



2025

ANNUAL REPORT

Winner Medical Co., Ltd.



**winner** 稳健医疗

## Brand Vision

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

## Core Business Principles

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

## Brand Ethics

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

# The Letter to Shareholders

## The Strength to Navigate Through Cycles — Staying True to Our Original Aspiration, Building a Centennial Visionary Winner Together

### Dear Shareholders, Partners, and All Members of Winner Group,

The year 2026 embraces a dual milestone for Winner Group — the 35th anniversary of our founding and the fifth anniversary of our A-share listing. As we commence the first year of the “15th Five-Year Plan” period (2026-2030), I would like to take this opportunity to offer an honest and transparent review of our journey to our Shareholders, who have long been placing their trust in and walking alongside Winner Group, and to share with you our perspectives on the future.

### I. Over the past 35 years, we have been committed to only one thing

Back in 1991, when founding Winner Group in Zhuhai, I held fast to just one simple belief: “Only by Delivering Quality Products Can a Company Survive.”

Over the past 35 years, business models have evolved, marked by ups and downs, yet that original belief has never wavered. From starting as an OEM supplier of medical dressings to becoming the benchmark for medical dressings in China; from developing the core technology of “cotton spunlace non-woven fabric” tested by thousands of experiments to founding “Purcotton” in 2009, creating a never-seen-before category; from listing on the A-share market in 2020 to our present global landscape driven by the dual-engine growth of “Medical and Consumer” synergies — in every step of our journey, we have steadfastly adhered to one core principle:

#### Value Ranking of Winner Group (Unchanged for 35 Years):

1. Quality over the Profit
2. Brand over the Speed
3. Social Value over the Corporate Value

This ranking is seemingly simple, yet staying true to it has always been extremely challenging when tempted. This is especially true in the consumer goods sector. While other players chase traffic-driven growth and prioritize absolute short-term expansion, we are committed to 100% premium cotton, rigorous standards, and environmental protection. The 35 years of journey has proven that doing the right thing strategically and getting things right tactically — time will ultimately deliver the fairest answer.

### II. Five Years as A Listed Company: Fulfilling Our “Worthy of Trust” Commitment

When ringing the listing bell in 2020, I shared with our Shareholders that Winner Group aspired to become a good company worthy of long-term trust. Five years on, we have honored this original aspiration with solid, tangible results:

- **Medical Business (Our Stable “Ballast Stone”):** benefiting from the 35 years of medical quality heritage, our product lines have expanded comprehensively from traditional wound care to advanced dressings, operating room consumables, and one-stop total solutions. Our services are now available for over 110 countries and regions worldwide, with revenue from our main business achieving steady growth over the past five years.

- **Consumer Business (Our Powerful “Growth Engine”):** Purcotton started with just three stores in 2010 and now boasts over 500 stores nationwide. Not only did we pioneer the cotton tissue category and maintain our leadership in sales volume, but thanks to omni-channel marketing and lean management of nearly 70 million members, we have also emerged as a representative force among China’s new domestic brands.
- **Global Footprint (From “Going Global” to “Taking Root”):** In 2024, we successfully acquired GRI, a U.S. company, enabling localized production and operations across the Americas market in one decisive move and truly achieving the leap from “product globalization” to “brand and service globalization.”
- **Shareholder Returns: In 2020, the Company’s net proceeds from its listing were RMB3.56 billion.** Over the past five years, our total investment reached RMB5.05 billion (primarily invested in projects funded by the offering and four M&A projects). The Company has declared a total of RMB3.05 billion in dividends (including the proposed dividend for the current year), utilized approximately RMB690 million to buy back shares (over 12 million shares repurchased), delivering a total return of RMB3.75 billion to shareholders, representing 105% of net proceeds from the listing. In 2025, net assets attributable to parent company reached RMB11.52 billion, while operating revenue and R&D expenses totaled RMB10.95 billion and RMB0.41 billion, respectively. Compared with pre-IPO figures in 2019, these represent increases of 264.4%, 139.4%, and 165%, respectively.

### III. The Code of Winner: Enduring Strategy, Evolving Tactics

I am often asked: What is the code that enables Winner Group to navigate through cycles? My answer is just the four words: Enduring Strategy, Evolving Tactics.

The “Enduring” Strategy: Anchored in our core principles of “Long-Termism” and “Product Leadership”, we remain committed to the dual-engine growth of “Medical + Consumer” synergies and stay focused on our main businesses. Over the past 35 years, we have neither been tempted by short-term windfalls nor distracted by market noise. This strategic focus has enabled us to accumulate our most valuable assets: a quality DNA and a respected brand reputation.

The “Evolving” Tactics: While holding our bottom line where it matters, we embrace change at a deliberate pace: “a small step every half year, a major step every year, and a disruptive leap every three years.” Since our listing five years ago, we have continued to ramp up R&D investment, refined store operations, and pursued comprehensive digital transformation, reshaping our supply chain with data and AI. We have also executed precision global acquisitions to gain access to premium overseas markets.

Strategies Define the Direction Ahead and Tactics Determine the Pace Forward; With No Clear Direction, Faster Progress Only Leads to Greater Risks; With No Steady Pace, Even the Best Direction Cannot Secure Goal Delivery.

### IV. Outlook for the 15th Five-Year Plan Period (2026–2030): Resonating with the National Vision and the Times

The year 2026 marks the first year of the “15th Five-Year Plan” period, and Winner Group has always closely aligned its blueprint with national strategies:

1. **Medical Sector:** We will increase investment in independent R&D, focusing on advanced dressings and green operating room solutions, while expanding into premium overseas markets to demonstrate the strength of China’s intelligent manufacturing.

2. Consumer Sector: We will deepen product innovation and scenario expansion rooted in the concept of “one cotton flower” by accelerating digital transformation to solidify our absolute leadership as China’s pure cotton lifestyle brand.

3. Digital-Driven Operations: We will fully integrate R&D, production, sales, and supply chains, leveraging data and AI to drive business decisions, making our organization more agile and our operations more efficient.

Green Development and Social Responsibility: We will continue to pursue the vision that “Pure Cotton Changes the World” and unlock its full potential. This represents not only the business philosophy of Purcotton, but also the green commitment of Winner Group to the Earth.

## V. To Our Shareholders: Honoring Responsibility, Building A Centennial Visionary Winner Together

Blossoming from a small workshop in Zhuhai into a benchmark in our industry and from a new entrant in the capital market into a long-term value creator features the journey Winner Group has taken. Yet I am fully aware that past success does not always mean future results, and the trust of our shareholders must be earned every single day anew.

Here, I would like to reaffirm to our shareholders:

The guiding principle of the “Three Priorities” — Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value will remain unchanged and it will be embedded in the Articles of Association and guide us for years ahead.

Our commitment to value creation will be always on the way. We will refresh our efforts to strengthen our core competitiveness and profitability to reward our investors.

Corporate governance will become even more transparent. We will work harder on the rotating CEO system to enable a smooth transition toward a team-based decision-making mechanism under a rotating Chairperson, and enhance open communication with our shareholders.

Our social responsibility will become even more visible. We will stay committed to green and low-carbon development, harnessing the power of “one cotton flower” to contribute to environmental protection and the cause of health.

### Conclusion

Our 35-year journey of overcoming challenges would not have been possible without the financial trust of our shareholders, the strong collaboration of our partners, and the relentless dedication of every member of Winner Group. It is you who have made our vision of “Caring Health, Cherishing Life, and Protecting the Environment for A Better World” a reality, step by step.

The Centennial Visionary Winner is just setting sail.

At this new historical starting point, we will continue to move forward at the pace of “Winner”, advancing step by step to fulfill the grand blueprint of a century-defining enterprise. We look forward to sharing this journey with all of you, witnessing Winner Group’s evolution from a benchmark in China to a world-class brand.

Li Jianquan

Chairman of Winner Group

April 20, 2026

# Section I

## Important Notes, Contents, and Definitions



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

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

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

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

Investors are advised to exercise caution and be aware of investment risks.

The Company has detailed the possible risks and corresponding countermeasures in its operations in "XI. Outlook for Future Development" under "Section III Management Discussion and Analysis" of this report. Investors are advised to pay close attention to the relevant information.

The profit distribution plan approved at this Board of Directors meeting is as follows: based on 582,329,808 shares, a cash dividend of RMB3.0 (tax inclusive) for every 10 shares will be distributed to all shareholders. No bonus shares (tax inclusive) will be distributed, and no shares will be converted from capital reserves.

The Company's total cash dividend for 2025 amounted to RMB436,747,356.00 (tax inclusive), accounting for 56.87% of the net profit attributable to ordinary shareholders of the listed company for the year 2025, which includes (1) the total cash dividend of RMB262,048,413.60 (tax inclusive) for the 2025 interim period to all shareholders with a cash dividend of RMB4.50 (tax inclusive) per 10 shares; (2) the proposed total cash dividend of RMB174,698,942.40 (tax inclusive, subject to approval by the shareholders' meeting) to all shareholders with a cash dividend of RMB3.00 per 10 shares.

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## List of Documents Available for Inspection

(I) Financial statements signed and sealed by the Company's principal executive officer, the person in charge of accounting affairs, and the head of the accounting department (chief accounting officer).

(II) The original audit report bearing the seal of the accounting firm and the signature and seal of the certified public accountants.

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



## Definitions

Term	Definition
Winner Group, Group, Company	Winner Medical Co., Ltd.
Reporting Period	January 1, 2025 to December 31, 2025
Winner Medical	Serious medical care under the medical business and consumer medical care business
Purcotton	Shenzhen Purcotton Technology Co., Ltd., a wholly-owned subsidiary of the Company
Longterm Medical	Zhejiang Longterm Medical Technology Co., Ltd., a company in which the Company acquired a 55% stake in 2022
Winner Medical (Hunan)	Winner Medical (Hunan) Co., Ltd., a company in which the Company acquired a 68.70% stake after acquisition and capital increase in 2022
Winner Guilin	Winner Guilin Latex Co., Ltd., a company in which the Company acquired a 91.74% stake in 2022
Junjian Medical	Shenzhen Junjian Medical Device Co., Ltd., a company in which the Company acquired a 100% stake in 2022
GRI	Global Resources International, Inc., a company in which the Company acquired a 75.20% stake in 2024
Winner Medical(Huanggang)	Winner Medical (Huanggang) Co., Ltd., a wholly-owned subsidiary of the Company
Winner Medical (Jiayu)	Winner Medical (Jiayu) Co., Ltd., a wholly-owned subsidiary of the Company
Winner Medical(Chongyang)	Winner Medical (Chongyang) Co., Ltd., a wholly-owned subsidiary of the Company
Winner Medical (Jingmen)	Winner Medical (Jingmen) Co., Ltd., a wholly-owned subsidiary of the Company
Yuan, 10 thousand Yuan, 100 million Yuan	RMB, RMB10,000, RMB100 million



全棉刷手衣

全棉外科干手巾

全棉防辐射围脖套

全棉手术洞巾

全棉纱布系列

全棉手术帽

棉里层口罩

全棉手术衣

全棉无纺布敷贴

## Section II Company Profile and Key Financial Indicators

### Company Overview

Founded in 1991, Winner Group (300888.SZ) went public on the Shenzhen Stock Exchange in September 2020. Through 35 years of exploration and practice, it has evolved into a holistic health enterprise, synergistically converging medical innovation and consumer wellness ecosystems. Winner Group, driven by the vision of “Caring Health, Cherishing Life, and Protecting the Environment for A Better World”, owns two major brands: “Winner Medical” and “Purcotton”. Its products cover a wide range of segments including wound care, infection prevention, operating room consumables, personal care, home care, maternity and baby care, and home textiles and apparel. Adhering to the core business principles of “Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value”, and guided by the development strategy of “Product Leadership, Operational Excellence, Brand Advancement and Digital Empowerment”, the Company is pursuing dual-track advancement in medical and consumer goods sectors; driving collaborative expansion across domestic and global markets; enabling convergent growth of online and offline channels; upholding altruism and long-termism — committed to delivering safe, premium-quality, cost-effective, and experience-driven products and services for global users.



## Business Overview



## Global Production Capacity

Country	Location of Facilities
China	Guangdong Province (1), Hubei Province (8), Hunan Province (1), Zhejiang Province (2), Guangxi Zhuang Autonomous Region (1), and Anhui Province (1)
Overseas	Mexico, Vietnam, the United States, and the Dominican Republic



## Awards

- ① The Project of Winner Medical was awarded the second prize in the Science and Technology Progress Awards by the China National Textile and Apparel Council
- ② Winner Medical (Huanggang), Winner Medical (Jiayu), and Winner Medical (Tianmen) were awarded the “Five-Star Environmental Factory” by the China Nonwovens & Industrial Textiles Association
- ③ Winner Medical was selected for the “2025 Health Industry Brand List” at the China Health Industry Ecological Conference and won the “CPEO Gold Award”
- ④ Winner Medical (Jingmen) received the Gold Medal on the ECOVADIS platform
- ⑤ Winner Medical (Chongyang) received the Silver Medal on the ECOVADIS platform
- ⑥ Purcotton was recognized as a “Continuous Innovation Unit” by the Ministry of Industry and Information Technology & China Textile Information Center
- ⑦ Purcotton won the “London Design Awards” in 2025
- ⑧ The “Baby Welcome Gift Organic Cotton 10-Piece Set Gift Box” submitted by Shenzhen Purcotton Technology Co., Ltd. was selected for the “2025 Top Ten Innovative Textile Products” list
- ⑨ The comfort evaluation of Purcotton’s pure cotton sleepwear was included in the “Science and Technology Guidance Project of the China National Textile and Apparel Council”
- ⑩ The Company was awarded the highest A rating for information disclosure of listed companies by the Shenzhen Stock Exchange for 2024
- ⑪ Selected for 2025 Outstanding Practice Cases in Sustainability of Listed Companies by the China Association for Public Companies
- ⑫ Selected for 2024 Best Practice Cases in the Directors of Board of Listed Companies by the China Association for Public Companies



## I. Company Information

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

## II. Contact Information

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

### III. Designated Locations for Information Disclosure and for Keeping Records

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

### IV. Other Relevant Information

Accounting firm appointed by the Company

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

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

Applicable  N/A

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

Applicable  N/A

### V. Key Accounting Data and Financial Indicators

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

Yes  No

	2025	2024	YOY change	2023
Operating revenue (RMB)	10,949,489,967.01	8,977,853,631.73	21.96%	8,185,022,057.20
Net profit attributable to shareholders of the listed company (RMB)	767,967,461.87	695,378,928.72	10.44%	580,403,232.37
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	705,635,870.36	590,858,058.78	19.43%	412,027,497.25
Net cash flow from operating activities (RMB)	1,665,676,894.93	1,265,755,266.70	31.60%	1,063,326,232.23
Basic earnings per share (RMB/share)	1.32	1.19	10.92%	0.98
Diluted earnings per share (RMB/share)	1.32	1.19	10.92%	0.98
Weighted average return on net assets	6.74%	6.07%	0.67%	5.03%

	End of 2025	End of 2024	Change from the end of last year	End of 2023
Total assets (RMB)	18,404,858,027.22	18,391,855,961.52	0.07%	17,112,022,449.97
Net assets attributable to shareholders of the listed company (RMB)	11,516,711,030.45	11,151,279,644.56	3.28%	11,533,224,328.00

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

Yes  No

The lowest value among the Company's audited profit before tax, net profit, and net profit excluding non-recurring gains and losses during the Reporting Period is negative

Yes  No

## VI. Quarterly Key Financial Indicators

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	2,605,313,851.05	2,690,898,105.87	2,600,871,707.33	3,052,406,302.76
Net profit attributable to shareholders of the listed company	248,565,301.08	243,432,707.99	239,897,356.54	36,072,096.26
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	234,265,747.12	226,357,984.14	218,487,177.09	26,524,962.01
Net cash flows from operating activities	-230,322,471.93	570,248,246.00	366,804,691.54	958,946,429.32

Note 1: The relatively low net profit attributable to shareholders of the listed company in Q4 was primarily due to a RMB179 million impairment charge on goodwill recognized during Q4.

Note 2: The increase in net cash flows from operating activities in Q4 was primarily attributable to higher collection of sales proceeds.

