patients’ out-of-pocket expenses, medical insurance costs, time, and opportunity costs. Delivering a healthy baby with greater time efficiency and high-quality service is the fundamental foundation of our integrated reproductive health services. Based on this philosophy, we have innovated a series of new technologies and products. By utilizing CAPA-based in vitro maturation (IVM) technology for immature eggs, we reduce the risks and discomfort associated with ovulation induction. Based on the “3F Fertility-Friendly IVF Program,” our 28-day service provides more practical and effective care for out-of-town patients and users facing significant time constraints.

We continue to increase our investment in the introduction and R&D of new technologies and methodologies, enhance personalized precision diagnosis and treatment for patients, and boost our appeal to patients with complex conditions across a broader region, thereby strengthening the hospital’s technical brand influence.

We utilize specialized disease groups as the foundational units for pioneering new technologies. For example, Sichuan Jinxin Xinan Hospital (Bisheng Campus) has established specialized disease groups and clinics, including the Diminished Ovarian Reserve (DOR) Clinic, Thin Endometrium Clinic, Polycystic Ovary Syndrome (PCOS) Clinic, and Advanced Maternal Age Clinic. These specialized teams focus on in-depth research into the diagnosis and treatment of specific conditions by: (i) introducing and applying cutting-edge technologies. For instance, the DOR specialized group has introduced In Vitro Activation (IVA) technology, and the Thin Endometrium specialized group has implemented precision treatment protocols such as Platelet-Rich Plasma (PRP) intrauterine infusion for treating thin endometrium; (ii) conducting clinical research. For example, the DOR group is conducting clinical research on the therapeutic effects of exosomes on premature ovarian failure, and the Thin Endometrium group is researching the use of exosomes for the repair of intrauterine adhesions; (iii) performing detailed analysis and evaluation of clinical efficacy indicators; (iv) hosting academic conferences; and (v) conducting online and offline patient education to provide personalized treatment plans for a wide range of patients across various medical needs.

In 2026, centered around the concept of “fertility-friendliness,” we will focus on goals such as reducing the number of hospital visits and injections for women undergoing IVF. We will develop new clinical protocols, such as the 3F program, to provide patients with differentiated, personalized care. At the same time, we launched new reproductive-focused services, such as reproductive anti-aging, to improve patients’ overall physical and ovarian functions and to enhance egg quality.

From live birth to healthy baby — Deepening Technological Barriers to Establish the “Fetal Medicine and Genetics Center”

Facing the severe challenges of birth defect prevention and control, in 2026, building upon the existing advantages of prenatal diagnosis and genetic evaluation at the Chengdu campus, we will comprehensively upgrade and establish the “Fetal Medicine and Genetics Center” to achieve a complete breakthrough in technical barriers and realize tertiary prevention. The center will break down the barriers between traditional obstetrics and genetics, integrating the full-chain technology of pre-pregnancy, prenatal, and neonatal care. By introducing cutting-edge methods such as high-throughput gene sequencing and monogenic disease diagnosis, genetic screening will be extended from the preconception period to pre-implantation, achieving primary prevention of birth defects.

We are committed to providing women with full-cycle closed-loop management, escorting them throughout the entire process from preconception to the birth of a newborn:

- **Preconception period:** Genetic disease carrier screening, eugenic genetic counseling.
- **Assisted reproductive stage:** Preimplantation Genetic Testing (PGT).
- **Pregnancy:** Non-invasive DNA screening, invasive prenatal diagnosis (amniocentesis/cordocentesis), Multi-Disciplinary Treatment (MDT).
- **Fetal stage intervention:** Intrauterine treatment for fetuses with structural abnormalities, filling regional technological gaps.
- **Neonatal period:** Early screening and diagnosis of genetic metabolic diseases.

The center will become a key node in the birth defect prevention and control network in Southwest China, truly realizing the fertility-friendly goal of “getting pregnant successfully, having a healthy pregnancy, giving birth safely, and raising well.”

Growth Driven by Scaled Organizational Power—Gradually Establishing a Replicable Operational Management System Based on Specialty Development

Through years of accumulation since our public listing, we have gradually evolved a replicable operational management system that drives business development based on specialty construction, including:

- Institutionalizing and regularizing the establishment and assessment of specialty quality control standards to manage the medical quality of all hospitals and specialties, including the “assisted reproduction success rate.” Through the guidance of leading experts and quality control experts within the Group, we ensure that the success rates across all our hospitals remain above the industry average;

- Establishing software and hardware service standards and methods based on patient satisfaction and patient recommendation rates to create an excellent patient experience at each hospital. This includes but is not limited to: hardware and visual optimization, service process standardization, full-process service and management by case managers, patient satisfaction surveys, group-level supervision of high-quality services, centralized analysis and rectification mechanisms for patient feedback, and internal/external communication and learning regarding high-quality services;
- Gradually refining online and offline brand promotion methods for each hospital to build strong branding and market expansion. This includes but is not limited to: grassroots education, community free clinics, brand events, specialty alliances, doctor IP building, specialty/specific disease IP building, new media matrices, and community building;
- Elevating discipline construction to the level of group strategy, strengthening talent development, and continuously improving the hard medical capabilities of the hospitals. This includes but is not limited to: professional title promotion, expert guidance, exchange and training, academic conferences, introduction of new technologies, and research on new methods.

By improving the ability to diagnose and treat complex diseases and high-risk critical cases, we will continuously and effectively strengthen the hospital's reputation and brand image among patients, achieve broader dissemination, and attract patients from a wider geographic area, thereby expanding the hospital's regional radiation radius and increasing market penetration.