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

Yes  No

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

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

Applicable N/A

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

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

Applicable N/A

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

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

Applicable N/A

Unit: RMB

Item	Amount in 2025	Amount in 2024	Amount in 2023	Explanation
Gains and losses on disposal of non-current assets (including reversal of previously recognized impairment losses)	-12,559,464.36	-2,083,378.10	-46,464,882.49	
Government grants recognized in profit or loss (excluding those related to the company's normal operating activities, consistent with national policy, granted based on established criteria, and having a continuing impact on the Company's profit and loss)	44,188,509.32	37,931,590.29	74,822,989.42	
Changes in fair value and gains and losses from the disposal of financial assets and financial liabilities held by non-financial enterprises (excluding effective hedging transactions directly related to the Company's normal operating activities)	55,565,073.76	87,767,017.20	172,439,376.04	
Gain/loss on debt restructuring		1,788,767.41		
Other non-operating income and expenses, excluding the items above	-6,751,238.42	1,445,748.24	10,371,355.38	
Less: Income tax effect	12,120,494.18	20,765,995.02	35,321,337.22	
Effect on non-controlling interests (after tax)	5,990,794.61	1,562,880.08	7,471,766.01	
Total	62,331,591.51	104,520,869.94	168,375,735.12	--

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

Applicable N/A

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

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

Applicable N/A

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



 Purcotton 全棉时代

每一代都有全棉时代



  
郭晶晶  
全棉时代全球品牌代言人

Section III  
Management Discussion  
and Analysis

## I. Main Operations of the Company during the Reporting Period

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

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

### (I) Main operations of the Company

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

#### 1. Medical consumables

In the 1990s, the international medical dressing market was dominated by European and American companies in terms of technical standards and market share. Domestic Chinese products lacked competitiveness due to lagging production standards and inconsistent quality. Against this backdrop, driven by the vision of “Bringing Chinese Medical Dressings to the World”, Mr. Li Jianquan, the founder of Winner Group, established the Winner Medical brand in 1991. Over the 35 years of development, Winner Medical has built a complete industrial chain encompassing “raw material procurement – core material R&D – product manufacturing – terminal sales”. Through continuous R&D and upgrades, the Company’s product portfolio has been optimized and now includes traditional wound care and bandaging, advanced wound dressings, operating room consumables, infection prevention, and healthcare and personal care products. Winner Medical has maintained stringent quality standards throughout its development, establishing an international level quality management system early on in the industry. Its products have received authoritative international certifications, including the EU CE marking, US FDA clearance, and Japanese Ministry of Health, Labour and Welfare approval. With production capacity in China, the United States, Vietnam, and the Dominican Republic, Winner Medical has established global credibility and supply capabilities as a professional medical brand. In terms of distribution, Winner Medical pursues a three-pronged approach: “overseas business + domestic professional medical market + daily consumer medical market”. Through OEM, ODM, and its own brand, Winner Medical exports to over 110 countries and regions. This brand’s high quality has earned widespread recognition from hospitals and trust from consumers in the domestic market, resulting in higher brand awareness and a stronger reputation. Looking ahead, Winner Medical will accelerate R&D in biomedical and tissue engineering, adhering to the innovation philosophy of technology-driven development and product upgrades, prioritizing product leadership and advancements in basic materials. By integrating Chinese manufacturing with the global supply chain and expanding into global markets, Winner Medical continues to advance towards its strategic goal of becoming a “one-stop solution for medical consumables”.




## 2. Consumer goods




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

### (II) Main products and applications




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




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

Product Categories	Main Applications	Specific Products	Illustrations of Some Products
Advanced wound dressings	Applied in wound care to provide a moist wound healing environment, reduce dressing change frequency, and minimize further trauma	Foam dressings, silicone dressings, alginate dressings, super absorbent dressings, etc.	
Operating room consumables	Applied in prevention of surgical site infections	Surgical gloves, surgical packs, surgical gowns, etc.	
Traditional wound care and bandaging	Applied in wound exudate absorbing, wound dressing, and sports protection	Medical cotton, gauze, bandage	

Product Categories	Main Applications	Specific Products	Illustrations of Some Products
Infection prevention	Applied in occupational protection for medical personnel and patient isolation	Face masks, protective clothing, isolation gowns, gloves, shoe covers, caps, etc.	
Healthcare & personal care	Applied in wound cleaning and disinfection, daily healthcare	Oral and nasal care, medical-aesthetic personal care, nursing aids, etc.	
Other products	Applied in health management to meet medical needs	Injection and puncture products, test kits, etc.	

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

Product Categories	Specific Products	Illustrations of Some Products
Dry and wet cotton tissues	Cotton tissues, wet wipes, etc.	
Feminine hygiene products	Sanitary napkins, overnight pads, etc.	
Other non-woven products	Facial masks, cotton pads, diapers, disposable underwear, etc.	

Product Categories	Specific Products	Illustrations of Some Products
Baby and child apparel and products	Baby and children's sleepwear, outerwear, underwear, bath towels, handkerchiefs, swaddles, etc.	
Adult apparel	Adult sleepwear, outerwear, underwear, socks, etc.	
Other woven products	Bedding, bath products, etc.	

### (III) Main business model

Over the 35 years of continuous exploration and development, Winner Group's business model has undergone significant transformation and upgrading. Our business scope has expanded from medical consumables to consumer goods; our business model has shifted from OEM to proprietary brand building, from B2B to B2C, from a sole focus on overseas markets to a balanced approach between domestic and international markets; and our listing status has transitioned from voluntary delisting on the US Nasdaq to listing on China's A-share market. We have evolved from "Made in China" to "Created in China", from product export to brand empowerment, and ultimately to thought leadership.

Currently, Winner Group has upgraded its digitalization from back-office support to a strategic infrastructure spanning the entire value chain, with a "small front platform + big middle platform" system established to balance resource concentration and value creation. In R&D, we focus on independent development of core basic materials and continuous iteration and upgrading of key product categories. Our medical sector actively pursues global patent and product registration strategies, while our consumer goods business leads the development of several national standards and conducts carbon footprint verification for various products. Simultaneously, we actively promote smart manufacturing and green manufacturing technologies to enhance production efficiency and energy management. In procurement, we utilize diverse strategies, including strategic sourcing and centralized purchasing, combined with mechanisms such as supplier qualification, tiered classification management, and performance evaluation, to build a sustainable supply chain ecosystem. We leverage digital systems like SRM and PLM to achieve transparent, full-process control and strengthen cost and risk management. In production, aligned with the Company's strategic objectives, we use Sales & Operations Planning (S&OP) to guide the development of medium – and long-term strategic plans and short-term production and procurement plans. This process involves all relevant upstream and downstream departments, balancing inventory and lead times based on dynamic customer demand to ensure flexible production and efficient responsiveness. In sales, Winner Medical has established a professional sales network within the medical industry, covering a vast number of medical institutions and retail pharmacies, and exporting medical consumables to numerous countries and regions worldwide. Purcotton employs an omni-channel sales

strategy in the consumer goods market, covering major e-commerce and social media platforms online, while operating brand stores in key cities and entering various supermarkets, convenience stores, and other retail outlets offline. This online-offline integration enhances consumer experience and strengthens brand influence.



#### (IV) Key performance drivers

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

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

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

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

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

Winner Group began with its medical consumables business, cultivating the industry for 35 years. It is one of the first domestic companies to establish a fully integrated industrial chain encompassing “raw material procurement – core material R&D – product manufacturing – terminal sales”. Winner Medical maintains stringent quality standards throughout its history and established an international-level quality management system at the initial stage of its engagement in the industry. Its products have received authoritative international certifications, including the EU CE marking, US FDA clearance, and Japanese Ministry of Health, Labour and Welfare approval, establishing global credibility for the brand. Through strategic acquisitions of leading companies in niche segments, such as Longterm Medical, Winner Medical (Hunan), and Winner Guilin, Winner Medical rapidly entered the injection and puncture consumables and latex gloves markets, laying the foundation for a one-stop medical consumables solution. Furthermore, the Company continuously invests in R&D, optimizes its product portfolio, and upgrades its advanced wound dressings, operating room consumables, and healthcare and personal care products, increasing the proportion of high-value-added products. Winner Medical pursues a three-pronged distribution strategy: “overseas business + domestic professional medical market + daily consumer medical market”. In particular, the Company's rapid provision of high-quality products in recent years significantly enhanced brand awareness and reputation, leading to the rapid development of its distribution channels. While strengthening its core business, Winner Medical also

accelerates its global expansion through mergers and acquisitions. The acquisition of a controlling interest in the US-based medical company GRI strengthens its overseas production capacity, sales channels, and localized operations. In the future, Winner Medical will continue to advance towards its strategic goal of becoming a “one-stop solution for medical consumables”.

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

## II. Overview of the Company’s Industry during the Reporting Period

### 1. Industry Classification

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

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

### 2. Industry Developments

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

#### (1) Medical consumables

Medical consumables are essential for the daily medical and nursing work of healthcare institutions. With the increasing

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

#### ① Global and Domestic Developments of Traditional Medical Consumables Industry

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

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

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

#### ② Developments of Advanced Wound Dressing Product Market

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

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

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

### ③ Developments of Surgical Site Infection Control Product Market

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

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

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

### (2) Developments of Consumer Goods Segment

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

confidence is driving the popularity of domestic brands and fueling the growth of the “Guochao” economy.

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

#### ① Developments of Cotton Tissues Industry

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

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

#### ② Developments of Feminine Hygiene Product Industry

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

With the continuous improvement of Chinese women’s health awareness and purchasing power, consumer demand for product quality continues to upgrade. Functionality, material safety, and user experience have become core concerns, driving the increasing consumption of mid-to-high-end products. According to Euromonitor, the average price per piece increased from RMB0.74 to RMB0.93 between 2019 and 2024, demonstrating the accelerating trend of quality-focused consumption. Currently, there is a growing demand for “safe” sanitary napkins among female consumers, leading to a preference for medical-grade and sterilized products. This premiumization is becoming a new engine for value growth in the feminine hygiene product industry. On the supply side, leading companies are building supply chain and technological moats through vertical integration from raw materials to manufacturing and the application of innovative bioengineering technologies. This premiumization trend will continue to increase market concentration and drive the industry towards a development paradigm centered on technology and quality.

#### ③ Developments of Baby & Child and Adult Apparel Industry

Driven by the changing consumption patterns of modern families, the children’s apparel market is evolving towards quality and refinement. With the deepening of the “refined parenting” concept, parents’ demand focus is shifting from basic functionality to comprehensive considerations of quality and safety. Strict standards such as Class A safety standards,

eco-friendly fabric certifications, and durable craftsmanship are increasingly becoming key purchasing decision factors. According to Euromonitor, the Chinese children's apparel market grew from RMB239.1 billion in 2019 to RMB260.7 billion in 2024 and is projected to reach RMB296.4 billion by 2029. The children's apparel industry still holds significant growth potential, particularly for brands with guaranteed quality and strong reputations.

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

### III. Core Competitiveness Analysis

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

Winner Group operates as a holistic health enterprise, synergistically converging medical innovation and consumer wellness ecosystems through its Winner Medical and Purcotton brands. The Company's business scope has expanded from solely medical consumables manufacturing to footprint in diverse fields, including wound care, infection prevention, personal care, home care, maternity and baby care, and home textiles and apparel. Winner Medical's emphasis on product quality and innovative R&D forms the foundation of the Group's development. As a proprietary technology, the "pure cotton spunlace non-woven fabric" process has seen its application cross over from the medical sector to consumer goods, pioneering new categories such as cotton tissues and cotton inner layer masks. The Group's two major business segments centrally procure raw materials like cotton, which enhances bargaining power and stabilizes costs. Furthermore, the sharing of production, warehousing, and logistics across the entire industry chain effectively reduces manufacturing and management costs. Simultaneously, the medical heritage in quality control provides a solid foundation of quality for Purcotton's safety and trust, enhancing Purcotton's professional credibility, brand reputation, and customer loyalty. The synergistic and balanced development of these two business segments creates complementary growth engines, strengthens the Company's resilience against economic cycles, effectively balances short-term industry fluctuations with long-term performance growth, and establishes a solid foundation for high-quality development.

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

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

### 3. Brand advancement towards Centennial Visionary Winner

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

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

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

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

Winner Group continuously promotes the implementation of its Group-wide “Operational Excellence” strategy. In smart manufacturing, we actively advance the automation and intelligent upgrading of our production processes, achieving automated equipment operation throughout the entire process from raw materials to finished products. We also actively leverage AI tools to empower operations, and continue to strengthen our efforts in expansion of deep coverage across all business segments, solidification of data foundation, process streamlining and efficiency leap-up, and deep AI empowerment in key scenarios to establish a robust bedrock for value upgrades across every business sector. In terms of refined channel operations, we prioritize both online and offline channels. Offline stores enhance the consumer experience through optimized layouts and improved services, while online channels leverage precise management and targeted marketing to improve conversion and repurchase rates. Simultaneously, we utilize membership systems and community operations to deepen customer relationships, achieving synergistic development and efficient operation across all channels.

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

Winner Group is dedicated to establishing a systematic organization and talent development program encompassing talent acquisition, training, assessment, and incentives. The Company actively promotes the Four-High Talent Philosophy – “High Personal Quality; High Academic Qualifications; High Performance; High Reward” – with the goal of developing Winner career partners and continuously providing a nurturing environment for talent growth. In terms of organization, the Company is building professional teams that support integrated business operations, focusing on “Organizational Capability, Strategic Goal Enablement”, and continuously improving organizational efficiency through various methods. In terms of incentives, we actively implement performance-based sharing systems to foster a results-oriented corporate culture. We also utilize tools

such as equity incentives and employee stock ownership plans to enhance talent cohesion and centripetal force, providing a solid talent foundation for the Company's sustainable development and building a stable and internationally oriented professional team.

## IV. Analysis of Main Business

### 1. Overview

Winner Group operates as a holistic health enterprise, synergistically converging medical innovation and consumer wellness ecosystems. Its unique “medical + consumer” dual-engine business model generates mutually reinforcing synergies. The Company's emphasis on product quality and innovative R&D forms the foundation of the Group's development. As a proprietary technology, the “pure cotton spunlace non-woven fabric” process has seen its application cross over from the medical sector to consumer goods, pioneering new categories such as cotton tissues and cotton inner layer masks. In procurement, with cotton as the core raw material, the combined demand from our two major business segments—exceeding that of any single sector—facilitates centralized purchasing, which enhances bargaining power and stabilizes cost fluctuations. Regarding the supply chain, our integrated industry chain system enables shared production, warehousing, and logistics, effectively reducing manufacturing and administrative costs. In brands, the medical heritage in quality control provides a solid foundation of quality for Purcotton's safety and trust, enhancing Purcotton's professional credibility, brand reputation, and customer loyalty. The synergistic and balanced development of these two business segments creates complementary growth engines. Characterized by essential demand and high-frequency usage, our products effectively balances short-term industry fluctuations with long-term performance growth, strengthens the Company's resilience against economic cycles, and establishes a solid foundation for high-quality development.

#### (I) Financial performance analysis

In 2025, the Company maintained its strategic focus, sought breakthroughs amidst volatility and achieved steady development, as guided by the three core business principles of “Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value”. Throughout the year, the Company consistently adhered to the development strategy of “Product Leadership, Operational Excellence, Brand Advancement, and Digital Empowerment”, and achieved a cumulative operating revenue of RMB10.95 billion, representing a year-on-year growth of 22.0%; the net profit attributable to shareholders of the listed company for the whole year was RMB770 million, or RMB710 million after deducting the non-recurring gains and losses, representing a year-on-year increase of 10.4% and 19.4%, respectively.

#### (1) Medical consumables business: full-scale breakthroughs in high-end positioning, brand building, and global expansion

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

Winner Medical, the Company's medical consumables brand, has been deeply involved in the industry for 35 years, steadily navigating multiple economic and industrial cycles. Over the past few years, the Company has made a series of in-depth adjustments based on market insights, including business model upgrades, product structure optimization, organizational restructuring, and key talent development and recruitment, and the medical consumables business has reached new heights in terms of product category composition, channel capabilities, and brand recognition and reputation. In 2025, with high-end positioning, brand building, and global expansion, the sector achieved an operating revenue of RMB5.11 billion, representing a year-on-year increase of 31.0%, and demonstrating its long-term resilience.

① Products: Sustained high growth in high-value and high-margin products

Winner Medical is committed to developing into a brand that provides a “one-stop solution for medical consumables”, offering a comprehensive product portfolio encompassing advanced wound dressings, operating room consumables, personal health and hygiene products, infection prevention products, and traditional wound care and bandaging products. The Company prioritizes R&D investment and possesses a significant competitive advantage in the number of medical product registration certificates, together creating competitive barriers for Winner Medical. As of the end of the Reporting Period, the medical sector held 1,115 patents and 862 medical product registration certificates (including 27 Class III medical product registration certificates and 478 overseas product registration certificates). During the Reporting Period, Winner Medical’s continuous commitment to R&D innovation and the optimization of its product structure led to a significant increase in the proportion of high-value and high-margin products, laying a solid foundation for future high-quality development. Regarding specific categories, advanced wound dressings sales were primarily driven by overseas ODM and self-owned brands, with cumulative revenue reaching RMB 940 million, representing a year-on-year increase of 20.0%, and accounting for 18% of the medical segment. Revenue from self-owned brands reached RMB327 million, with Amazon US as the principal channel. While the domestic market remains in its infancy and is currently dominated by international brands in hospital channels, companies like Winner Medical—with strong brand recognition, robust independent R&D, and extensive channel reach—are well-positioned to capitalize on significant opportunities for domestic substitution and consumer market expansion. Operating room consumables, particularly customized surgical packs, enhance surgical efficiency and safety while effectively reducing hospital costs and environmental burden. This sector is experiencing rapid growth in the domestic market. In overseas operating room consumables markets, Winner Medical leverages its intelligent manufacturing and supply chain advantages; domestically, it focuses on the “green operating room” solution as its core. By anchoring on clinical value to accelerate the penetration of disposable surgical packs, this category achieved cumulative revenue of RMB1.52 billion, representing a year-on-year increase of 83.4%. Additionally, the Company cultivates the personal health and hygiene products, comprising household wound care, cleaning & disinfection, and medical beauty care, by applying rigorous standards born of its medical heritage to consumer-facing products. These products have gained significant consumer favor and consequently evolved into a new growth engine for the Group. This segment recorded RMB470 million in revenue during the Reporting Period, representing a year-on-year increase of 17.1%.

② Channels: Overseas markets account for over half of revenue; proportion of self-owned brands rises

In 2025, the Company continued to cultivate and expand its marketing channels through various approaches. Driven by the internationalization of the supply chain, the sales contribution from overseas markets and self-owned brands continued to grow.

Despite the challenges posed by the complex international landscape during the Reporting Period, overseas sales channels generated RMB2.85 billion in operating revenue, representing a year-on-year increase of 47.9% (notably, the combined growth of self-owned brand business in Southeast Asia and the Middle East exceeded 71.3%). The share of overseas sales within the medical segment rose to 56%, underscoring the Company’s strategic resolve to transition from “Made in China” to “Global Service”. Domestic hospital channel expansion focused on penetrating key and strategic hospitals, and recorded an operating revenue of RMB830 million during the Reporting Period, representing a year-on-year increase of 14.8% and accounting for 16% of the total revenue. Notably, the B2C self-owned brand business (encompassing domestic pharmacies as well as domestic and international e-commerce channels) recorded a cumulative revenue of RMB920 million, representing a year-on-year growth of 29.0% and accounting for 18% of total revenue. Specifically, the key cross-border sub-brands achieved a cumulative year-on-year growth of over 35% within the Amazon e-commerce category for the year, delivering robust growth performance. The popular product strategy for domestic e-commerce platforms became more focused and refined to capitalize on new trends in medical consumer goods. As of the end of the Reporting Period, the total number of

fans exceeded 17.80 million.

(2) Consumer products business: Rapid growth in cotton tissues, breakout in sanitary napkins, and supermarket channel as a new growth engine

According to data released by the National Bureau of Statistics, total retail sales of consumer goods reached RMB50.1 trillion in 2025, a year-on-year increase of 3.7%. Underlying this overall growth in the consumer market is a coexistence of self-care and rationality, with trends towards health, self-care, and a relaxed lifestyle profoundly influencing competition within specific market segments. Within this environment, the Company's focus on premium domestic products aligns with the burgeoning trend of Guochao economy and emotional value, demonstrating continuous upward momentum.

Purcotton, the Company's consumer product brand, leverages the 35-year medical heritage of its parent company. Starting with its core technology of pure cotton spunlace non-woven fabric, Purcotton has continuously enriched its product categories, covering a wide range of family consumption scenarios including maternity and baby, feminine care, and home textiles. Its three core competitive edges – “Medical Heritage; Cotton-Centric Philosophy; Quality DNA” – have attracted a loyal customer base seeking “Reassurance, Wellbeing, Sustainability”. In 2025, Purcotton implemented a popular product strategy, refined channel operations, and continuously strengthened brand building. During the Reporting Period, the brand achieved an operating revenue of RMB5.75 billion, a year-on-year increase of 15.2%, demonstrating consumer favor for differentiated products.

① Products: Cotton tissues maintained their status as No. 1 single category while sanitary napkins surged to the No. 2 single category

Centered on “one cotton flower, one fiber”, Purcotton has concentrated its R&D on fundamental material research for technology of pure cotton spunlace non-woven fabric and on the Cotton Tech technologies, and has established a differentiated and competitive product matrix, with a total of 601 patents held in the year. It continues to promote green product certification, product carbon footprint screening, biodegradable product R&D, and the breeding and application of organic cotton. Over 32 products have earned authoritative third-party green and low-carbon certifications, leading the industry in green development. Empowered by effective R&D technologies, Purcotton successfully launched 4 new products with sales exceeding RMB100 million, 15 products over RMB10 million, and 366 products over RMB1 million in 2025.

In terms of category, as Purcotton's leading hero product, the core popular dry and wet cotton tissues maintained steady sales growth, with a cumulative operating revenue of RMB1.76 billion during the Reporting Period, representing a year-on-year increase of 13.0%. Multiple cotton tissue products consistently held leading sales positions on major online platforms. In terms of sanitary napkin, “Nice Princess”, with its “Five Supers” pure cotton sensory technology (super absorption, super breathability, super softness, super eco-friendliness, and super convenience) and Winner Medical's safe and hygienic production environment, achieved a significant rise in industry sales ranking this year, leaping to become our No. 2 single category. Sanitary napkins achieved a cumulative operating revenue of RMB1.02 billion, representing a year-on-year increase of 45.5%. Given that the Chinese sanitary napkin market is valued at approximately RMB100 billion, the “Nice Princess” brand is poised to become another super hero product driving Purcotton's sustainable development. In terms of adult apparel, the technologies from the “Cotton Tech” platform (Cotton Soft, Cotton Breathable, Cotton Warm, Cotton Cool, Cotton Anti-UV, Cotton Anti-Bacterial, have been fully implemented, and innovative products have gained strong market recognition. The Company strategically focused on close-fitting categories such as underwear and loungewear, and achieved a cumulative operating revenue of RMB1.13 billion this year, a year-on-year increase of 17.5%.

② Channels: well-balanced layout across online and offline channels, with supermarket channels emerging as a new growth engine

Purcotton employs a diversified online and offline channel strategy. Online channels include traditional third-party

e-commerce platforms like Tmall, JD.com, and Vipshop, as well as social commerce platforms like Douyin and Xiaohongshu, and its own website and mini-programs. The Company operates over 500 physical brand stores nationwide, while simultaneously establishing a presence in major supermarkets and premium convenience stores. By integrating offline experience with online repurchases, Purcotton leverages multi-channel synergy and cross-platform advantages. Revenue contribution from online and offline channels stood at approximately 60% and 40%, reflecting well-balanced omni-channel development. As of the end of the Reporting Period, Purcotton's total membership reached nearly 70 million, a 15.4% increase compared to the previous year-end, indicating continued brand penetration. Female members accounted for 75%. The core consumer profile consists of emerging white-collar, sophisticated mothers, and quality-conscious middle-to-high-income individuals. This high-quality consumer demographic provides robust support for the brand's long-term sustainable development.

In 2025, Purcotton continued to cultivate its online channels, focusing on new product and popular product matrix to build competitive advantages for strategic products. The brand also strengthened cross-category penetration and implemented refined operations through brand activities, content communities, and membership systems to improve new customer acquisition and repeat purchase rates. During the Reporting Period, online channels achieved an operating revenue of RMB3.64 billion, representing a year-on-year increase of 18.7% and a share of 63%. Notably, social commerce platforms experienced breakthrough growth (e.g., Douyin saw a year-on-year increase of over 60%, representing an online share of 13%). As important touchpoints for brand promotion, product experience, and customer service, Purcotton's offline stores achieved steady development by upgrading their image, creating scenario-based shopping environments, and enhancing both store efficiency and profitability per square meter. As of the end of 2025, the Company had 505 stores (including 386 directly-operated stores and 119 franchised stores), with 49 new stores opened during the year (26 directly-operated and 23 franchised). During the Reporting Period, offline stores achieved an operating revenue of RMB1.51 billion, a year-on-year increase of 1.2% and a share of 26%. The supermarket channel also saw accelerated development, contributing RMB460 million in revenue in 2025, a year-on-year increase of 42.0% and a share of 8%. By focusing on Sam's Club, Pang Dong Lai, and Watsons, Purcotton aims to increase its penetration rate among target demographics. Purcotton's offerings primarily consist of disposable hygiene products and household goods. Given that both the breadth and depth of high-quality supermarket channels remain under-explored, there is immense potential for future development.

### (3) Profitability and asset analysis

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

In terms of medical consumables business, the Company has taken proactive measures to restore the profitability of its business over the past two years. During the Reporting Period, the medical consumables business underwent a comprehensive upgrade in quality and efficiency across several areas, including product structure optimization, iteration of new technologies and products, enhancement of organizational and operational efficiency, and channel development. Excluding the impact of goodwill impairment, the medical segment's operating profit margin stood at 9.4%, remaining largely stable compared to the same period last year.

In terms of consumer goods business, benefiting from the decline in cotton prices and product structure optimization, Purcotton achieved a gross profit margin of 57.3% during the Reporting Period, representing an increase of 1.4 percentage points compared to the same period last year. Purcotton continued to implement initiatives such as new product iterations, product structure optimization, discount control, cost reduction and efficiency improvement, and refined operational management. During the Reporting Period, the operating profit margin of the consumer goods business stood at 13.2%, representing an increase of 1.1 percentage points compared to the same period last year.

The Company's two major segments maintained stable revenue and profit. This stability is attributable to the medical segment's focus on product innovation as its cornerstone, which has continuously increased the sales proportion of high-

value and high-margin products while actively expanding its global footprint and the share of proprietary brand sales. Purcotton's expansion does not come at the expense of profitability. The brand focuses on the innovation and launch cadence of core blockbuster products, aggressively explores new channels, and communicates with consumers through high-quality content, consistently improving its return on investment.

In terms of finance, as of the end of 2025, the Company's total assets stood at RMB18.4 billion, remaining overall stable. The asset-liability ratio was 33.2%, a decrease of 2.2 percentage points from the previous year-end, maintaining a prudent level. Cash and wealth management products reached RMB 6.41 billion, accounting for 35% of total assets, with overall asset quality remaining robust. The ratio of net operating cash flow to net profit was 2.0 (consistently exceeding 1.0), reflecting a significant leap in operational efficiency and high-quality growth in operating profits. In terms of shareholder returns, the Company actively implements its "Dual Improvement of Quality and Return" action plan, rewarding investor support through consistent cash dividends. The annual profit distribution plan (including the interim dividend) for 2025 consists of a cumulative cash dividend of RMB440 million, representing 57% of the net profit attributable to ordinary shareholders of the listed company. Specifically, the final dividend for 2025 is RMB 3.0 per 10 shares (pre-tax), totaling RMB175 million. Since its IPO, the Company has adhered to an annual cash dividend policy with a steadily increasing payout ratio. To date, the Company has distributed RMB3.05 billion in cumulative cash dividends (including the proposed amount for 2025) and spent RMB690 million on share repurchases. Together, these two items account for 105% of the net proceeds from the initial public offering.

#### (4) Analysis of Acquisitions and Their Integration

In 2022, the Company successively acquired targets including Longterm Medical, Winner Medical (Hunan), and Winner Guilin. These acquisitions allowed the Company to expand its product lines into fields such as advanced wound dressings, injection and puncture consumables, latex gloves, and condoms, thereby significantly enhancing and perfecting its industrial layout. The acquisition of a controlling interest in the US-based medical company GRI in 2024 strengthens its overseas production capacity, sales channels, and localized operations. GRI has fully leveraged its value in overseas business expansion, emerging as a key pivot in Winner Medical's globalization strategy and providing a solid foundation for the Company's global reach. Longterm Medical continues to maintain its cost leadership and value creation, achieving three consecutive years of positive net profit growth. Collectively, these acquisitions have effectively propelled the Company toward its strategic goal of becoming a "one-stop solution for medical consumables".

Winner Medical (Hunan), acquired by the Company in 2022, experienced lower-than-expected growth during the Reporting Period due to changes in the market environment. The Company engaged Yinxin Appraisal Co., Ltd. to conduct a prudent appraisal of the relevant asset group, including goodwill, for financial reporting and impairment testing purposes. Based on relevant accounting standards and the Company's specific accounting policies and estimates, and referencing the conclusions of the appraisal report, the management recognized a goodwill impairment of RMB 180 million from the acquisition. In 2026, Winner Medical (Hunan) will prioritize the certification portfolio for safety-type infusion products and the development of OEM manufacturing capabilities, while accelerating the integration of domestic and international sales teams. By leveraging the organizational empowerment of the parent company, the subsidiary has successfully commenced mass production of its newly introduced integrated infusion set assembly and packaging system. Through the progressive implementation of in-line visual inspection to reshape its end-to-end quality control architecture, and drive significant cost-efficiency improvements. Overall, the Company has implemented a range of operational measures to ensure a smooth transition for Winner Medical (Hunan)'s performance and solidify its foundation for long-term growth.

In 2026, the Company will continue to advance the integration of its acquired companies. In terms of sales channels, the Company will steadily drive domestic channel integration, sales team merging, distributor resource sharing, and terminal market penetration management for businesses including latex gloves, infusion products, and GRI domestic surgical packs.

In terms of smart manufacturing, the Company will actively empower the newly acquired companies to accelerate industrial upgrading. Specifically, Winner Guilin will establish industry-leading integrated continuous post-vulcanization and packaging production lines for gloves and condoms. This will effectively eliminate production discontinuities and achieve zero manual handling throughout the entire process. Meanwhile, the Company will accelerate the automation and assembly line upgrades at the GRI Vietnam and Jiaying production facilities. Regarding the global presence of production resources, by fully leveraging regional geographical advantages, the Company will steadily actualize capacity plans for relevant products across countries and regions including China, Vietnam, the United States, and the Dominican Republic. The Company will also systematically optimize the supply chain system, driving a gradual shift in the procurement of raw and auxiliary materials from external sourcing to internal synergistic procurement. Through this series of integration and synergistic measures, the management remains fully confident in the long-term value creation of these acquired companies.

## (II) Operational management

### 1. Brand building

In 2025, Winner Medical resolutely leveraged professional expertise to build a foundation of brand trust and utilized mass market outreach to expand brand awareness. By systematically constructing a mutually reinforcing brand ecosystem, the Company continued to drive value enhancement across the healthcare industry. In the professional medical sector, anchored by the “green operating room” comprehensive solution, the Company established a professional brand framework integrating academic leadership, clinical empowerment, terminal coverage, and value verification. Through deep participation in 19 prestigious domestic and international academic conferences, including CMEF, and by independently hosting 465 in-hospital symposiums, departmental meetings, and seminars, Winner Medical systematically cultivated a global network of academic influence. Terminal expansion yielded remarkable results, adding over 2,000 hospitals and third-party terminals. Backed by initiatives such as health economics research, the Company deeply engaged in optimizing clinical pathways, driving a value leap for its products from being merely “market accessible” to becoming the “preferred clinical choice”. This ongoing effort further consolidated its image as a trusted brand among medical professionals worldwide. Regarding mass health and brand communication, the Company significantly elevated its brand credibility and industry influence by focusing on three core pillars: partnerships with authoritative platforms, co-creation of premium content, and omnichannel user interaction. As a leading enterprise in the supply chain, Winner Medical exhibited at the China International Supply Chain Expo (CISCE) for the third consecutive year, demonstrating its leadership in integrating the entire industry chain. Throughout the year, the Company was honored with the Xipu Gold Award and featured on the “2025 Healthy China Brand List”, reflecting authoritative industry recognition. Collaborating with mainstream media such as CCTV.com, the Company launched science popularization campaigns. By executing a series of brand activities around key milestones, such as “Cotton Traceability” and the “20th Anniversary of Pure Cotton Spunlace Non-woven Fabric”, the Company generated over 1.1 billion brand impressions over the year, successfully cementing its position as a “reliable, innovative, and sustainable” national health brand benchmark.