Dual-Drive of Digitalization and AI Medical Care, with Significant Results in Smart Diagnosis and Treatment Construction

The wave of digitalization and AI brings indispensable opportunities for AI+ healthcare. The Jinxin Technology platform, built in-house by Jinxin Fertility, along with the research platform established in collaboration with overseas scholars, has developed over several years to achieve independent deployment and product-level realization of multiple systems. These include the EMR (Electronic Medical Record) system, CRM (Customer Relationship Management) system, multiple clinical decision support systems for doctors, and personalized patient inquiry and consultation systems.

Our investment in AI and digitalization is not merely following the latest trend. We clearly recognize that a good AI application—one that users are willing to pay for—must solve practical problems, translate into real cost savings, improve revenue and efficiency, and optimize the user experience. In 2025, our independently developed system achieved overseas sales for the first time, making us a rare medical artificial intelligence platform in the healthcare service sector that possesses independent R&D, data governance, external sales, and implemented after-sales coaching capabilities.

In the second half of the year, we entered into strategic partnerships with several leading and disruptive AI groups. This collaboration led to the implementation of a multimodal embryo scoring system and AI assistant applications. At the same time, we conducted comprehensive IVF data governance to solidify the foundation for future model development. Since its launch, the AI assistant has handled 18,179 intelligent conversational responses across 87 Enterprise WeChat groups in 2025. By efficiently answering patient inquiries while providing emotional support, we are comprehensively empowering the upgrade of our medical operations and clinical services through digitalization and AI technologies.

Financial Review

Revenue

Revenue of the Group decreased by 5.8% from approximately RMB2,811.6 million for the year ended December 31, 2024 to approximately RMB2,649.1 million for the year ended December 31, 2025. The overall decrease was primarily attributable to the following: (i) revenue from ARS and related businesses decreased by approximately RMB122.7 million; (ii) revenue from obstetrics and related businesses decreased by approximately RMB54.6 million; (iii) revenue from women's health services and other businesses increased by approximately RMB13.3 million; and (iv) revenue from the sales of medical reagent consumables and equipment increased by approximately RMB1.5 million. The decrease in revenue is mainly due to: (a) an approximately 1.4% drop in OPU cycles, and an approximately 6.5% decrease in average single-cycle pricing in mainland China subsequent to national healthcare security adjustments, together resulting in a reduction of ARS revenue; (b) an approximately 31.6% decline in traditional deliveries due to lower birth willingness in China, which caused a resultant decline in obstetrics and related revenue; and (c) the establishment of new departments and services centered around women's health, which increased revenue in those areas.

	2025 (RMB'000)	2024 (RMB'000)	YOY Change (RMB'000)	YOY (%)
ARS and related businesses ¹	1,870,788	1,993,474	(122,686)	(6.2%)
Women's health services and other businesses	356,562	343,248	13,314	3.9%
Obstetrics and related businesses ²	298,797	353,439	(54,642)	(15.5%)
Sales of consumables and equipment	122,926	121,435	1,491	1.2%
Total	<u>2,649,073</u>	<u>2,811,596</u>	<u>(162,523)</u>	<u>(5.8%)</u>

¹ Includes self-owned medical revenue, as well as management service revenue from the assisted reproductive business of the MSA/IOT institution, Jinjiang District Maternity and Child Health Hospital, and HRC Medical.

² Includes self-owned medical revenue, as well as management service revenue from the obstetrics and gynecology business of the MSA/IOT institution, Jinjiang District Maternity and Child Health Hospital.

Cost of Revenue

Cost of revenue of the Group, which consists primarily of cost of pharmaceutical products and consumables, staff costs, depreciation of property, plant and equipment, and other costs, increased by 2.9% from approximately RMB1,712.1 million for the year ended December 31, 2024 to approximately RMB1,762.5 million for the year ended December 31, 2025. The increase in the cost of revenue was mainly attributable to: (i) an increase of RMB34.7 million in rent, renovation depreciation, operations, and labor costs for HRC Medical due to the addition of clinics in Beverly Hills and San Francisco during the Reporting Period; (ii) the accelerated amortization of renovation expenses amounting to RMB36.3 million concerning Wuhan Jinxin Hospital pursuant to the adjusted amortization period under its lease agreement, which was included in the cost of revenue; (iii) certain new departments still being in the cultivation and development stage, with capacity utilization needing further improvement and gross profit margins being lower than that of the traditional IVF business; and (iv) an increase in the proportion of labor costs in the Chengdu and Shenzhen regions.

Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by 19.4% from approximately RMB1,099.5 million for the year ended December 31, 2024 to approximately RMB886.5 million for the year ended December 31, 2025. The Group's gross profit margin decreased from 39.1% for the year ended December 31, 2024 to 33.5% for the year ended December 31, 2025.

Other Income

Other income of the Group decreased by 20.8% from approximately RMB35.1 million for the year ended December 31, 2024 to approximately RMB27.8 million for the year ended December 31, 2025, primarily due to a decrease of approximately RMB7.3 million in government grants as compared to the same period of last year.

Other Expense

The Group's other expenses increased from approximately RMB4.9 million for the year ended December 31, 2024 to approximately RMB56.3 million for the year ended December 31, 2025, primarily due to a one-time capital injection of RMB50.0 million into Jinjiang District Maternity and Child Health Hospital to support its upgrade and the enhancement of its operational capacity, as well as to ensure the sustainability of management services.

Other Gains and Losses

Other gains and losses primarily represent gains and losses on fair value change of financial assets/ other financial assets at fair value through profit or loss ("FVTPL"), on disposal of assets, and on net exchange. The Group recorded other losses, net, of approximately RMB6.6 million for the year ended December 31, 2025, primarily attributable to the realization in the current period of unrealized exchange gains and losses from previous years.