Purcotton continues to deepen its emotional bond and interactive communication with consumers, and strengthens its brand philosophy of comfort commitment, health assurance, eco-consciousness, and its brand image as warm and empowering. □ In terms of brand ambassadors, under the theme “Comfortable Cotton Goodies with You”, the campaign featuring Ding Yuxi reinforced the consumer perception of “comfort”. By leveraging promotional resources from Tmall Super Brand Day and Li Jiaqi’s dedicated brand livestream session, it successfully achieved the integration of brand awareness and sales conversion. Furthermore, the “Comfort Trilogy” offline meet-and-greet with Ding Yuxi was launched, enabling young consumers to tangibly experience the 100% comfort derived from pure cotton. Guo Jingjing’s TV commercial (TVC), themed “Peace of Mind with Purcotton at Home”, vividly demonstrated the refreshing experience enabled by Cotton Tech technologies. This was complemented by a Purcotton factory traceability tour jointly conducted with CCTV Finance. Following the rollout of

her “more comfortable life with Purcotton at home” TVC, Zhao Liying made a special appearance in the brand’s livestream room to promote Purcotton loungewear, comprehensively illustrating the essence of cotton and the brand’s story. □ In terms of consumer communication, Purcotton released the TVC 100 Homes of Cotton to convey a brand impression of peace of mind and happiness. On Children’s Day, it launched “Listen to the Children” 2.0 campaign, utilizing the creative concept of “children answering adults’ questions” across diverse touchpoints to deepen its brand image of “understanding children better”. The “TVC Taking Comfort a Step Further” was rolled out to illustrate the comfort standards of pure cotton underwear. This was complemented by the “Designer’s Voice” series, which presented the stories behind the products, allowing users to intuitively perceive the brand’s thoughtful design dedicated to addressing user needs and resolving pain points. Through a comprehensive suite of initiatives, including communicating the value of cotton, celebrity endorsements, content marketing, omnichannel operations, and brand experience building, Purcotton has continuously accumulated and fortified brand awareness, trust, and word-of-mouth. These efforts have ultimately crystallized into core brand assets characterized by high barriers, high premiums, and high repurchase rates, steadily expanding the brand’s reach. As of the end of the Reporting Period, Purcotton’s total omnichannel membership reached nearly 70 million, marking a 15.4% increase from the end of the previous year.

## 2. Product R&D

Driven by functionalization of pure cotton spunlace non-woven materials, advanced wound care technologies, and cutting-edge biomaterials, Winner Medical maintains a sharp focus on formulation upgrading of core materials and iterating innovation of product technologies. Driven by the core strategy of “replacing synthetic fibers with pure cotton” for operating room consumables, the Company optimizes the material performance of high-frequency clinical items such as surgical gowns. By integrating the “green operating room” concept throughout the entire surgical workflow, it reinforces a brand positioning of being “safe, reliable, and green”.

In the field of respiratory protection, leveraging the properties of pure cotton spunlace non-woven fabric, the Company has developed a series of cotton inner layer masks. With their naturally skin-friendly and biodegradable advantages, these masks are reshaping daily protection standards and significantly broadening consumer-grade applications, introducing products such as sun-protection and thermal masks. Through innovations in composite material technology and structural design, the products seamlessly integrate breathability, high UV protection (UPF 50+), and thermal regulation. This enables them to meet diverse scenario-specific demands, including outdoor sports, daily commuting, and autumn/winter cold protection.

In the field of functional dressings, the Company focuses on the domestic substitution of core raw materials. By breaking through technological bottlenecks in adhesive and absorbent materials, we have established an industrialization platform for domestic materials to ensure supply chain security. Concurrently, we are fortifying our technological and regulatory barriers through strategic patent portfolios and product registrations. In the bioactive dressings sector, we have achieved mass production utilizing collagen technology. This application is indicated for the coverage and repair of non-infected wounds with low to moderate exudate. For medical aesthetic products, the Company has realized the in-house manufacturing of Class II medical device dressings. By leveraging steam sterilization technology, we ensure absolute product sterility while maintaining active ingredient efficacy, and we continuously enhance the user experience through the R&D of innovative membrane fabrics.

In terms of industry-academia-research collaboration, the Company partnered with an academician from the Chinese Academy of Engineering to apply zero-lead radiation protection technology to its radiation protection product line. Under a 120KV radiation environment, the protective performance of this series is 20% to 30% higher than that of traditional lead aprons. Having passed 30 tests for hazardous substances, the products weigh only one-third of conventional lead aprons, feature a 300% increase in flexibility, and offer a folding endurance of over 50,000 times, representing a comprehensive upgrade across physical protection, chemical safety, and ergonomics. As of the end of the Reporting Period, the Company

held 183 Class II product registration certificates and 27 Class III product registration certificates, with 35 new product registration certificates acquired during this period (including those in Hong Kong, Macao, and Taiwan regions).

In 2025, Purcotton adhered to the cotton sourcing principle of “high-grade matching for low-count yarns and premium matching for high-count yarns”. Guided by the concept of yarn innovation and custom-spun yarn development, and driven by technological innovation as its core engine, the Company continuously iterated its nine Cotton Tech technologies, including Cotton Soft, Cotton Breathable, Cotton Warm, Cotton Cool, Cotton Anti-UV, Cotton Anti-Bacterial, Cotton Quick-Drying, Pure Cotton Core Technology, and the Cotton Premium series. Additionally, it achieved significant breakthroughs in advanced functional capabilities for pure cotton materials, such as odor control and fluorine-free water resistance.

The Company continuously upgrades its core technologies by optimizing spunlace processes and pre-treatment technologies to launch the pure cotton spunlace non-woven self-softening technology 2.0; upgrading the substrates of disposable products for travel scenarios to achieve the independent R&D and mass production of baby wipe formulas; relying on yarn innovation to create the Wind Soft Cotton 4.0 fleece materials and the comfortable, elastic, and soft knit series; and leveraging Pure Cotton Core Technology to balance fluffiness, thermal insulation, and washability, thereby expanding the application of pure cotton fabrics in the light activewear sector. Meanwhile, the Company deepened its industry-academia-research-clinical collaboration by conducting clinical studies jointly with Tier 3A hospitals, such as Wuhan Tongji Hospital and Shenzhen Maternity & Child Healthcare Hospital, to verify the safety of pure cotton products. Collaborating with universities and research institutions, the Company established a “scenario-based comfort” evaluation system for loungewear and a scientific evaluation model for the five senses of sleep, while utilizing a thermal manikin to build a thermal comfort model for pure cotton thermal underwear. It also partnered with Huazhong Agricultural University to advance cotton breeding research, realizing the propagation of select varieties and the batch-planting conversion of Pure Cotton 135, ultimately delivering comfortable, healthy, and eco-friendly product experiences to consumers through whole-industry-chain innovation. Synchronously, the Company advanced its full-lifecycle carbon footprint management. Multiple core pure cotton products have undergone carbon footprint verification, achieving a quantitative assessment of the carbon footprint across the entire chain from cotton planting, production and processing, to product usage and end-of-life disposal. By utilizing naturally biodegradable cotton fibers to reduce the environmental burden, the Company has successfully established a benchmark for low-carbon and green products. As of the end of the Reporting Period, Purcotton has been granted a total of 601 patents. Over 32 products have earned authoritative third-party green and low-carbon certifications. Empowered by effective R&D technologies, Purcotton successfully launched 4 new products with sales exceeding RMB100 million, 15 products over RMB10 million, and 366 products over RMB1 million in 2025.

### 3. Digital and intelligent transformation

Winner Group follows an evolutionary path of “Online Presence → Digitalization → Intelligence,” achieving comprehensive digital coverage across its medical and consumer segments. 2025 marks a pivotal year for the Group’s transition from digitalization to intelligence. In the consumer segment, Purcotton established a digital operational analysis platform, completed core index system modeling, and earned the national DCMM Level 3 certification. Retail stores achieved full online integration via Feishu, significantly streamlining operational systems and being recognized as a “National Feishu AI+ Efficiency Pioneer”. In the medical business, the comprehensive upgrade of CRM integration with the Feishu mobile terminal has significantly boosted sales efficiency, with AI sales forecast accuracy exceeding 98%. Furthermore, PLM project management for product R&D has greatly simplified operational processes, providing precise support for R&D decision-making. Within corporate functional management, the Group focused on constructing a unified collaboration platform, achieving industry-leading metrics in both Feishu user activity and AI application adoption. The financial digitalization strategy completed its organizational redesign and three-year roadmap, laying a robust groundwork for the Group’s digitalization. Regarding supply chain and manufacturing, the digital procurement platform operated with high efficiency,

maintaining a high replenishment adoption rate while significantly reducing out-of-stock rates. The manufacturing segment fully embraced the “Six-in-One Integration” development philosophy. By leveraging AI visual inspection technology, production efficiency was markedly enhanced, and workforce allocation was optimized. The “One Item, One Code” function enabled product anti-counterfeiting, full-lifecycle traceability, and end-to-end quality control, successfully obtaining smart manufacturing certifications and authoritative endorsements from industry associations. In terms of data and AI applications, the Group integrated advanced foundation models to build three major AI engines: AIGC creation, visual perception, and decision intelligence, and implemented numerous AI scenarios. These efforts resulted in significant annual labor cost savings and a marked increase in average efficiency via AI tools, with code compliance testing covering most scenarios. The Group has developed a “project success equation” encompassing five key elements: business processes, resource investment, clear goals, industry cases, and technical support, establishing a firm foundation for the continued deepening of its intelligent transformation.

## 2. Revenue and costs

### (1) Breakdown of operating revenue

Overall operating revenue

Unit: RMB

	2025		2024		Year-on-year change
	Amount	Proportion of operating revenue	Amount	Proportion of operating revenue	
Total operating revenue (Note)	10,949,489,967.01	100%	8,977,853,631.73	100%	21.96%
By sector					
Medical consumables	5,114,457,721.11	46.71%	3,905,583,866.46	43.50%	30.95%
Consumer goods	5,748,821,913.85	52.50%	4,990,886,442.62	55.59%	15.19%
Other	86,210,332.05	0.79%	81,383,322.65	0.91%	5.93%
By product					
Medical consumables-traditional wound care and bandaging	1,130,390,316.48	10.32%	1,194,898,393.06	13.31%	-5.40%
Medical consumables-advanced wound dressings	937,074,480.64	8.56%	781,211,296.84	8.70%	19.95%
Medical consumables-operating room consumables	1,515,053,912.71	13.84%	826,303,419.14	9.20%	83.35%
Medical consumables-infection prevention	451,370,475.74	4.12%	354,415,027.53	3.95%	27.36%
Medical consumables-healthcare & personal care	472,555,121.81	4.32%	403,442,451.30	4.49%	17.13%

	2025		2024		Year-on-year change
	Amount	Proportion of operating revenue	Amount	Proportion of operating revenue	
Medical consumables-other products	608,013,413.73	5.55%	345,313,278.59	3.85%	76.08%
Consumer goods-dry and wet cotton tissues	1,760,575,850.24	16.08%	1,557,408,801.27	17.35%	13.05%
Consumer goods-sanitary napkins	1,018,332,032.17	9.30%	699,946,767.87	7.80%	45.49%
Consumer goods-other non-woven products	399,149,507.45	3.65%	355,812,417.16	3.96%	12.18%
Consumer goods-baby and child apparel and products	991,022,227.39	9.05%	963,131,460.70	10.73%	2.90%
Consumer goods-adult apparel	1,133,933,742.93	10.36%	964,897,782.52	10.75%	17.52%
Consumer goods-other woven products	445,808,553.67	4.07%	449,689,213.10	5.01%	-0.86%
Other business	86,210,332.05	0.79%	81,383,322.65	0.91%	5.93%
By region					
Domestic	7,817,408,873.41	71.40%	6,846,740,826.92	76.26%	14.18%
Overseas	3,132,081,093.60	28.60%	2,131,112,804.81	23.74%	46.97%
By sales model					

Note:

1. At the Company level, the operating revenue reached RMB 9,715.7791 million, representing a year-on-year increase of 11.9%, excluding the data of company newly consolidated after August 2024 (namely GRI).
2. For the medical segment, the operating revenue reached RMB 3,966.9571 million, representing a year-on-year growth of 7.6%, excluding the data of company newly consolidated after August 2024 (namely GRI).

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

√ Applicable □ N/A

Unit: RMB

	Operating revenue	Operating costs	Gross margin	Change in operating revenue compared to the same period last year	Change in operating costs compared to the same period last year	Change in gross margin compared to the same period last year
By sector						
Medical consumables	5,114,457,721.11	3,217,150,883.24	37.10%	30.95%	29.69%	0.61%
Consumer goods	5,748,821,913.85	2,454,223,244.92	57.31%	15.19%	11.49%	1.42%
By product						
Medical consumables – traditional wound care and bandaging	1,130,390,316.48	759,157,954.41	32.84%	-5.40%	-7.68%	1.66%
Medical consumables – operating room consumables	1,515,053,912.71	1,055,785,932.97	30.31%	83.35%	93.32%	-3.59%
Consumer goods – dry and wet cotton tissues	1,760,575,850.24	913,015,212.49	48.14%	13.05%	12.75%	0.14%
Consumer goods – adult apparel	1,133,933,742.93	374,283,750.83	66.99%	17.52%	10.72%	2.03%
By region						
Domestic	7,817,408,873.41	3,779,219,515.58	51.66%	14.18%	11.58%	1.12%
Overseas	3,132,081,093.60	1,954,243,513.95	37.61%	46.97%	45.55%	0.61%
By sales model						

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

□ Applicable √ N/A

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

Unit: RMB

	Operating revenue	Operating costs	Gross margin	Change in operating revenue compared to the same period last year	Change in operating costs compared to the same period last year	Change in gross margin compared to the same period last year
By sector						
Consumer goods	5,748,821,913.85	2,454,223,244.92	57.31%	15.19%	11.49%	1.42%
By product						
Consumer goods – dry and wet cotton tissues	1,760,575,850.24	913,015,212.49	48.14%	13.05%	12.75%	0.14%
Consumer goods – adult apparel	1,133,933,742.93	374,283,750.83	66.99%	17.52%	10.72%	2.03%
By region						
By sales model						
Online sales	3,643,345,632.23	1,695,480,302.42	53.46%	18.68%	13.98%	1.92%
Physical store	1,509,367,648.16	472,090,800.91	68.72%	1.18%	-7.16%	2.81%

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

Applicable N/A

Does the Company have physical store sales terminals?

Yes No

Physical store distribution

Store type	Number of stores	Number of stores	Number of new stores opened during the Reporting Period	Number of stores closed as of the end of the Reporting Period	Reason for closure	Brand involved
Directly operated	386	112,416	26	24	Store closure due to contract expiration and strategic planning	Purcotton
Franchised	119	26,146	23	7	Store closure due to contract expiration and strategic planning	Purcotton

Total area of directly-operated stores and store efficiency

Area range	Number of stores	Total area	Operating revenue (RMB0'000)	Operating revenue in the same period last year	Year-on-year change in average store efficiency
Less than 300 square meters	206	43,341.20	59,315.57	57,790.58	2.64%
300-500 square meters	92	33,608.39	38,633.49	39,055.90	-1.08%
500-800 square meters	16	10,148.89	8,764.57	9,217.68	-4.92%
More than 800 square meters	6	5,538.82	3,477.55	3,819.01	-8.94%
Total	320	92,637.30	110,191.18	109,883.17	0.28%

Explanation: The above data is the year-on-year same-store change for Purcotton stores that have been open for more than 12 months as of December 31, 2025.

The top five stores in terms of operating revenue

Serial number	Store name	Opening date	Operating revenue (RMB)	Store efficiency per square meter
1	Ranking first	October 25, 2017	12,257,787.62	30,318.54
2	Ranking second	August 6, 2012	11,225,773.54	42,202.16
3	Ranking third	November 11, 2017	11,059,503.80	9,972.50
4	Ranking fourth	July 20, 2016	10,280,356.64	25,268.17
5	Ranking fifth	January 18, 2018	9,625,360.82	23,082.40
Tota			54,448,782.42	20,916.50

## New stores of listed companies

√ Yes □ No

Store name	Store address	Opening date	Area in contract (Square meter)	Investment amount (RMB)	Product category	Business format	Business model	Property ownership status	Number of stores
Purcotton directly operated store	Central China	2025	2,251.59	15,374,376.98	Consumer goods	Retail	Directly operated store	Leased by Purcotton	5
Purcotton directly operated store	North China	2025	1,493.29	10,595,885.34	Consumer goods	Retail	Directly operated store	Leased by Purcotton	5
Purcotton directly operated store	West China	2025	1,138.51	5,966,141.62	Consumer goods	Retail	Directly operated store	Leased by Purcotton	4
Purcotton directly operated store	South China	2025	2,048.92	11,981,606.29	Consumer goods	Retail	Directly operated store	Leased by Purcotton	6
Purcotton directly operated store	East China	2025	1,610.04	9,271,540.79	Consumer goods	Retail	Directly operated store	Leased by Purcotton	6
Purcotton franchised store	North China	2025	1,417.34	2,118,964.72	Consumer goods	Retail	Franchised store	Franchised by Purcotton	6
Purcotton franchised store	South China	2025	517.66	1,019,785.30	Consumer goods	Retail	Franchised store	Franchised by Purcotton	2
Purcotton franchised store	West China	2025	1,179.31	1,986,486.62	Consumer goods	Retail	Franchised store	Franchised by Purcotton	6
Purcotton franchised store	Central China	2025	1,474.76	2,498,704.40	Consumer goods	Retail	Franchised store	Franchised by Purcotton	6
Purcotton franchised store	East China	2025	678.33	1,342,891.31	Consumer goods	Retail	Franchised store	Franchised by Purcotton	3
Total			13,809.75	62,156,383.37					49

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

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

□ Yes √ No

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

Yes  No

Classification of industry	Item	Unit	2025	2024	Year-on-year change
Medical consumables – gauze	Sales volume	Ton	5,884.10	6,548.00	-10.14%
	Production volume	Ton	5,873.52	6,337.00	-7.31%
	Inventory	Ton	496.42	507.00	-2.09%
Medical consumables – face masks	Sales volume	10,000 pieces	131,490.80	122,389.00	7.44%
	Production volume	10,000 pieces	132,246.13	124,996.00	5.80%
	Inventory	10,000 pieces	33,917.33	33,162.00	2.28%
Medical consumables – package	Sales volume	10,000 packages	5,576.54	4,656.00	19.77%
	Production volume	10,000 packages	5,553.56	4,717.00	17.73%
	Inventory	10,000 packages	462.02	485.00	-4.74%
Consumer goods – cotton tissues	Sales volume	10,000 packages	25,426.68	23,887.04	6.45%
	Production volume	10,000 packages	26,738.71	23,979.83	11.51%
	Inventory	10,000 packages	4,137.82	2,825.79	46.43%
Consumer goods – sanitary napkins	Sales volume	10,000 pieces	133,702.15	92,446.09	44.63%
	Production volume	10,000 pieces	165,875.99	87,821.31	88.88%
	Inventory	10,000 pieces	48,094.59	15,920.74	202.09%

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

Applicable  N/A

1. The significant increase in the inventory of cotton tissues is primarily attributable to strategic stocking in response to the later timing of the Spring Festival, which drove up overall inventory levels.