Research and Development Expenses

Research and development expenses primarily consist of staff costs of the Group's research and development team at Jinxin Medical Innovation Research Center. Research and development expenses of the Group decreased by 16.4% from approximately RMB24.7 million for the year ended December 31, 2024 to approximately RMB20.6 million for the year ended December 31, 2025.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of marketing and promotional expenses and staff cost of the Group's marketing team. Selling and distribution expenses of the Group decreased by 5.8% from approximately RMB175.2 million for the year ended December 31, 2024 to approximately RMB165.0 million for the year ended December 31, 2025, primarily due to lower customer acquisition costs and an increased return on investment following the enhancement of Yunnan Hospital's word-of-mouth reputation.

Administrative Expenses

Administrative expenses primarily consist of staff costs, including amortization of ESOP costs, depreciation and amortization, repairment and maintenance expenses, property related expenses and others. Administrative expenses of the Group increased by 8.7% from approximately RMB458.0 million for the year ended December 31, 2024 to approximately RMB497.7 million for the year ended December 31, 2025, primarily due to (i) increased labor costs for new doctors and operating costs arising from HRC's clinic expansion during the year; (ii) accelerated amortization of renovation expenses following the adjustment of the lease term for the old campus of Shenzhen Zhongshan Hospital; (iii) increased amortization of renovation expenses relating to the renovation and upgrade of Yunnan Hospital; (iv) welfare expenses for retired senior experts; and (v) compensation payments resulting from personnel structure optimization at the end of 2025.

Finance Costs

Finance costs of the Group increased by 23.9% from approximately RMB57.4 million for the year ended December 31, 2024 to approximately RMB71.1 million for the year ended December 31, 2025, primarily due to a decrease in capitalized interest, alongside an increase in financial expenses recognized under lease accounting standards in respect of property leases in the United States. Interest expenses on bank borrowings for the year ended December 31, 2025 were RMB109.7 million, compared to interest expenses of RMB122.5 million for the year ended December 31, 2024, with a comprehensive debt cost rate of 4.4%, representing a year-on-year decrease of 1.5 percentage points.

Income Tax Expenses

Income tax expenses of the Group primarily consist of PRC enterprise income tax, withholding tax and Hong Kong Profits Tax. Income tax expenses of the Group decreased by 99.2% from approximately RMB118.4 million for the year ended December 31, 2024 to approximately RMB0.9 million for the year ended December 31, 2025, primarily due to the deferred tax impact related of approximately RMB73.1 million related to the impairment of intangible assets in the United States. If excluding the impact of the reversal of deferred tax liabilities, the income tax expense was RMB74.0 million, representing a year-on-year decrease of 37.5%.

Net (Loss) Profits

The Group recorded net loss of approximately RMB983.9 million for the year ended December 31, 2025, compared to a net profit of approximately RMB273.5 million for the year ended December 31, 2024. The decrease in profit was primarily due to the following one-off events and partially due to a decline in the Group's operating profit. As aforementioned, the one-off events include: (i) impairment of goodwill and certain intangible assets related to the Group's business in the United States and Laos; (ii) impairment losses recognized under the expected credit loss model in respect of certain financial assets; (iii) a one-off contribution to Jinjiang District Maternity and Child Health Hospital which the Group co-manages under the IOT agreement; (iv) depreciation of renovation expenses at Wuhan Jinxin Hospital, which arises from the re-evaluation of the hospital's lease schedule; and (v) the one-time accelerated amortization of leasehold improvements resulting from the adjustment of the lease term for the old Shenzhen hospital campus. The decline in operating profit is attributable to the following factors: (i) the inclusion of ARS in China's National Medical Insurance Reimbursement Program, which affected the service mix between IUI and IVF and exerted downward pressure on pricing, which the Company believes to some extent will be partially mitigated in the near term; (ii) headwinds in China's obstetrics industry; and (iii) higher expenses associated with the expansion of the Group's business in the United States, which the Group expects will be partially mitigated in the near term through operational optimization initiatives launched in 2026.

Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Company has provided EBITDA, adjusted EBITDA, and adjusted net profit as non-IFRS measures, which are not required by, or presented in accordance with IFRS. The Company believes that the non-IFRS adjusted financial measures provide useful information to investors and others in understanding and evaluating the Group's consolidated statements of profit or loss in the same manner as they helped the Company's management, and that the Company's management and investors may benefit from referring to these non-IFRS adjusted financial measures in assessing the Group's operating performance during this period by eliminating impacts of items that the Group does not consider indicative of the Group's operating performance. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view the non-IFRS adjusted results on a stand-alone basis or as a substitute for results under IFRS.

The Group's non-IFRS adjusted net profit decreased by 49.7% from approximately RMB416.3 million for the year ended December 31, 2024 to approximately RMB209.3 million for the year ended December 31, 2025.

The Group's non-IFRS adjusted EBITDA decreased by 30.6% from approximately RMB707.3 million for the year ended December 31, 2024 to approximately RMB491.1 million for the year ended December 31, 2025.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
(Loss) Profit for the year	(983,885)	273,467
Add:		
Amortization of ESOP costs ⁽¹⁾	28,541	47,285
Amortization and depreciation of medical practice licenses, non-compete agreements, and property, plant and equipment, including deferred tax impact ⁽²⁾	64,565	64,368
Impairment of goodwill and certain assets related to the Group's business in the United States and Laos, including deferred tax impact ⁽³⁾	906,647	–
Impairment losses recognized under the ECL model in respect of certain financial assets ⁽⁴⁾	99,009	–
One-off contribution to Jinjiang District Maternity and Child Health Hospital ⁽⁵⁾	50,000	–
Depreciation of renovation expenses at Wuhan Jinxin Hospital ⁽⁶⁾	36,264	–
Depreciation of renovation expenses for the building at the old Shenzhen hospital campus ⁽⁷⁾	8,166	
One-off loss made by disposal of Kangseed Investment ⁽⁸⁾	–	7,052
Exchange gain, net ⁽⁹⁾	–	24,173