2. The significant increases in the sales, production, and inventory volumes of sanitary napkins are mainly attributable to the following: (1) Leveraging its “Five Supers” pure cotton sensory technology and Winner Medical’s safe and hygienic production environment, the “Nice Princess” brand successfully catered to consumers’ growing safety demands for sanitary products, thereby driving up market demand for sanitary napkins; (2) Strategic inventory buildup for the Spring Festival and the “March 8th” major promotional campaigns further propelled the substantial growth in production, sales, and inventory volumes.

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

Applicable  N/A

(5) Breakdown of operating costs

## Classification of industry and product

Unit: RMB

Classification of industry	Item	2025		2024		Year-on-year change
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Medical consumables	Direct material	2,162,377,283.10	67.21%	1,715,574,802.12	69.16%	26.04%
Medical consumables	Direct labor	483,715,203.45	15.04%	386,067,256.67	15.56%	25.29%
Medical consumables	Manufacturing cost	571,058,396.69	17.75%	378,933,414.41	15.28%	50.70%
Subtotal of medical consumables		3,217,150,883.24	100.00%	2,480,575,473.20	100.00%	29.69%
Consumer goods	Direct material	1,775,560,285.14	72.35%	1,634,502,196.35	74.25%	8.63%
Consumer goods	Direct labor	228,053,462.75	9.29%	197,612,092.06	8.98%	15.40%
Consumer goods	Manufacturing cost	450,609,497.03	18.36%	369,216,015.52	16.77%	22.04%
Subtotal of consumer goods		2,454,223,244.92	100.00%	2,201,330,303.93	100.00%	11.49%
Other business		62,088,901.37	1.08%	47,656,341.10	1.01%	30.28%
Total		5,733,463,029.53	100.00%	4,729,562,118.23	100.00%	21.23%

## Classification of industry and product

Unit: RMB

Classification of product	Item	2025		2024		Year-on-year change
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Medical consumables	Traditional wound care and bandaging	759,157,954.41	13.24%	822,353,781.48	17.39%	-7.68%
Medical consumables	Advanced wound dressings	405,962,470.13	7.08%	350,734,908.16	7.42%	15.75%
Medical consumables	Operating room consumables	1,055,785,932.97	18.41%	546,142,103.25	11.55%	93.32%
Medical consumables	Infection prevention	309,633,032.26	5.40%	279,248,062.69	5.90%	10.88%
Medical consumables	Healthcare & personal care	259,442,713.47	4.53%	236,774,847.29	5.01%	9.57%
Medical consumables	Other products	427,168,780.00	7.45%	245,321,770.33	5.19%	74.13%
Subtotal of medical consumables		3,217,150,883.24	56.11%	2,480,575,473.20	52.45%	29.69%

Classification of product	Item	2025		2024		Year-on-year change
		Amount	Proportion of operating costs	Amount	Proportion of operating costs	
Consumer goods	Dry and wet cotton tissues	913,015,212.49	15.92%	809,762,855.83	17.12%	12.75%
Consumer goods	Sanitary napkins	325,467,348.86	5.68%	231,649,418.86	4.90%	40.50%
Consumer goods	Other non-woven products	250,513,941.53	4.37%	225,753,984.48	4.77%	10.97%
Consumer goods	Baby and child apparel and products	392,820,955.19	6.85%	395,251,796.23	8.36%	-0.62%
Consumer goods	Adult apparel	374,283,750.83	6.53%	338,038,535.09	7.15%	10.72%
Consumer goods	Other woven products	198,122,036.02	3.46%	200,873,713.44	4.25%	-1.37%
Subtotal of consumer goods		2,454,223,244.92	42.81%	2,201,330,303.93	46.54%	11.49%
Other business		62,088,901.37	1.08%	47,656,341.10	1.01%	30.28%
Total		5,733,463,029.53	100.00%	4,729,562,118.23	100.00%	21.23%

Notes:

The cost of operating room consumables this year increased by 93.32% compared to last year, mainly due to the revenue from operating room consumables this year increased compared to last year;

The cost of sanitary napkins under the consumer goods this year increased by 40.5% compared to last year, mainly due to the revenue from sanitary napkins this year increased compared to last year;

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

Yes  No

See “Section VIII Financial Report – Notes X. Equity in Other Entities”.

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

Applicable  N/A

(8) Key customers and major suppliers

Key customers

Total sales amount from top five customers (RMB)	1,405,674,328.87
The total sales amount from the top five customers as a percentage of the total annual sales	12.83%
The sales amount from related parties within the top five customers as a percentage of the total annual sales	0.00%

## Information on top 5 customers

Serial number	Customer name	Sales (RMB)	Percentage of the total annual sales
1	Ranking first	808,219,190.23	7.38%
2	Ranking second	243,629,181.82	2.23%
3	Ranking third	124,090,740.76	1.13%
4	Ranking fourth	115,396,051.96	1.05%
5	Ranking fifth	114,339,164.10	1.04%
Total	--	1,405,674,328.87	12.83%

## Other information on key customers

Applicable N/A

## Major suppliers

Total purchase amount from top five suppliers (RMB)	765,375,152.37
The total purchase amount from the top five suppliers as a percentage of the total annual purchase amount	18.56%
The purchase amount from related parties within the top five suppliers as a percentage of the total annual purchase amount	0.00%

## Information on top 5 suppliers

Serial number	Supplier name	Purchase amount (RMB)	Percentage of the total annual purchase amount
1	Ranking first	358,437,957.50	8.69%
2	Ranking second	216,364,457.77	5.25%
3	Ranking third	76,044,210.03	1.84%
4	Ranking fourth	70,320,905.64	1.70%
5	Ranking fifth	46,089,637.02	1.12%
Total	--	767,257,167.96	18.60%

## Other information on major suppliers

Applicable N/A

During the Reporting Period, the Company's trade business revenue represented more than 10% of its total operating revenue.

Applicable N/A

### 3. Expenses

Unit: RMB

	2025	2024	Year-on-year change	Explanation of significant changes
Sales expenses	2,633,668,842.91	2,264,147,324.64	16.32%	Without significant changes
Administrative expenses	855,447,401.69	673,737,166.83	26.97%	Without significant changes
Financial expenses	6,652,714.22	-99,211,260.42	106.71%	Mainly due to the increase in exchange loss, and decrease in interest income
Research and development expenses	410,877,566.24	348,163,926.01	18.01%	Without significant changes

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

Unit: RMB

Items	2025	2024	Year-on-year change	Explanation of significant changes
Advertising and promotional expenses	1,092,915,264.91	816,381,913.54	33.87%	Mainly due to increased investment in advertising and promotion for core categories
Employee compensation	702,248,914.06	645,869,958.89	8.73%	Without significant changes
Sales commission and e-commerce platform fees	322,742,572.30	288,464,170.25	11.88%	Without significant changes
Depreciation of right of use assets	184,671,173.65	193,347,920.14	-4.49%	Without significant changes
Lease and property management fees	141,740,595.40	139,382,565.32	1.69%	Without significant changes
Depreciation and amortization	54,992,498.11	60,007,324.01	-8.36%	Without significant changes
Travel expenses	35,991,126.08	27,862,714.05	29.17%	Without significant changes
Office communication expenses	21,365,227.08	19,943,206.56	7.13%	Without significant changes
Utilities	13,054,619.71	13,337,799.99	-2.12%	Without significant changes
Service charge	18,749,889.00	16,252,474.59	15.37%	Without significant changes
Premium	15,676,508.42	5,368,181.67	192.03%	Mainly due to increased investment in insurance
Others	29,520,454.19	37,929,095.63	-22.17%	Without significant changes
Total	2,633,668,842.91	2,264,147,324.64	16.32%	Without significant changes

#### 4. Other information required by the industry information disclosure guidelines

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

##### (1) Capacity

Self-owned capacity

Reporting Period										Same period last year
Capacity utilization changed by more than 10% year on year										
√ Yes □ No										
Business category	Product category	Unit	2025			2024			Change in capacity utilization as percentage point	Explanation of change reason
			Capacity	Output	Capacity utilization	Capacity	Output	Capacity utilization		
Consumer goods	Sanitary napkin	10,000 pieces	145,971	144,623	99.08%	91,244	80,139	87.83%	11.25%	The addition of new production equipment and production lines, increased market demand and higher order volumes

Is there overseas capacity?

□ Yes √ No

##### (2) Sales model and channel

Sales channels and actual operation methods of the products

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

Unit: RMB

Sales channel	Operating revenue	Operating costs	Gross margin	Change in operating revenue compared to the same period last year (%)	Change in operating costs compared to the same period last year (%)	Change in gross margin compared to the same period last year (%)
Online sales	3,643,345,632.23	1,695,480,302.42	53.46%	18.68%	13.98%	1.92%
Physical store	1,509,367,648.16	472,090,800.91	68.72%	1.18%	-7.16%	2.81%

Reasons for change

##### (3) Franchise and distribution

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

□ Yes √ No

Top five franchisees

Serial number	Franchisee name	Date of start for cooperation	Is it a related party	Total sales\ amount (RMB)	Franchisee's level
1	Ranking first	November 9, 2020	No	18,121,987.68	the first level
2	Ranking second	December 28, 2022	No	14,509,011.02	the first level
3	Ranking third	June 16, 2023	No	11,230,002.75	the first level
4	Ranking fourth	December 24, 2020	No	11,086,726.70	the first level
5	Ranking fifth	June 1, 2021	No	10,424,976.01	the first level
Total	--	--	--	65,372,704.16	--

Top five distributors

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

Online sales achieved a revenue as a percentage over 30%

Yes  No

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

Were self-owned sales platforms built?

Yes  No

Date of start for operation	January 6, 2014
Number of registered users	17,433,471
Average number of monthly active users	1,917,672

Was there cooperation with third-party sales platforms?

Yes  No

Unit: RMB

Platform name	Transaction amount during the Reporting Period	Return rate
Consumer goods sold at Taobao/Tmall	1,814,268,006.44	3.56%

Opening or closing of online sales channels by the Company

Applicable  N/A

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

## (5) Outsourced operation model

Does it involve an outsourced operation model?

Yes  No

## (6) Inventory

Inventory

Main products	Inventory turnover days	Inventory amount (RMB)	Inventory age	Year-on-year change in inventory balance(RMB)	Reason
Raw materials and materials consigned for processing		410,423,084.16		-2,067,541.62	
Work in process		264,931,644.21		28,757,676.10	
Goods on hand		1,292,178,152.85		47,938,322.92	
Goods in transit		35,983,569.08		-12,260,448.72	
Low-value consumables		12,696,605.04		-3,969,561.59	
Total	136	2,016,213,055.34		58,398,447.09	Mainly due to an increase in sales volume and a buildup of stocked inventory

Provision for inventory decline

Unit: RMB

Item	Beginning balance	Increase in current period	Decrease in current period	Closing balance
		Provision	Reversal or write-off	
Raw materials	9,769,459.08	17,326,879.45	11,004,010.56	16,092,327.97
Work in process	29,252,698.59	14,922,048.68	25,993,952.77	18,180,794.50
Goods on hand	167,669,713.69	45,708,658.75	120,016,266.80	93,362,105.64
Goods in transit		123,797.00	123,797.00	
Low-value consumables	2,290,807.36	814,596.47	2,173,410.42	931,993.41
Total	208,982,678.72	78,895,980.35	159,311,437.55	128,567,221.52

Inventory information of terminal channels such as franchisees or distributors

Purcotton has 119 franchised stores in operation. The business model for the franchised stores is that the franchisees are responsible for the construction and daily operation of the stores, while Purcotton provides goods, training, and supply chain support. Revenues generated from franchised stores sales are shared between Purcotton and the franchisees. Purcotton retains ownership of inventory held in franchised stores. As of December 31, 2025, the inventory balance was RMB51.50 million, averaging RMB430,000 per store.

(7) Brand building

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

Yes  No

Proprietary brand

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

Partner brands

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

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

For detailed information, please refer to “Section III Management Discussion and Analysis” – “IV. Analysis of Main Business” of the Report.

Disputes related to trademark ownership

Applicable  N/A

(8) Others

Does the Company engage in apparel design-related business?

Yes  No

Number of in-house fashion designers	39	Number of contracted fashion designers	0
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Operation of established designer platform	PLM system, 3D design platform, and digital color tools
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Does the Company hold order meetings?

Yes  No

## 5. R&D investment

Applicable  N/A

Name of main R&D projects	Objective	Progress	Goal	Expected impact on the Company's future development
Development of Disposable UV-Protection and Thermal Masks	Develop a mask product providing both sun protection and warmth, thereby broadening the application scenarios of the mask product line	Launched	Achieve UPF 200+ and a thermal retention rate of $\geq 35\%$	Broaden consumer-grade application scenarios for masks, catering to differentiated needs such as outdoor sports, daily commuting, and autumn/winter warmth, thereby driving incremental market growth for the mask category
Fluid Positioning Pads	Develop a positioning pad specifically for operating rooms, aimed at reducing the incidence of pressure ulcers in patients during surgical procedures	Launched	Complete the development and finalization of positioning pad products, demonstrating significant shaping and pressure relief effects	Enrich the company's operating room consumables product line, enhancing product added value and overall market competitiveness
Development of Highly Absorbent Medical Foam Materials	Develop a polyurethane foam material featuring superior fluid absorption and retention capabilities, designed for use in foam dressing products	Launched	Fluid absorption and retention performance reach world-class industry standards	Enhance the performance of foam dressing products to industry benchmark levels, establish patent-backed technical barriers, and improve competitiveness in both domestic and international markets to expand market share

Name of main R&D projects	Objective	Progress	Goal	Expected impact on the Company's future development
Formulation Research and Product Development of Hydrocolloid Dressings	Develop a highly absorbent and ultra-soft hydrocolloid formulation for application in hydrocolloid dressing products	Development stage	Complete formulation development and product validation, achieving regulatory registration and market launch both domestically and internationally	Master formulation technologies for hydrocolloid products and achieve differentiated product design, thereby enhancing market competitiveness
Research and Development of Collagen-Based Artificial Corneas	Develop artificial corneas for the treatment of ophthalmic diseases, with the strategic goal of driving domestic substitution	Development stage	Complete research on the product processing route and validate product performance	Develop high value-added medical consumables, securing cutting-edge technologies as a strategic reserve for the company's future entry into the high-end medical device sector
Development of Polyisoprene Surgical Gloves	Research the molding processes and formulations of polyisoprene latex, successfully develop polyisoprene surgical gloves, and achieve full-scale industrialization	Mass production	Successfully develop and launch new products	Provide foundational assurance for the company's export business of high-end medical gloves
Key Technology Research and Application of Anti-Needle Stick Syringes	Aligning with cutting-edge technological trends in injection and puncture devices, the development of new anti-needle stick syringes aims to address the safety hazards of accidental needlestick injuries associated with conventional syringes, thereby significantly enhancing the safety of clinical drug administration.	Approved for registration	Complete the R&D of a spring-powered automatic needle-retraction anti-needlestick syringe, obtain regulatory registration, and achieve mass industrialization	Enrich the product portfolio, elevate the company's technological leadership in injection and puncture devices, and secure a reserve of technologies and new products for domestic and international sales
Research and Development of TPE Infusion Sets	Develop a series of TPE infusion set products to eliminate the toxicity risks associated with DEHP phthalate plasticizers and vinyl chloride monomers found in traditional infusion sets	Approved for registration	Complete the R&D of TPE infusion set products, obtain regulatory registration, and achieve industrialization to meet differentiated clinical application needs	Enrich the Company's infusion set product line
Research and Development of Medical Connecting Tubes	Meet the clinical demand for extending infusion lines during pump-assisted (pressure) infusions, thereby enhancing convenience and efficiency in clinical operations	Approved for registration	Complete the R&D of pump-assisted (pressure infusion) extension tube products, obtain regulatory registration, and achieve industrialization to meet differentiated clinical application needs	Enrich the Company's infusion set product line
Research and Development of Light-Resistant Infusion Sets (TPU + DEHP-Free PVC)	Resolve the toxicity issues of light-shielding agents and photosensitive drugs during clinical infusions, as well as the toxicity of DEHP plasticizers and vinyl chloride monomers in conventional light-resistant infusion sets. This project aims to develop a series of double-layer co-extruded TPU/PVC light-resistant infusion sets, significantly improving clinical infusion safety.	Approved for registration	Complete the R&D of double-layer co-extruded TPU/PVC light-resistant infusion sets, obtain regulatory registration, and achieve industrialization to meet differentiated clinical application needs	Enrich the Company's infusion set product line
Research and Development of Precision Flow Control Infusion Sets	Develop a series of infusion sets featuring visual scaled flow regulators. This addresses the clinical challenge of being unable to finely adjust and maintain constant infusion rates for certain medications, thereby improving drug administration safety	In progress	Complete the R&D of precision flow control infusion sets (scaled flow regulators), obtain regulatory registration, and achieve industrialization to meet differentiated clinical application needs	Enrich the Company's infusion set product line