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Non-IFRS adjusted net profit	209,307	416,345
Non-IFRS (negative) EBITDA	(682,844)	628,792
Add:		
Amortization of ESOP costs ⁽¹⁾	28,541	47,285
Impairment of goodwill and certain assets related to the Group's business in the United States and Laos ⁽³⁾	996,413	–
Impairment losses recognized under the ECL model in respect of certain financial assets ⁽⁴⁾	99,009	–
One-off contribution to Jinjiang District Maternity and Child Health Hospital ⁽⁵⁾	50,000	–
One-off loss made by disposal of Kangseed Investment ⁽⁸⁾	–	7,052
Exchange gain, net ⁽⁹⁾	–	24,173
Non-IFRS adjusted EBITDA	<u>491,119</u>	<u>707,302</u>

Notes:

- (1) ESOP costs are regarded as non-cash items.
- (2) Amortization and depreciation of medical practice licenses, non-compete agreements, and property, plant and equipment, as well as deferred tax assets and liabilities, all of which arise from acquisitions: by eliminating the effect of these items from the profit attributable to the owners of the Company, it demonstrates the endogenous growth of the Company.
- (3) Impairment of goodwill and certain assets related to the Group's business in the United States and Laos: the impairment of the Group's United States business resulted from HRC Medical's performance falling short of projections and an influx of young physicians and the expansion of new clinics introducing uncertainties over the foreseeable period. Further, the postponement of California's insurance coverage for IVF under Senate Bill 729 (SB729) has heightened such operational uncertainties. The impairment of the Group's business in Laos resulted from increasing uncertainty of Laotian policies in the IVF industry, thus the Group decided to discontinue the operations of Jinrui Medical Center in Laos.
- (4) Impairment losses recognized under the ECL (expected credit loss) model in respect of certain financial assets: attributable to (i) impairment losses in receivable from Chengdu Jinlin Corporate Management Co., Ltd. ("**Chengdu Jinlin**"), where in assessing the expected credit loss of the amount due from Chengdu Jinlin, the Group considered all possible collection efforts, including collection of Chengdu Jinlin's receivable from a third party; (ii) impairment losses in receivable due from Jincheng Hongda and Jinxin Aijian where in assessing the ECL of the amount due from Jincheng Hongda and Jinxin Aijian, the Group considered the depreciation of properties owned by Jincheng Hongda amid China's property market trends and the impairment arising from the suspension of operations of Jinxin Aijian; and (iii) impairment losses in a refundable investment deposit, where the Group assessed the ECL of the amount of such deposit based on the result of an arbitration proceeding.

- (5) One-off contribution to Jinjiang District Maternity and Child Health Hospital: this is a one off contribution to the Jinjiang District Maternity and Child Health Hospital which the Group co-manages under the IOT agreement to support its upgrading in facilities and expansion in business.
- (6) Depreciation of renovation expenses at Wuhan Jinxin Hospital: arises from the re-evaluation of Wuhan Jinxin Hospital's lease term.
- (7) Depreciation of renovation expenses for the building at the old Shenzhen hospital campus: arises from the re-evaluation of the lease term of the old campus of Shenzhen Zhongshan Hospital.
- (8) One-off loss arising from the Kangseed Investment.
- (9) Net exchange (loss) gain: the net exchange loss resulted from the fluctuation between the foreign currency exchange rate at the time of repayment of the US\$1.87 million loans and the foreign currency exchange rate at the beginning of the Reporting Period.

Basic and Diluted Losses per Share

The basic and diluted losses per share of the Group for the year ended December 31, 2025 amounted to RMB0.36 and RMB0.36, respectively, as compared with the basic and diluted earnings per share of RMB0.11 and RMB0.10, respectively, as that for the year ended December 31, 2024. Adjusted basic earnings per share of the Group for the year ended December 31, 2025 amounted to RMB0.08, as compared with adjusted basic earnings per share of RMB0.16 for the year ended December 31, 2024.

Inventories

Inventories of the Group increased by 9.8% from approximately RMB50.9 million as at December 31, 2024 to approximately RMB55.9 million as at December 31, 2025, primarily due to changes in the settlement arrangements between the Chengdu hospital and pharmaceutical suppliers.

Accounts and Other Receivables

Accounts and other receivables of the Group decreased by 36.3% from approximately RMB322.3 million as at December 31, 2024 to approximately RMB205.3 million as at December 31, 2025.

Accounts and Other Payables

Accounts and other payables of the Group decreased by 4.8% from approximately RMB737.8 million as at December 31, 2024 to approximately RMB702.4 million as at December 31, 2025.

Liquidity and Capital Resources

The business operations and expansion plans of the Group require a significant amount of capital, including upgrading the Group's existing medical facilities and establishing and acquiring new medical institutions and other working capital requirements. In June 2019, the Group received total proceeds of approximately HK\$2,808.1 million from the Global Offering, after deducting the underwriting fees, commissions and related Listing expenses. In February 2021, the Group received total net proceeds of approximately HK\$1,253.5 million from the Placing (as defined hereinafter). The Group also obtained additional funding from syndicated loan facilities of up to US\$300 million in 2021 and a drawdown in full of such bank facilities in March 2022. On January 5, 2023, an aggregate of 175,000,000 placing Shares were placed by the Company to not less than six placees at the placing price of HK\$6.725 per placing Share, and the Company received total net proceeds of approximately HK\$1,162.3 million (equivalent to approximately RMB999.0 million). The placees, together with their respective ultimate beneficial owners, are third parties independent of and not connected with the Company or its connected persons. None of the placees has become a substantial Shareholder immediately upon completion of the placing. The placing has been completed on January 16, 2023. In 2025, the Group obtained new loans amounting to approximately RMB3,121.0 million. The share capital of the Company only comprises ordinary shares. As at December 31, 2025, the authorized share capital of the Company was US\$50,000 divided into 5,000,000,000 Shares. The capital structure of the Group was 34% debt and 66% equity as at December 31, 2025, compared with 31% debt and 69% equity as at December 31, 2024. As at December 31, 2025, the Group had unutilized bank facilities of approximately RMB1,102 million. Subsequent to December 31, 2025, the Group has obtained additional bank facilities of approximately RMB50 million. Therefore, the Directors are of the view that the Group has sufficient resources to meet its future business operations and expansion.