Name of main R&D projects	Objective	Progress	Goal	Expected impact on the Company's future development
R&D of a New One-Step Production Process for Medical Ultra-High Strength and Highly Absorbent Paper	Achieve capacity expansion alongside technological upgrades and iterations	Launching	Achieve import substitution, technological upgrades, capacity expansion, and one-step molding	Enhance production efficiency and quality stability, reduce labor costs, and provide solid support for business growth
R&D of High-Flame-Retardant, High-Barrier, and Broad-Spectrum Chemical Protective Composite Suits	Develop advanced protective clothing with integrated functions of "secondary flame retardancy plus high-level chemical barrier protection	Launching	Build a four-tier protective product portfolio encompassing "dust protection, flame retardancy, chemical barrier, and integrated flame-retardant + chemical protection," successfully penetrating the mid-to-high-end industrial protection market characterized by high technical barriers	Execute a mid-to-high-end product planning and strengthen the Company's core competitiveness
Design and Development of Multifunctional Pillows Driven by Biomechanical Characteristics of Children's Head, Neck, and Shoulders	Develop a multifunctional children's pillow based on 3D morphological data of children's head, neck, and shoulders. Meeting ergonomic requirements for both supine and lateral sleeping postures, and featuring antibacterial and anti-mite functions, this product aims to solve the issues of insufficient support and poor comfort in traditional pillows caused by neglecting variations in children's body shapes and sleeping habits	In progress	1. Complete 3D scanning and cluster analysis of children's head, neck, and shoulder morphology to establish a physical trait database. 2. Design and develop a latex-based ergonomic pillow structure that adapts to various body types and supports dual sleeping postures	Drive the Company's transition toward scientific and personalized product design in the children's bedding sector, establishing a distinct technological edge
Design and Development of Modular and Intelligent High-Efficiency Molding Equipment and Premium Products for Disposable Underwear	Solve the technical challenges of efficiently sealing cotton non-woven fabrics due to their material properties. By integrating a directional hot-melt adhesive penetration process with intelligent production systems, this project fills the technical and market gaps in the field of 100% cotton spunlace non-woven disposable underwear	In progress	1. Successfully develop the first fully automated, intelligent production line for disposable cotton non-woven underwear. 2. Achieve a single-line production capacity breakthrough of 200 pieces per minute	1. Strengthen the Company's market competitiveness and technological leadership in the premium non-woven products sector. 2. Accelerate the transition towards automated and intelligent manufacturing, boosting overall production efficiency and sustainable innovation capabilities
Research on High-Elasticity Warp-Knitted Gauze Structural Materials and Development of Functional Light-Sports Fabrics	Develop a novel warp-knitted fabric that combines the natural comfort of cotton fibers with high elasticity. Utilizing special loop structures and yarn configurations, it breaks through the elasticity limits of traditional cotton fabrics, meeting the dynamic wearing needs for moisture-wicking, quick-drying, and a snug fit in light-sports scenarios	In progress	1. Ensure the fabric maintains the natural breathability and softness of cotton while possessing multi-directional high elasticity and moisture-wicking, quick-drying properties. 2. Establish mass-production technology for functional fabrics suitable for light-sports apparel, featuring a 3D mesh texture on the reverse side	1. Expand into the athleisure niche market and enhance competitiveness in light-sports clothing materials. 2. Drive the transition from traditional textiles to the R&D of high-performance, high value-added fabrics, reinforcing technical barriers and rapid market responsiveness
Development of 100% Cotton Spunlace Materials with Biomimetic Gradient Wetting Structures and Dynamic Water-Activated Patterned Products	Enable 100% cotton spunlace non-woven fabrics to dynamically reveal patterns upon contact with moisture, achieving functionalization and interactivity. This drives the upgrading of traditional non-woven fabrics into intelligent, high-value-added products, based on a novel printing process using biomimetic gradient wetting principles	Launched	Successfully develop a biomimetic gradient wetting printing process with independent intellectual property rights, launch novel non-woven products, and complete the patent presence establishment	Propel the Company's transition from traditional material supply to providing functional and interactive solutions, elevating the brand's innovative image and expanding its value-added potential

R&D personnel

	2025	2024	Change ratio
Number of R&D personnel (person(s))	1,323	1,199	10.34%
Proportion of R&D personnel	8.34%	7.80%	0.54%
<b>Education level of R&amp;D personnel</b>			
Bachelor's degree	440	324	35.80%
Master's degree	108	104	3.85%
<b>Age distribution of R&amp;D personnel</b>			
Under 30	200	186	7.53%
Aged 30-40	641	575	11.48%

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

	2025	2024	2023
R&D investment amount (RMB)	410,877,566.24	348,163,926.01	322,051,868.43
Proportion of R&D investment to operating revenue	3.75%	3.88%	3.93%
Capitalized R&D expenditure (RMB)	0.00	0.00	0.00
Proportion of capitalized R&D expenditure to total R&D investment	0.00%	0.00%	0.00%
Proportion of capitalized R&D expenditure to net profit for current period	0.00%	0.00%	0.00%

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

Applicable N/A

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

Applicable N/A

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

Applicable N/A

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

Information related to medical devices

Applicable N/A

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

## 6. Cash flow

Unit: RMB

Item	2025	2024	Year-on-year change
Subtotal of cash inflows from operating activities	12,454,198,998.27	10,330,531,914.26	20.56%
Subtotal of cash outflows from operating activities	10,788,522,103.34	9,064,776,647.56	19.02%
Net cash flow from operating activities	1,665,676,894.93	1,265,755,266.70	31.60%
Subtotal of cash inflows from investing activities	3,729,326,814.37	3,586,950,149.18	3.97%
Subtotal of cash outflows from investing activities	4,004,943,541.59	7,698,976,445.10	-47.98%
Net cash flow from investing activities	-275,616,727.22	-4,112,026,295.92	93.30%
Subtotal of cash inflows from financing activities	2,863,329,658.11	1,984,570,746.59	44.28%
Subtotal of cash outflows from financing activities	4,043,224,578.16	2,462,094,397.07	64.22%
Net cash flow from financing activities	-1,179,894,920.05	-477,523,650.48	-147.09%
Net increase in cash and cash equivalents	203,624,723.23	-3,320,243,397.10	106.13%

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

√ Applicable □ N/A

1. Net cash flow from operating activities increased by 31.60%, primarily attributable to revenue growth and the corresponding increase in cash received from sales;
2. Cash outflows from investing activities decreased by 47.98%, primarily due to a reduction in the purchase of wealth management products during the year;
3. Net cash flow from investing activities increased by 93.30%, primarily due to the impact of the payment for the GRI acquisition in the previous year;
4. Cash inflows from financing activities increased by 44.28%, primarily attributable to higher cash proceeds received from borrowings this year;
5. Cash outflows from financing activities increased by 64.22%, primarily due to higher cash payments for the repayment of debts during the year;
6. Net cash flow from financing activities decreased by 147.09%, primarily due to higher repayments of borrowings and increased payments for interest and dividends in the current period;
7. Net increase in cash and cash equivalents increased by 106.13%, primarily due to the combined impact of the factors mentioned above.

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

√ Applicable □ N/A

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

## V. Non-Core Business Activities

√ Applicable □ N/A

Unit: RMB

	Amount	Percentage of total profit	Reason	Sustainability
Investment income	53,091,575.78	5.07%	Primarily due to matured returns on wealth management products and recognized gains from associates	Associate income is sustainable; others are not
Gains and losses from changes in fair value	-24,339,525.82	-2.32%	Primarily due to changes in the fair value of structured deposits and other wealth management products	No
Asset impairment	-251,273,437.71	-23.98%	Primarily due to provision for inventory write-down, goodwill impairment, and fixed asset impairment	No
Non-operating revenue	8,206,430.16	0.78%	Primarily due to gains from the disposal of non-current assets and other non-operating revenue	No
Non-operating expense	28,063,679.49	2.68%	Primarily due to losses from the disposal of non-current assets	No
Credit impairment loss	-10,273,088.79	-0.98%	Primarily due to expected credit loss provisions for accounts receivable and other receivables	No
Gains on disposal of assets	546,546.56	0.05%	Primarily due to disposal of non-current assets	No
Other revenue	84,244,396.64	8.04%	Primarily due to receipt of government grants related to business operations	Tax relief and reductions and cotton transport subsidies are sustainable; others are not

## VI. Analysis of Assets and Liabilities

### 1. Significant changes in asset composition

Unit: RMB

	End of 2025		Beginning of 2025		Change in percentage	Explanation of significant changes
	Amount	Percentage of total assets	Amount	Percentage of total assets		
Monetary capital	1,593,989,319.92	8.66%	1,412,088,898.63	7.68%	0.98%	No significant change observed
Accounts receivable	1,040,873,548.50	5.66%	980,617,641.38	5.33%	0.33%	No significant change observed
Contract assets					0.00%	
Inventories	2,016,213,055.34	10.95%	1,957,814,608.25	10.65%	0.30%	No significant change observed
Investment property	1,454,295.27	0.01%	2,360,346.25	0.01%	0.00%	Primarily due to the depreciation of investment property in the current period
Long-term equity investments	478,989,825.04	2.60%	445,355,778.00	2.42%	0.18%	No significant change observed
Fixed assets	4,199,969,234.92	22.82%	3,354,304,108.81	18.24%	4.58%	Primarily due to construction in progress reaching its intended use state and being transferred to fixed assets during the current period
Construction in progress	511,625,219.44	2.78%	1,074,955,450.40	5.84%	-3.06%	Primarily due to construction in progress reaching its intended use state and being transferred to fixed assets during the current period
Right-of-use assets	554,782,629.68	3.01%	595,222,623.66	3.24%	-0.23%	No significant change observed
Short-term borrowings	1,836,629,579.24	9.98%	1,969,044,164.65	10.71%	-0.73%	No significant change observed
Contract liabilities	169,914,491.43	0.92%	182,755,504.60	0.99%	-0.07%	No significant change observed
Long-term borrowings	50,000,000.00	0.27%	53,000,000.00	0.29%	-0.02%	No significant change observed
Lease liabilities	416,875,073.97	2.27%	440,876,652.33	2.40%	-0.13%	No significant change observed
Prepayments	179,318,742.70	0.97%	107,051,901.68	0.58%	0.39%	Primarily due to an increase in prepayments for cotton
Non-current liabilities due within one year	185,546,235.07	1.01%	396,768,243.67	2.16%	-1.15%	Primarily due to the repayment of borrowings during the current period
Long-term payables	26,994,520.77	0.15%	48,544,431.64	0.26%	-0.11%	Primarily due to the repayment of long-term payables during the current period

A high proportion of foreign assets

Applicable N/A

## 2. Assets and liabilities measured at fair value

Applicable N/A

Unit: RMB

Item	Opening balance	Fair value changes recognized in profit or loss for the current period	Cumulative fair value changes recognized in equity	Impairment provision for the current period	Purchases during the current period	Sales during the current period	Other changes	Closing balance
Financial assets								
1. Trading financial assets								
(excluding derivative financial assets)	2,921,341,484.39	-17,095,783.33			3,457,028,397.45	3,535,895,402.95		2,825,378,695.56
5. Other non-current financial assets								
	107,906,716.86	-7,243,742.49					-781,902.83	99,881,071.54
Subtotal of financial assets	3,029,248,201.25	-24,339,525.82			3,457,028,397.45	3,535,895,402.95	-781,902.83	2,925,259,767.10
Total of the above	3,029,248,201.25	-24,339,525.82			3,457,028,397.45	3,535,895,402.95	-781,902.83	2,925,259,767.10
Financial liabilities								
	0.00	0.00			0.00	0.00	0.00	0.00

### Other changes

Other changes were primarily exchange translation differences

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

Yes No

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

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

## VII. Investment Analysis

### 1. Overall situation

Applicable N/A

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

Applicable N/A

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

Applicable N/A

### 4. Investment in financial assets

#### (1) Securities investment

Applicable N/A

Unit: RMB

Security type	Security code	Security abbreviation	Original investment cost	Accounting measurement model	Opening book value	Fair value changes recognized in profit or loss for the current period	Cumulative fair value changes recognized in equity	Purchases during the current period	Sales during the current period	Profit or loss during the Reporting Period	Closing book value	Accounting item	Source of funds
Convertible bonds	N/A	N/A	32,094,498.00	Measured at fair value	31,233,669.47	-4,174,505.48					26,277,261.16	Other noncurrent financial assets	Self-owned funds
Fund	N/A	Shenzhen Hongtu No. 1 Private Equity Investment Fund Partnership (Limited Partnership)	70,000,000.00	Measured at fair value	76,673,047.39	-3,069,237.01					73,603,810.38	Other noncurrent financial assets	Self-owned funds
Total			102,094,498.00	--	107,906,716.86	-7,243,742.49	0.00	0.00	0.00	0.00	99,881,071.54	--	--

#### (2) Derivatives investment

Applicable N/A

The Company had no derivatives investment during the Reporting Period.

## VIII. Disposal of Major Assets and Equity

### 1. Disposal of major assets

Applicable N/A

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

### 2. Disposal of major equity

Applicable N/A

## IX. Analysis of Principal Subsidiaries and Affiliates

√ Applicable □ N/A

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

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Winner Medical (Huanggang) Co., Ltd.	Subsidiary	Primarily responsible for pure cotton jumbo rolls, cotton tissues and other products	259,459,200.00	1,131,053,340.38	899,747,588.84	1,208,170,034.65	134,776,701.45	111,249,597.91

Acquisition and disposal of subsidiaries during the Reporting Period

√ Applicable □ N/A

Company name	Methods of acquisition and disposal of subsidiaries during the Reporting Period	Impacts on overall production and operation and results
Tianjian Trading (Hong Kong) Limited (天健商贸(香港)有限公司)	Establishment	No direct material impact
PURCOTTON(VN)COMPANY LTD	Establishment	No direct material impact

Explanation of principal subsidiaries and affiliates

## X. Structured Entities Controlled by the Company

□ Applicable √ N/A

## XI. Outlook for Future Development

### 1. Strategic planning

Since its establishment 35 years ago, Winner Group has remained steadfast in its lofty ideals and vision of “Caring Health, Cherishing Life, and Protecting the Environment for A Better World”, adhered to the three core business principles of “Quality over Profit, Brand over Speed, Social Value over Corporate Value”, and upheld the corporate core values of “Relentless Endeavor; Pioneering Innovation; Self-Critique; Long-Termism”, ensuring that Winner Medical and Purcotton always move forward along the right path of development.

Looking toward the new 2026–2028 strategic cycle, the Company adheres to the strategic guidelines of “Product Leadership, Operational Excellence, Brand Advancement, and Digital Empowerment”. We will embrace the philosophy that “the Winner’s path to a robust future lies not only in the refinement of Shu (Tactics), but more importantly, in the steadfast adherence to Dao (The Way)”. Dao defines why we act—our unwavering commitment to our vision and original aspiration; Shu dictates how we act—anchoring in high-value sectors to break through the ceiling of sustainable growth.

Guided by both Shu and Dao, the Company has mapped out its strategic blueprint for the next three years. We will comprehensively advance the systemic upgrade of our intelligent manufacturing, quality management, financial systems, and digital and AI capabilities. Furthermore, we will actively promote the deep integration of AI technologies across the entire value chain, spanning R&D, supply chain, and marketing. High-quality growth will be driven by our formula for success: "Product Competitiveness × Channel Power × Customer Service Capability × Marketing Efficacy × Organizational Agility × Digitalization." Concurrently, we will continue to optimize our talent ecosystem to empower employee development. Ultimately, by embedding ESG principles throughout our entire operational lifecycle, we will forge a resilient, responsible, and sustainable competitive advantage.