Cash Flows

The following table sets forth selected cash flow data of the Group's consolidated statements of cash flows for the years indicated and analysis of balances of cash and cash equivalents for the years indicated:

	For the year	
	ended December 31,	
	2025	2024
	RMB'000	RMB'000
Net cash generated from operating activities	588,893	629,201
Net cash used in investing activities	(149,583)	(293,271)
Net cash used in financing activities	(116,546)	(458,291)
Cash and cash equivalents at beginning of the year	570,821	691,331
Effect of foreign exchange rate changes	12,197	1,851
Cash and cash equivalents at end of the year	905,782	570,821

Although the Company's profit experienced a significant decline this year, operating cash inflows remained robust, as the decrease was primarily attributable to non-cash, one-off items.

Capital Commitments

The principal capital expenditures of the Group relate primarily to purchases of property, plant and equipment. The following table sets forth a breakdown of the Group's capital expenditures for the years indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements	97,390	139,904
Commitment to WP Partnership	—	120,000
	<u>97,390</u>	<u>259,904</u>

Significant Investments, Material Acquisitions and Disposals

Save as disclosed above, as at December 31, 2025, there were no significant investments held by the Company, nor were any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Indebtedness

Lease liabilities

The Group recognized right-of-use assets and corresponding lease liabilities in respect of all leases, except for short-term leases and leases of low value assets. As at December 31, 2025, the Group, as a lessee, had outstanding lease liabilities for the remaining terms of relevant lease agreements in an aggregate amount of RMB385.4 million. The lease liabilities represent payment for right of using underlying assets.

Borrowings

As at December 31, 2025, the Group had bank borrowings of RMB2,462.4 million (December 31, 2024: RMB2,270.1 million).

Pledge of Assets

As at December 31, 2025, the Group's Jinyun Building was pledged as security for an equivalent amount of bank loans. Saved as disclosed, the Group did not pledge any other assets.

Contingent Liabilities and Guarantees

As at December 31, 2025, the Group did not have any material contingent liabilities or guarantees.

Contractual Obligations

As at December 31, 2025, the Group did not have any contractual obligations that would have a material effect on its financial position or results of operations.

Interest-bearing Debt Ratio

Interest-bearing debt ratio is calculated using the total amount of interest-bearing debt at the end of the year divided by total assets as at the end of the year and multiplied by 100%. As at December 31, 2025, the Group's interest-bearing debt ratio was 17.6% (December 31, 2024: 15.1%). The increase was mainly due to increase in bank borrowings by the Group.

RISK MANAGEMENT

Currency Risk

The business of the Group operates in the mainland China, Hong Kong, and the United States with its transactions settled in Renminbi, HK dollars and U.S. dollars, respectively. Renminbi is not a freely convertible currency and is subject to changes in central government policies and to international economic and political developments. Despite the fact that the Company currently has not adopted any hedging measure, the cost of U.S. dollar is covered by the revenue generated in U.S. dollar, which serves as a natural hedge. As a result, the Company does not believe that it currently has any significant direct foreign exchange risk and has not used any derivative financial instruments to hedge our exposure to such risk.

Interest Rate Risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. Its cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Directors consider that the overall interest rate risk is not significant and no sensitivity analysis is presented. The Company considers the interest rate risk associated with the financial assets at fair value through profit or loss and fixed rate time deposit to be limited because such instruments have a tenor of less than one year or are redeemable on demand.

Liquidity Risk

The Group aims to manage liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at December 31, 2025, the Group and the medical facilities in its network had a total of 3,494 employees, of whom 3,229 were located in China and 265 were located overseas. The staff costs, including Directors' emoluments, were approximately RMB909.0 million for the year ended December 31, 2025, as compared to approximately RMB916.6 million for the year ended December 31, 2024, representing a year-on-year decrease of 0.8%.

The Group also offers its employees the option to participate in its (i) 2022 Share Award Scheme, which was adopted on February 17, 2022 and amended on June 25, 2024; and (ii) 2025 Share Scheme, which was adopted on December 5, 2025. Summary of the principal terms of the 2022 Share Award Scheme and the 2025 Share Scheme are set out in the circulars of the Company dated May 31, 2024 and December 5, 2025, respectively. The Company also had the Share Option Scheme and the Pre-IPO RSU Scheme which were terminated as of June 30, 2024, and no further award would be granted under such schemes, whilst the awards previously granted thereunder shall continue to be in full force and effect in accordance with the provisions thereof.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK\$4.18 cents per Share for the year ended December 31, 2025 (for the year ended December 31, 2024: Nil). Subject to the approval of the Shareholders at the forthcoming AGM, the proposed final dividend will be paid on Tuesday, July 28, 2026 to the Shareholders whose names appear on the register of members on Tuesday, July 7, 2026.

OTHER INFORMATION

AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on June 25, 2026. A notice convening the AGM is expected to be published and dispatched to the Shareholders in due course in accordance with the requirements of the Listing Rules.

For determining the qualification as members of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Monday, June 22, 2026 to Thursday, June 25, 2026, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, Shareholders shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, June 18, 2026. The record date for the attending and voting at the AGM is Thursday, June 25, 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Company has complied with all the applicable code provisions as set out in Part 2 of the CG Code during the year ended December 31, 2025. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he or she has complied with the required standards as set out in the Model Code during the year ended December 31, 2025.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company had repurchased a total of 39,662,000 Shares on the Stock Exchange at an aggregate purchase price of approximately HK\$99.88 million. The reason for purchase is to demonstrate the Company's confidence in its own business outlook and prospects as the Company believes that the current trading price of the Shares does not reflect their intrinsic value or the actual prospects of the Company. As at the date of this announcement, 39,662,000 repurchased Shares had not been cancelled by the Company.

Details of the Shares repurchased during the year ended December 31, 2025, are set out as follows:

Month of repurchases	Number of Shares repurchased on the Stock Exchange	Price per Share paid		Aggregate purchase price (HK\$ million)
		Highest (HK\$)	Lowest (HK\$)	
December 2025	39,662,000	2.57	2.43	99.88

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury Shares) during the Reporting Period. As of December 31, 2025, the Company held 13,000,000 treasury Shares as defined under the Listing Rules.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has established the Audit and Risk Management Committee, which is chaired by an independent non-executive Director, Mr. Ye Changqing, and consists of another two independent non-executive Directors, Dr. Chong Yat Keung and Mr. Wang Xiaobo, and two non-executive Directors, Ms. Hu Zhe and Mr. Chen Shuyun. The primary duties of the Audit and Risk Management Committee are to assist the Board by monitoring the Company's ongoing compliance with the applicable laws and regulations that govern its business operations, providing an independent view on the effectiveness of the Company's internal control policies, financial management processes and risk management systems, in particular, the implementation of the Company's anti-corruption and anti-bribery measures.

REVIEW OF ANNUAL RESULTS

The Audit and Risk Management Committee has jointly reviewed with the management and the independent auditor of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the audited consolidated financial statements of the Group for the year ended December 31, 2025, which has been agreed by the independent auditors of the Company) of the Group. The Audit and Risk Management Committee and the independent auditors considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

EVENTS AFTER THE REPORTING PERIOD

There are no key events affecting the Group subsequent to December 31, 2025.

USE OF PROCEEDS FROM LISTING

The total proceeds from the issue of new Shares by the Company in its Listing (after deducting the underwriting fees and related Listing expenses) amounted to approximately HK\$2,808.1 million and the unutilized net proceeds were kept at the bank accounts of the Group as at December 31, 2025.

The net proceeds from the Listing (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in accordance with the purposes set out in the Prospectus. The table below sets out the planned applications of the net proceeds and actual usage up to December 31, 2025:

Use of proceeds	Planned applications (HK\$ million)	Percentage of total net proceed	Actual usage up to December 31, 2025 (HK\$ million)	Net proceeds brought forward for the Reporting Period (HK\$ million)	Unutilized net proceeds as at December 31, 2025 (HK\$ million)	Expected timeline for utilizing the remaining unutilized net proceeds ⁽²⁾
To expand and upgrade existing assisted reproductive medical facilities in the Group's network in China and recruit medical professionals, including physicians and embryologists, in order to increase capacity, expand its service offering and market share ⁽¹⁾	702.0 ⁽¹⁾	25.0%	702.0	-	-	By December 2022
For the potential acquisition of additional assisted reproductive medical facilities in provinces in China we are currently not operating in ⁽³⁾	561.6	20.0%	561.6	-	-	By December 2021
For investment in research and development to enhance overall performance and maintain the Group's position at the forefront of assisted reproductive technology	280.8	10.0%	243.1	37.7	26.9	By December 2026
For the potential acquisitions of ARS service providers and businesses along the ARS service chain ⁽⁴⁾	561.6	20.0%	561.6	-	-	By December 2021
To improve brand awareness and general ARS awareness in both China and the United States	421.2	15.0%	421.2	-	-	By December 2025
For the Group's working capital and general corporate purposes ⁽⁵⁾	280.9	10.0%	280.9	-	-	By June 2022
Total	2,808.1	100%	2,770.4	37.7	26.9	

Notes:

- (1) The Group intends to use (i) 20.0% or HK\$561.6 million to (a) expand and upgrade the medical facilities, (b) acquire additional medical equipment and (c) acquire and/or construct patient care facilities, and (ii) 5.0%, or HK\$140.4 million to recruit and expand medical professional teams and relevant supporting staff, including introducing professional staff specializing in prenatal services.
- (2) The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.
- (3) Including the acquisition of equity interests of a hospital in Wuhan with assisted reproductive medical facilities and subsequent capital expenditure in connection with improving the hospital.
- (4) Including (i) formation of joint venture with the shareholders of Mengmei Life Pty. Ltd. and Jinxin Hospital Management Group Limited in relation to, among others, the promotion, customers acquisition and channels management related to IVF and (ii) acquisition of obstetrics, gynecology and pediatric business through Jinxin Medical Management (BVI) Group Limited.
- (5) Namely (i) consultation fees, including but not limited to fees for legal compliance, audit, investor relations/public relations, human resources, and operations; (ii) rental and office expense; and (iii) remuneration packages of the existing management team.

USE OF PROCEEDS FROM PLACING

On February 2, 2021, the Company entered into a placing agreement with Morgan Stanley & Co. International plc (the “**Placing Agent**”), pursuant to which the Placing Agent agreed to place 80,000,000 shares (or, failing which, to purchase itself as principal) on a fully underwritten basis to not less than six independent investors (the “**Placing**”). The Placing price was HK\$15.85 per share. The net price per Placing share was approximately HK\$15.67. The closing price was HK\$17.02 per Share as quoted on the Stock Exchange on the date of the placing agreement.