#### (1) Medical consumables

The Company will steadfastly execute its core strategy of "Product Leadership, Operational Excellence, Smart Manufacturing, and AI Empowerment", firmly recognizing that "Product Leadership" is the fundamental key to navigating through cycles and winning in the market. Centered on providing one-stop solutions and services, we will focus on key sectors including advanced wound dressings, operating room consumables, healthcare & personal care, infection prevention, and infusion and drug delivery. We will continuously drive the rapid growth of strategic products, deepen innovation in basic materials, and actively explore cutting-edge fields such as regenerative medicine and tissue engineering, smart sensing and detection, and biodegradable biomaterials, thereby forging new engines for future growth.

#### (2) Consumer goods

The Company will continue to uphold the vision of "Pure Cotton Changes the World", guided by the strategic direction of "Product Leadership, Material First, Brand Advancement, and Value Creation". Focusing on six major lifestyle scenarios—maternal and infant care, personal care, intimate apparel, home and sleepwear, outerwear, and light sports—we will strive for absolute perfection in strategic products and continuously strengthen our integrated omni-channel execution capabilities to achieve high-quality growth. Embodying the development philosophy of "Product Leadership, Material First", we will delve into frontier areas within basic materials, such as seed genetic improvement, the chemical modification of pure cotton, and gene coding technologies, to lay a robust foundation for continuous product innovation.

## 2. Operating plan for 2026

#### (1) Medical consumables

In 2026, Winner Medical will focus on expanding its global footprint and upgrading its product mix to achieve steady revenue growth and continuous margin improvement. Regarding channel development, the Company will place equal emphasis on both domestic and international markets. Domestically, it will deepen its presence in the core professional medical sector. Driven by academic promotion and scenario-based solutions such as the "Green Operating Room," and leveraging the one-stop medical consumables supply capabilities and full-industry-chain advantages forged through M&A integration, the Company aims to achieve deep coverage across hospital departments. On the B2C front, the focus will be directed toward the consumer medical track. By building a barrier of trust founded on rigorous standards rooted in a medical background, the Company will reach consumers through omni-channel integration, utilizing high-growth categories to drive overall expansion. Overseas, capitalizing on 35 years of profound industry expertise, coupled with the channels, customer base, and global production capacity (spanning the United States, Vietnam, the Dominican Republic, etc.) of the US-based GRI acquired in 2024, the Company will accelerate the restructuring of its global supply chain and the international expansion of its proprietary brands, ultimately realizing the globalization of both its supply chain and brand presence. On the product front, Winner Medical will pursue a path of high-quality development. For high-margin, high-growth categories such as advanced wound dressings, operating room consumables, and healthcare & personal care, the Company will deepen its R&D efforts to drive the transition toward high value-added premiumization and branding. Conversely, for lower-margin

categories like traditional wound care, the objective will be to increase market share and hospital penetration; the Company will leverage the cost and quality advantages of its entire industry chain to consolidate its foundational market share.

## (2) Consumer goods

In 2026, Purcotton will advance its comprehensive strategic playbook centered on “Product Leadership, Channel Enhancement, Brand Advancement, and Return to Value”. On the product front, Purcotton will persist in R&D-driven innovation, deepening its expertise in pure cotton core materials and functional technologies. Adhering to the rigorous standards born of medical heritage, we will continuously strengthen the differentiated advantages of our pure cotton offerings. Concurrently, by focusing on four strategic categories—cotton tissues, sanitary napkins, intimate apparel, and infant & child products—we will leverage a blockbuster product strategy to steadily increase our market share across these segments and consolidate our category leadership. On the channel front, we will comprehensively optimize our omnidomain layout. Online, we will capitalize on the macro trend of category traffic migrating to Douyin by elevating short-video content quality and refining interest-based e-commerce operations to boost conversion efficiency. Offline, priority will be given to expanding into premium KA channels, such as branded supermarkets, warehouse club stores, and convenience stores, thereby broadening our terminal retail coverage. Simultaneously, we will actively pursue O2O on-demand retail to capture incremental growth. The development of physical stores will focus on upgrading brand image, service quality, and operational capabilities to drive the integrated operation of new retail. In our overall operations, we remain deeply committed to brand value and long-termism. By increasing investments in brand building and membership services, we will continue to reinforce the core brand perception of “Medical Heritage; Cotton-Centric Philosophy; Quality DNA”. Through the powerful synergy of product, channel, and brand, Purcotton is poised to achieve high-quality, sustainable growth.

## 3. Potential risks facing the Company

### (1) Risk of changes in industry policies and standards and countermeasures

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

### (2) Risk of raw material price fluctuations and countermeasures

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

### (3) Risk from shifts in the international trade environment and countermeasures

Currently, the global trade landscape remains volatile and complex, shaped by geopolitical tensions, rising tariff barriers,

policy adjustments affecting imports and exports, and fluctuations in international logistics costs. These dynamics present growing challenges and operational costs for the Company's overseas business. For the medical consumables segment, divergent regulatory standards across jurisdictions can result in burdensome product certification and market entry requirements, increasing both operational complexity and time-to-market. Failure to adapt swiftly to such changes may lead to order reductions, higher costs, and delayed deliveries. The Company will fully leverage GRI's global manufacturing footprint across the United States, the Dominican Republic, and Vietnam to restructure its supply chain system, and adjust its market deployment strategies with agility to minimize the potential operational impact of external uncertainties.

#### (4) Risk of exchange rate fluctuations and countermeasures

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

#### (5) Risk of competition in the consumer goods business

The markets for various categories of the Company's consumer goods business are intensely competitive, with competitors ranging from established domestic and international brands to new market entrants. Competitors may strive for market share through price wars, increased marketing investment, product innovation, or channel expansion, which poses risks such as a decline in the Company's market share, a slowdown in revenue growth, and pressure on profit margins. Meanwhile, consumer preferences evolve rapidly; if the Company fails to capture future consumption trends in a timely manner or suffers from insufficient innovation in product development, it may face adverse operating conditions. To mitigate these risks, the Company has established a stable management team and an efficient decision-making mechanism. We regularly formulate rigorous business plans to gain timely insights into market changes and maintain continuous R&D and innovation. By consistently adhering to the principles of product leadership and operational excellence, the Company strives to meet evolving consumer needs and enhance brand recognition.

#### (6) Risks of cross-border acquisitions and countermeasures

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

#### (7) Risk of goodwill impairment and countermeasures

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

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

Due to planning adjustments to the Heyuan Station forecourt and the High-Speed Rail New Town associated with the Ganzhou-Shenzhen

high-speed railway, the Agreement on the Investment and Construction of Medical Kit and Cotton-Based Daily Necessities Production Project signed between the Company and the People’s Government of Zijin County, Heyuan City in 2016 could not be executed. In November 2019, the Ganjiang New Area International Arbitration Court ruled to terminate the agreement, ordering the Zijin County Government to compensate the Company in the amount of RMB550 million, payable in two installments by December 31, 2019, and February 29, 2020, respectively. As of the end of the Reporting Period, the Company had received a refund of RMB3 million for the land transfer deposit and RMB334.5 million in compensation. However, the remaining balance of approximately RMB215 million is at risk of nonrecovery. The Company is actively maintaining communication and consultation with the local government and continues to pursue the recovery of the remaining compensation.

## XII. Record of Investor Relations Activities Including Research Visits,

Communications, and Interviews during the Reporting Period

√ Applicable □N/A

Reception date	Reception location	Reception method	Type of visitor	Visitor	Main topics discussed and materials provided	Index of basic research visit
January 17, 2025	Headquarters Meeting Room	Phone communication	Institution	235 institutional investors such as China Asset Management, Bosera Asset Management, Bank of Communications Schroder Fund Management and Minsheng Royal Fund	Business overview and operating performance	Details are available on the interactive platform of Shenzhen Stock Exchange
February 19, 2025	Headquarters Meeting Room	Field visit	Institution	18 institutional investors such as Southern Asset Management and CITIC-Prudential Asset Management	Business overview and operating performance	Details are available on the interactive platform of Shenzhen Stock Exchange

Reception date	Reception location	Reception method	Type of visitor	Visitor	Main topics discussed and materials provided	Index of basic research visit
May 7–8, 2025	P5W Roadshow Hall; Headquarters Meeting Room	Other; Field visit	Institution	143 institutional investors such as Fullgoal Fund Management, Orient Securities Asset Management, GF Fund Management, and Springs Capital	Business performance for FY2024 and Q1 2025	Details are available on the interactive platform of Shenzhen Stock Exchange
May 28–30, 2025	Teleconference; Headquarters Conference Room	Phone Communication; Field visit	Institution	23 institutional investors such as China Merchants Fund Management and Aeon Insurance Asset Management	Business overview and operating performance	Details are available on the interactive platform of Shenzhen Stock Exchange
June 24, 2025	Teleconference	Phone communication	Institution	194 institutional investors such as Harvest Fund Management, China Merchants Fund Management, Huatai-PineBridge, and Caitong Securities Asset Management	Business overview and operating performance	Details are available on the interactive platform of Shenzhen Stock Exchange
August 22, 2025	Headquarters Meeting Room	Phone communication	Institution	139 institutional investors such as Bank of Communications Schroder Fund Management, Harvest Fund Management, and CINDA Fund	H1 2025 operating performance	Details are available on the interactive platform of Shenzhen Stock Exchange
October 28, 2025	Headquarters Meeting Room	Phone communication	Institution	167 institutional investors such as Fullgoal Fund Management, Southern Asset Management, and Invesco Great Wall Fund Management	Operating performance for the first three quarters of 2025	Details are available on the interactive platform of Shenzhen Stock Exchange

### XIII. Establishment and Implementation of Market Capitalization Management

#### Systems and Valuation Enhancement Plans

Has the Company established a market capitalization management system?

Yes  No

For the further standardization of its market capitalization management practices, the Company has formulated the Market Capitalization Management System of Winner Medical Co., Ltd. to promote the enhancement of investment value, increase investor returns, and protect the legitimate rights and interests of the Company, investors, and other stakeholders. This system was developed in accordance with the relevant provisions of the Company Law, Securities Law, Opinions of the State Council on Strengthening Supervision to Prevent Risks and Promote High-Quality Development of the Capital Market, the Measures for the Administration of Information Disclosure by Listed Companies, and Guideline on the Supervision of Listed Companies No. 10 – Market Capitalization Management, and was reviewed and approved at the 6th meeting of the 4th session of the Board of Directors.

Has the Company disclosed a valuation enhancement plan?

Yes  No

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

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

Yes  No

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

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

In terms of corporate governance and social responsibility, the Company has continuously optimized its corporate governance structure, improved its internal control systems, and strengthened risk prevention mechanisms, providing a solid guarantee for high-quality development. For consecutive years, the Company has received the “Best Practice for Board Office” and “ESG Excellent Practice Case for Listed Companies” awards from the China Association for Public Companies, and was recognized as a “2025 Best Practice Case for the Board of Directors of Listed Companies”. Since its listing, the Company has continuously and voluntarily disclosed its Corporate Social Responsibility Report and Environmental, Social, and Governance Report, comprehensively showcasing the effectiveness of its practices in corporate governance and social responsibility. As a participant of the United Nations Global Compact, the Company actively practices sustainable development concepts, with its relevant practices selected as a “2021 Best Practice Case for Chinese Enterprises by the United Nations Global Compact”.

In terms of high-quality information disclosure, the Company strictly fulfills its information disclosure obligations in accordance with the requirements of securities laws and regulations, actively builds investor communication and interaction platforms, and continuously improves the breadth, depth, and timeliness of its disclosures. The Company has been selected for the compilation of outstanding cases in the annual report of companies listed on the GEM of SZSE for consecutive years, and has been rated “A” in the information disclosure assessment by the SZSE for all full years since its listing.

In terms of investor returns, the Company’s total cumulative cash dividend for 2025 amounted to RMB437 million (tax inclusive), accounting for 56.87% of the net profit attributable to ordinary shareholders of the listed company for the year 2025, which includes (1) cash dividend of RMB262 million (tax inclusive) under the 2025 interim profit distribution plan (already implemented); (2) proposed cash dividend of RMB175 million (tax inclusive) in the 2025 annual profit distribution plan, subject to approval by the general meeting. Since its listing in September 2020, up to the date of the Report, the Company has cumulatively implemented cash dividends of RMB3.049 billion (including the proposed amount for 2025) and repurchased shares worth RMB695 million, totaling RMB3.744 billion, accounting for 105.21% of the net proceeds from the initial public offering.

# Section IV Environmental, Social and Corporate Governance



## I. Basic Status of Corporate Governance

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

### 1. Shareholders and shareholders' meeting

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

### 2. The Company, the controlling shareholders and actual controller

The Company has independent and complete main business and independent operation capabilities, and is independent of the controlling shareholders and actual controller in terms of personnel, assets, business, management organization, and financial accounting system, and can operate independently, manage independently, and assume responsibilities and risks independently. The controlling shareholders and actual controller of the Company can exercise their rights and bear the corresponding obligations in accordance with the law. During the Reporting Period, there were no acts directly or indirectly interfering with the Company's decision-making and business activities and using their controlling position to infringe on the interests of other shareholders beyond the authorization of the shareholders' meeting and the Board of Directors, and there was no adverse effect on the Company's governance structure, independence, etc.

### 3. Directors and Board of Directors

The Directors of the Company do not fall under any circumstances that are not allowed to serve as directors of the Company as stipulated in the Company Law. Their appointments and dismissals strictly comply with the approval procedures of the Board of Directors and the shareholders' meeting. There is no conflict with relevant laws, regulations or the Articles of Association. All Directors worked conscientiously and diligently during their tenure, and were able to continuously pay attention to the Company's operating conditions, actively participate in relevant training, and improve the standardized operation level; actively participate in the Board meetings, give full play to their respective professional expertise, make prudent decisions, and safeguard the interests of the Company and all shareholders.

In terms of proposal review and closed-loop management, the Board of Directors of the Company has established a standardized mechanism characterized by "thorough communication before the meeting, in-depth discussion during the meeting, and efficient implementation after the meeting." For major matters such as profit distribution, investment and mergers & acquisitions, pre-meeting communication sessions are convened to fully collate relevant information, enabling directors to have a comprehensive understanding of the matters and better leverage the functions of independent directors and special committees. The procedures for convening and holding the Board meetings of the Company all meet the requirements of relevant regulations; the records of previous Board meetings are true, accurate, complete, and safely kept; the resolutions

of the Board meetings are fully accurate and promptly disclosed. The Board has a Strategy and Sustainable Development Committee, a Nomination Committee, a Remuneration and Appraisal Committee, and an Audit Committee.

#### 4. Performance evaluation and incentive and restraint mechanism

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

#### 5. Information disclosure and transparency

During the Reporting Period, the Company disclosed the corporate information in a true, accurate, complete, timely and fair manner in strict accordance with relevant laws and regulations and the requirements of the Articles of Association and the Information Disclosure Management System. The Company has designated China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily as the designated paper media for information disclosure of the Company, and the CNINFO.com as the website specified for the information disclosure to ensure that all shareholders have fair access to the Company's information. The Company has been rated A in the information disclosure assessment by SZSE for each full year after its listing.

#### 6. Investor relations management

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

#### 7. Stakeholders

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

#### 8. Establishment and implementation of internal audit system

An audit committee is set up under the Board of Directors with an internal audit system in place, which is responsible for the communication, supervision, meeting organization and verification for internal and external audits of the Company. The

Audit Committee has an Internal Audit Department as its daily office, which independently exercises its authority under the leadership of the Audit Committee to inspect and supervise the Company's business operations, risk management, internal control and financial information.

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

Yes  No

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

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

Since its establishment, the Company has operated in strict accordance with the Company Law, the Securities Law and other relevant laws, regulations and the Articles of Association and has maintained good independence of its controlling shareholders and actual controller in terms of assets, personnel, finance, organizations, business, etc., and has had a complete business system and the ability to operate independently in the market.