The closing of the Placing took place on February 9, 2021. The net proceeds from the Placing were approximately HK\$1,253.5 million, which have been fully utilized as at December 31, 2025 in accordance with the purposes set out in the announcements of the Company dated February 2, 2021 and February 9, 2021 respectively. The table below sets out the planned applications of the net proceeds and actual usage up to December 31, 2025:

Use of proceeds	Planned applications (HK\$ million)	Percentage of total net proceed	Actual usage up to December 31, 2025 (HK\$ million)	Net proceeds brought forward for the Reporting Period (HK\$ million)	Unutilized net proceeds as at December 31, 2025 (HK\$ million)	Expected timeline for utilizing the remaining unutilized net proceeds ⁽¹⁾
To fund potential merger and acquisition opportunities of ARS-licensed providers located in regions in the PRC with relatively high demand for ARS, such as in East China, the Beijing Tianjin-Hebei region, and other highly potential regions	1,002.8	80.0%	1,002.8	-	-	By December 2021
To fund potential merger and acquisition opportunities of ARS-licensed providers located outside the PRC, such as Southeast Asia and other Asia pacific countries	188.0	15.0%	188.0	-	-	By June 2024
For general corporate and working capital purposes	62.7	5.0%	62.7	-	-	By June 2022
Total	<u>1,253.5</u>	<u>100%</u>	<u>1,253.5</u>	<u>-</u>	<u>-</u>	

Note:

- (1) The expected timeline for utilizing the remaining proceeds was based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

USE OF PROCEEDS FROM TOP-UP PLACING

On January 5, 2023, the Company entered into a placing and subscription agreement with JINXIN Fertility Investment Group Limited as vendor (the “Vendor”) and Morgan Stanley Asia Limited as placing agent (the “Top-Up Placing Agent”), pursuant to which (i) the Vendor agreed to sell, and the Top-Up Placing Agent agreed to procure purchaser to purchase, on a fully underwritten basis, 175,000,000 Shares at a price of HK\$6.725 per Share; and (ii) the Vendor agreed to subscribe as principal for, and the Company agreed to issue, 175,000,000 new Shares, being equivalent to the number of placing Shares thereunder at the same price (the “Top-Up Placing”). The closing price was HK\$7.31 per Share as quoted on the Stock Exchange on the date of the placing and subscription agreement.

The closing of the placing and subscription under the Top-Up Placing took place on January 9, 2023 and January 16, 2023, respectively. The net proceeds from the Top-Up Placing were approximately HK\$1,162.31 million, which have been fully utilized as at December 31, 2025 in accordance with the purposes set out in the announcements of the Company dated January 5, 2023 and January 16, 2023, respectively. The table below sets out the planned applications of the net proceeds and actual usage up to December 31, 2025:

	Planned applications (HK\$ million)	Percentage of total net proceed	Actual usage up to December 31, 2025 (HK\$ million)	Net proceeds brought forward for the Reporting Period (HK\$ million)	Unutilized net proceeds as at December 31, 2025	Expected timeline for utilizing the remaining unutilized net proceeds ⁽¹⁾
To redeem and repay the relevant part of the outstanding convertible bonds issued by the Company on November 26, 2021 in the principal amount of HK\$1,814,706,000	987.96	85.0%	987.96	-	-	By June 2023
For the Group’s working capital and general corporate purposes	174.35	15.0%	174.35	-	-	By December 2024
Total	<u>1,162.31</u>	<u>100%</u>	<u>1,162.31</u>	<u>-</u>	<u>-</u>	

Note:

- (1) The expected timeline for utilizing the remaining proceeds was based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 26, 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jxr-fertility.com). In accordance with the requirements under the Listing Rules which are applicable during the Reporting Period, the 2025 annual report containing all the information required by the Listing Rules will be despatched to the Shareholders (if applicable) and published on the respective websites of the Stock Exchange and the Company in due course.

DEFINITIONS

“2022 Share Award Scheme”	the 2022 restricted share award scheme conditionally adopted by the Company on February 17, 2022 and amended by the Company on June 25, 2024, the principal terms of which are summarized in the circular of the Company dated May 31, 2024
“2025 Share Scheme”	the 2025 share scheme adopted by the Company on December 5, 2025, the principal terms of which are summarized in the circular of the Company dated November 19, 2025
“AGM”	annual general meeting of the Company
“ARS”	assisted reproductive service(s)
“Audit and Risk Management Committee”	the audit and risk management committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“BVI”	the British Virgin Islands
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

“Chairman”	the Chairman of the Board
“Chengdu Xinan Clinic”	Chengdu Jinjiang Xinan Clinic Co., Ltd
“CODM”	chief operating decision makers
“China” or the “PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Company”, “we” or “our”	Jinxin Fertility Group Limited (錦欣生殖醫療集團有限公司*), previously known as Sichuan Jinxin Fertility Company Limited, an exempted company established in the Cayman Islands with limited liability on May 3, 2018
“Director(s)”	the director(s) of the Company
“ECL”	Impairment under expected credit loss
“EIT”	PRC Enterprise Income Tax
“ESOP”	collectively the Pre-IPO RSU Scheme, the 2022 Share Award Scheme, the 2025 Share Scheme and the Share Option Scheme
“FVTOCI”	fair value through other comprehensive income
“FVTPL”	fair value through profit or loss
“Greater China”	Mainland China and Hong Kong
“Group”	the Company and its subsidiaries
“Hewanjia Hospital”	Kunming Jinxin Hewanjia Obstetrics and Gynecology Hospital Co., Ltd.* (昆明錦欣和萬家婦產醫院有限公司), a company established under the laws of the PRC with limited liability on January 15, 2014 and a subsidiary of the Group
“HK ARC”	Hong Kong Assisted Reproduction Centre Limited (香港輔助生育中心有限公司), a company established in Hong Kong with limited liability on June 14, 2007, the Group’s indirect subsidiary
“HK dollar(s)” or “HK\$” or “HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong

“HK RHC”	Hong Kong Reproductive Health Centre Ltd
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HRC Fertility”	HRC Management and HRC Medical
“HRC Management”	HRC Fertility Management, LLC, a limited liability company established under the laws of Delaware, the United States on November 3, 2015, the Group’s indirect subsidiary
“HRC Management Group”	HRC Management and its subsidiaries
“HRC Medical”	Huntington Reproductive Center Medical Group, a professional corporation established under the laws of California, the United States on January 1, 1995, a connected person of the Company by virtue of being jointly owned by Dr. Michael A. Feinman, Dr. Bradford A. Kolb and Dr. Jane L. Frederick, and the nine clinics and three IVF laboratories in California which it owns
“IASB”	International Accounting Standards Board
“ICSI”	intracytoplasmic sperm injection
“IFRS”	International Financial Reporting Standards
“IUI”	intrauterine insemination
“IVF”	in vitro fertilization, a process where the egg and sperm are incubated together to a fertilized embryo in an in vitro system to achieve pregnancy
“IVF-ET”	in vitro fertilization and embryo transfer
“Jincheng Hongda”	Chengdu Jincheng Hongda Enterprise Management Co., Ltd
“Jinjiang District Maternity and Child Health Hospital”	Chengdu Jinjiang District Maternity and Child Health Hospital (成都市錦江區婦幼保健院), a non-profit maternity and child healthcare hospital established in the PRC in 1954, the IVF center of which is jointly managed by the Group
“Jinxin Aijian”	Chengdu Jinxin Aijian Hospital Co., Ltd.

“Jiuzhou Hospital”	Yunnan Jinxin Jiuzhou Hospital Co., Ltd.* (雲南錦欣九洲醫院有限公司), a company established under the laws of the PRC with limited liability on September 24, 2003 and a subsidiary of the Group
“Kangseed Investment”	a minority shareholding interest investment by the Group in the holding company of a company primarily operating an App for online health management for women
“Laos”	Lao People’s Democratic Republic
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on June 25, 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Main Board”	Main Board of the Stock Exchange
“MDT”	multidisciplinary team
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Morula”	PT Morula Indonesia
“MSA”	management service agreements
“OPU”	oocyte pick up cycle
“Overseas”	Greater China, the U.S.A. and Laos
“Pre-IPO RSU Scheme”	the restricted share award scheme conditionally adopted by the Company on February 15, 2019, which has been terminated as at June 30, 2024
“Prospectus”	the prospectus issued by the Company dated June 13, 2019
“R&D”	research and development
“Renminbi” or “RMB”	Renminbi Yuan, the lawful currency of the PRC

“Reporting Period”	the twelve-month period from January 1, 2025 to December 31, 2025
“Restricted Shares”	any Shares that may be offered by the Company to any selected Eligible Participant under the 2022 Share Award Scheme
“RSU Scheme”	Restricted Share Award Scheme
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US\$0.00001 each
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on June 3, 2019, which has been terminated as at June 30, 2024
“Shenzhen Zhongshan Hospital”	Shenzhen Zhongshan Obstetrics and Gynecology Hospital (深圳中山婦產醫院), a company established in Shenzhen, PRC with limited liability on May 18, 2004, the Group’s indirect subsidiary that is a for-profit specialty hospital
“Sichuan Jinxin Fertility”	Sichuan Jinxin Fertility Medical Management Co., Ltd. (四川錦欣生殖醫療管理有限公司), a company established under the laws of the PRC with limited liability on September 12, 2016, our indirect subsidiary
“Sichuan Jinxin Xinan Hospital”	collectively, Sichuan Jinxin Xinan Hospital (Bisheng Campus) and Sichuan Jinxin Xinan Hospital (Jingxiu Campus)
“Sichuan Jinxin Xinan Hospital (Bisheng Campus)”	Sichuan Jinxin Xinan Women & Children Hospital (Bisheng Campus) (四川錦欣西囡婦女兒童醫院畢昇院區), a company established in Chengdu, Sichuan Province, the PRC with limited liability on November 10, 2015, the Group’s subsidiary
“Sichuan Jinxin Xinan Hospital (Jingxiu Campus)”	Sichuan Jinxin Xinan Women & Children Hospital (Jingxiu Campus) (四川錦欣西囡婦女兒童醫院靜秀院區), a company established under the laws of the PRC with limited liability on December 9, 2016 that is a for-profit women and children hospital, the fertility center of which was jointly managed by the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Director(s)”	the director(s) of any subsidiary of the Company

“U.S. dollar(s)” or “US\$” or “USD”	United States dollar(s), the lawful currency of the United States of America
“Wuhan Jinxin Hospital”	Wuhan Jinxin Integrated Gynecology and Obstetrics Hospital Co., Ltd. (武漢錦欣中西醫結合婦產醫院有限公司), a company established in the PRC with limited liability on February 17, 2006, the Group’s indirect subsidiary

In this announcement, the terms “associate”, “connected person”, “controlling shareholder” and “subsidiary” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By order of the Board
Jinxin Fertility Group Limited
Dong Yang
*Chief Executive Officer, Acting Chief Financial Officer
and Executive Director*

Hong Kong, March 26, 2026

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Dong Yang, Ms. Lyu Rong and Dr. Geng Lihong, as executive Directors; Mr. Zhong Yong, as Chairman and non-executive Director, and Ms. Hu Zhe, Ms. Yan Xiaoqing and Mr. Chen Shuyun, as non-executive Directors; and Dr. Chong Yat Keung, Mr. Li Jianwei, Mr. Wang Xiaobo and Mr. Ye Changqing, as independent non-executive Directors.

* *For identification purposes only*