### 1. Asset independence

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

### 2. Personnel independence

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

### 3. Financial independence

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

### 4. Organization independence

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

### 5. Business independence

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

## III. Horizontal Competition

Applicable N/A

## IV. The Company Has a Differentiated Voting Rights Structure

Applicable N/A

## V. Corporate Governance Practices of Red Chip Companies

Applicable N/A

## VI. Directors and Senior Management

### 1. Basic information

Name	Gender	Age	Position	Status of service	Start date of tenure	End date of tenure	Number of shares held at the beginning of the period (shares)	Number of shares increased in current period (shares)	Number of shares decreased in current period (shares)	Other increase and decrease (shares)	Number of shares held at the end of the period (shares)	Reason for change in shares
Li Jianquan	Male	69	Chairman and General Manager	Incumbent	May 18, 2015	Incumbent	0	0	0	0	0.00	
Fang Xiuyuan	Male	58	Director, Chief Financial Officer and Deputy General Manager	Incumbent	May 18, 2015	Incumbent	116,000	0	0	2,654,335	2,770,335	Conversion of Indirect Shareholding into Direct Shareholding
Zhang Yan	Female	42	Director	Incumbent	August 12, 2024	Incumbent	5,000	0	0	124,264	129,264	Conversion of Indirect Shareholding into Direct Shareholding
Liao Meizhen	Female	44	Director	Incumbent	August 12, 2024	Incumbent	0	0	0	0	0	
Chen Junfa	Male	61	Independent Director	Incumbent	August 12, 2024	Incumbent	0	0	0	0	0	
Wang Zhifang	Female	58	Independent Director	Incumbent	August 12, 2024	Incumbent	0	0	0	0	0	
Yang Xiangliang	Male	59	Independent Director	Incumbent	August 12, 2024	Incumbent	0	0	0	0	0	
Yan Xia	Female	50	Deputy General Manager	Incumbent	November 12, 2025	Incumbent	0	0	0	0	0	
Liao Guanlai	Male	44	Deputy General Manager	Incumbent	August 12, 2024	Incumbent	0	0	0	0	0	
Chen Huixuan	Female	44	Deputy General Manager and Board Secretary	Incumbent	May 18, 2015	Incumbent	30,720	0	0	434,248	464,968	Conversion of Indirect Shareholding into Direct Shareholding
Total	--	--	--	--	--	--	151,720	0	0	3,212,847	3,364,567	--

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

Yes  No

## Change of Directors and senior management

√ Applicable □ N/A

Name	Position	Type	Date	Reason
Yan Xia	Deputy General Manager	Appointed	November 12, 2025	The Board of Directors of the Company agreed to appoint Ms. Yan Xia as Deputy General Manager of the Company

## 2. Biography

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

## (1) Board members

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

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

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

Ms. Liao Meizhen, born in 1982, with Chinese nationality, without permanent residency abroad, has a master's degree. From 2004 to 2018, she successively served as the sales manager, regional manager, project manager, and sales director of Guangzhou Procter & Gamble Co., Ltd. From 2013 to 2016, she served as the global sales director of the SK-II market strategy development department at Procter & Gamble's Asia Pacific headquarters in Singapore. From 2016 to 2018, she served as the senior director of Olay oil sales at Procter & Gamble (China) Marketing Co., Ltd. From 2018 to 2021, she served as the general manager of skin care sales in China at Procter & Gamble (China) Marketing Co., Ltd. Ms. Liao joined Purcotton in 2021 as the vice president of Shenzhen Purcotton Technology Co., Ltd., and was appointed senior vice president of Purcotton in 2025 and responsible for the Merchandising Center and the Sales Center.

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

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

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

## (2) Other senior management

Ms. Yan Xia, born in 1975, with Chinese nationality, is a Master of Finance EMBA from Tsinghua University and a Master of Medicine from Shandong Second Medical University. From 2001 to 2016, she served in various roles at GE Healthcare, including Global CT Product Manager and General Manager of Surgical and Interventional Business for Greater China; from 2017 to 2018, she served as Vice President of Thermo Fisher Scientific (China); from 2018 to 2020, she served as President and Director of Beijing Wandong Medical Technology Co., Ltd.; from 2021 to September 2025, she served as Senior Vice President and Director at WEGO Group, and Vice Chairman of Shandong WEGO Medical Polymer Products Co., Ltd.; in 2025, she joined Winner Medical Co., Ltd. and currently serves as the Rotating CEO of the Medical Sector. Ms. Yan has over 25 years of experience in product sales, operations, and brand management in the medical device industry.

Ms. Chen Huixuan, born in 1982, with Chinese nationality, without permanent residency abroad, has a master's degree in Finance from the University of Glasgow, UK. From 2007 to 2009, she served as an analyst assistant of Brean Murray, Carret & Co.; from 2009 to 2015, she served as the manager of the Investment Management Department of Winner Industries (Shenzhen) Co., Ltd.; since 2015, she has served as the deputy general manager and secretary of the Board of Directors of the Company. She is also an executive partner of Xiamen Huikang Investment Partnership (Limited Partnership) and a member of the Third Session of the Investor Relations Committee of the China Association for Public Companies and a deputy chairman of the Investor Relations Committee of the Shenzhen Association for Public Companies. She has won the honor of "Board Secretary Level 5A Performance Evaluation" from the China Association for Public Companies for four years in a row from 2022-2025, a "Golden Board Secretary" by New Fortune for four consecutive terms since the 18th edition, and received the "Best Board Secretary" award from New Fortune Magazine in 2025.

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

The controlling shareholder and actual controller serving concurrently as the chairman and general manager of the listed company

Applicable  N/A

The Company strictly follows the provisions of the Company Law and the Articles of Association to clearly define the boundary of authority between the Board of Directors and the General Manager. As the decision-making body, the Board of Directors is responsible for formulating the Company's development strategies and deliberating and deciding on major matters. The General Manager is responsible for implementing the resolutions of the Board of Directors, organizing and carrying out daily operations and management, and executing specific business operations and management tasks.

The controlling shareholder and actual controller serving concurrently as the Chairman and General Manager helps improve the Company's decision-making efficiency and strengthen strategic execution. With their profound understanding of the Company's industry and business, they are able to coordinate strategy formulation and operational execution, enhance overall operating efficiency, and promote the Company's long-term stable development. This arrangement is aligned with the Company's actual operational needs and does not harm the interests of the Company or its minority shareholders. The Company strictly maintains good independence of its controlling shareholders and actual controller in terms of personnel,

assets, finance, organizations, business, etc., and has had a complete business system and the ability to operate independently in the market.

Positions held in shareholder entities

√ Applicable □ N/A

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

Positions held in other companies

√ Applicable □ N/A

Name of incumbent	Name of other entity	Position in other entity	Start date of tenure	End date of tenure	Whether to receive remuneration or allowance in other entity
Li Jianquan	Glory Ray Holdings Limited	Director	April 11, 2012	Incumbent	No
Li Jianquan	Glory Ray Limited	Director	May 4, 2012	Incumbent	No
Li Jianquan	Shenzhen Purcotton Technology Co., Ltd.	Chairman, General Manager	December 7, 2009	Incumbent	No
Li Jianquan	Shenzhen Qianhai Purcotton E-Commerce Co., Ltd.	Chairman	July 21, 2015	Incumbent	No
Li Jianquan	Winner Medical Malaysia Co., Ltd.	Director	July 17, 2013	Incumbent	No
Li Jianquan	Winner Medical (Hong Kong) Limited	Director	January 14, 2008	Incumbent	No
Li Jianquan	Fanyu Innovation Holding (Shenzhen) Co., Ltd.	Supervisor	September 18, 2021	Incumbent	No
Fang Xiuyuan	Shenzhen Purcotton Technology Co., Ltd.	Director	December 7, 2009	Incumbent	No
Fang Xiuyuan	Shenzhen Qianhai Purcotton E-Commerce Co., Ltd.	Director	July 21, 2015	Incumbent	No
Fang Xiuyuan	Winner Medical (Huanggang) Co., Ltd.	Director	January 14, 2005	Incumbent	No
Fang Xiuyuan	Winner Medical (Chongyang) Co., Ltd.	Director	November 13, 2001	Incumbent	No

Name of incumbent	Name of other entity	Position in other entity	Start date of tenure	End date of tenure	Whether to receive remuneration or allowance in other entity
Fang Xiuyuan	Winner Medical (Jiayu) Co., Ltd.	Director	February 20, 2001	Incumbent	No
Fang Xiuyuan	Winner Medical (Jingmen) Co., Ltd.	Director	December 15, 1995	Incumbent	No
Fang Xiuyuan	Yichang Winner Medical Textile Co., Ltd.	Director	April 22, 1999	Incumbent	No
Fang Xiuyuan	Winner Medical (Tianmen) Co., Ltd.	Director	February 23, 2001	Incumbent	No
Fang Xiuyuan	Winner Medical (Wuhan) Co., Ltd.	Director	January 23, 2017	Incumbent	No
Fang Xiuyuan	Winner Medical (Hong Kong) Limited	Director	January 14, 2008	Incumbent	No
Fang Xiuyuan	Zhejiang Longterm Medical Technology Co., Ltd.	Chairman	May 10, 2022	Incumbent	No
Zhang Yan	Winner Guilin Latex Co., Ltd.	Executive Director	May 24, 2023	Incumbent	No
Zhang Yan	Winner (Jingzhou) Latex Products Co., Ltd.	Executive Director	July 10, 2023	Incumbent	No
Zhang Yan	Chengdu Winner Likang Medical Products Co., Ltd.	Director	November 19, 2025	Incumbent	No
Zhang Yan	Wuhan Winner Digital Technology Co., Ltd.	Executive Director	March 21, 2024	Incumbent	No
Chen Junfa	Beijing Daozecheng Investment Management Co., Ltd.	Supervisor	June 1, 2012	Incumbent	No
Chen Junfa	Shenzhen Yitao Intelligent Control Co., Ltd.	Independent Director	November 1, 2023	Incumbent	Yes
Chen Junfa	Shenzhen Pengxin Asset Appraisal, Land and Real Estate Appraisal Co., Ltd.	Director, Deputy General Manager	April 1, 2016	Incumbent	Yes
Yang Xiangliang	Huazhong University of Science and Technology	Professor	January 1, 2003	Incumbent	Yes
Yang Xiangliang	National Engineering Research Center for Nanomedicine	Director	January 1, 2009	Incumbent	No
Liao Guanlai	Zhejiang Longterm Medical Technology Co., Ltd.	Director	May 1, 2022	Incumbent	No
Liao Guanlai	Winner Medical (Hunan) Co., Ltd.	Director	July 1, 2022	Incumbent	No
Liao Guanlai	Global Resources International, Inc.	Director	September 20, 2024	Incumbent	No
Note on positions held in other entities		No			

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

Applicable  N/A

### 3. Remuneration of Directors and senior management

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

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

Remuneration of Directors and senior management during the Reporting Period

Unit: RMB0'000

Name	Gender	Age	Position	Status of service	Total pretax remuneration received from the Company	Whether to get remuneration from related parties of the Company
Li Jianquan	Male	69	Chairman and General Manager	Incumbent	368.13	No
Fang Xiuyuan	Male	58	Director, Deputy General Manager, and Chief Financial Officer	Incumbent	246.79	No
Zhang Yan	Female	42	Director	Incumbent	137.25	No
Liao Meizhen	Female	44	Director	Incumbent	427.33	No
Chen Junfa	Male	61	Independent Director	Incumbent	18.00	No
Wang Zhifang	Female	58	Independent Director	Incumbent	18.00	No
Yang Xiangliang	Male	59	Independent Director	Incumbent	18.00	No
Yan Xia	Female	50	Deputy General Manager	Incumbent	53.74	No
Liao Guanlai	Male	44	Deputy General Manager	Incumbent	350.16	No
Chen Huixuan	Female	44	Deputy General Manager and Board Secretary	Incumbent	133.76	No
Total	--	--	--	--	1,771.17	--

Note: The statistical scope of the above remuneration data is the remuneration received during the period of serving as a member of the senior management. Ms. Yan Xia began to assume senior management positions within the Company on November 12, 2025

Assessment basis for the remuneration actually received by all Directors and senior management at the end of the Reporting Period	KPI assessment, performance of duties
Assessment of the remuneration actually received by all Directors and senior management at the end of the Reporting Period.	Achieved
Deferred remuneration arrangements for the remuneration actually received by all Directors and senior management at the end of the Reporting Period.	No
Clawback and forfeiture of the remuneration actually received by all Directors and senior management at the end of the Reporting Period.	No

Other information

Applicable  N/A

## VII. Directors' Performance of Duties during the Reporting Period

### 1. Directors' attendance at Board Meetings and Shareholders' Meetings

Directors' attendance at Board Meetings and Shareholders' Meetings							
Name of Director	Number of Required Attendance at Board Meetings during the Reporting Period	Number of In-person Attendance at Board Meetings	Number of Remote Attendance at Board Meetings	Number of Proxy Attendance at Board Meetings	Number of Absence from Board Meetings	Whether Non-In-Person Attendance at Two Consecutive Board Meetings	Number of Attendance at Shareholders' Meetings
Li Jianquan	4	4	0	0	0	No	2
Fang Xiuyuan	4	4	0	0	0	No	2
Zhang Yan	4	4	0	0	0	No	2
Liao Meizhen	4	4	0	0	0	No	2
Chen Junfa	4	4	0	0	0	No	2
Wang Zhifang	4	4	0	0	0	No	2
Yang Xiangliang	4	4	0	0	0	No	2

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

No

### 2. Objections raised by Directors on relevant matters

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

Yes  No

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

### 3. Other notes on Directors' performance of their duties

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

Yes  No

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

During the Reporting Period, the Company's Directors, in strict accordance with the Company Law, the Securities Law, other relevant laws and regulations, and the Articles of Association, faithfully and diligently performed their duties, actively attended relevant meetings on time, and conscientiously reviewed proposals. Independent Directors maintained communication with other Directors, senior management, and relevant personnel through telephone calls, emails, and on-site visits. They actively learned about the Company's production and operation status and financial situation, and put

forward proactive suggestions on the Company's development strategy and improvement of corporate governance. They also expressed their opinions and suggestions on the Company's periodic reports, selection of accounting firms, and profit distribution, effectively ensuring the fairness and objectivity of the Board's decisions. The Directors have performed their duties diligently and conscientiously, striving to safeguard the overall interests of the Company and the legitimate rights and interests of the small and medium-sized shareholders, and have played a positive role in the standardized operation and healthy development of the Company.

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

Name of Committee	Member	Number of Meeting	Date of Meeting	Agenda	Important Opinions and Suggestions	Performance of Other Duties	Details of Objection (if any)
Audit Committee of the Fourth Session of the Board of Directors	Chen Junfa, Wang Zhifang, Zhang Yan	4	January 10, 2025	Considered the Internal Audit Work Report for Q4, the Internal Audit Work Plan for Q1 and other matters	Required the internal audit department to strengthen the audit of newly acquired companies.	Reviewed the Company's financial data and related written reports.	N/A
Audit Committee of the Fourth Session of the Board of Directors	Chen Junfa, Wang Zhifang, Zhang Yan		April 23, 2025	Considered the Self-Assessment Report on Internal Control, the Q1 Internal Audit Work Report, the Q2 Internal Audit Work Plan, the Audit Committee's Evaluation of the Performance of Accounting Firms in 2024 and the Fulfillment of Supervision Duties, and the 2024 Annual Report and its Summary, and other matters	The internal audit work of the audit department shall fully reflect the requirements of rules and regulations.	Had a thorough discussion with the Company's annual audit accountant, internal audit department, and finance department on matters related to annual report.	N/A
Audit Committee of the Fourth Session of the Board of Directors	Chen Junfa, Wang Zhifang, Zhang Yan		August 19, 2025	Considered the Internal Audit Work Report for Q2, the Internal Audit Work Plan for Q3, and the 2025 Interim Report and other matters	When the audit department audits the Company's regular financial and accounting reports, it is recommended that key audit matters and matters of concern to investors be prioritized as key audit areas.	Submitted written opinions on each of the related proposals under consideration, standardized the content of internal audit work plan and work report.	N/A
Audit Committee of the Fourth Session of the Board of Directors	Chen Junfa, Wang Zhifang, Zhang Yan		October 23, 2025	Considered the Internal Audit Work Report for Q3, the Internal Audit Work Plan for Q4, and the Report for Q3 of 2025 and other matters	Proposed relevant suggestions for the internal control of the merged subsidiaries	Provided suggestions and opinions on internal audit work	N/A

Name of Committee	Member	Number of Meeting	Date of Meeting	Agenda	Important Opinions and Suggestions	Performance of Other Duties	Details of Objection (if any)
Remuneration and Appraisal Committee of the Fourth Session of the Board of Directors	Wang Zhifang, Chen Junfa, Fang Xiuyuan	3	April 23, 2025	Considered matters relating to the remuneration of non-independent Directors and senior management for 2024 and the remuneration plan for 2025.	Ensured that the remuneration levels of non-independent Directors and senior management were in line with the Company's operating performance and the requirements of internal rules and regulations.	Reviewed related written reports.	N/A
Remuneration and Appraisal Committee of the Fourth Session of the Board of Directors	Wang Zhifang, Chen Junfa, Fang Xiuyuan		October 13, 2025	Considered the matter relating to the achievement of unlocking conditions for the second lock-up period of the Company's First Employee Stock Ownership Plan.	Ensured that the implementation of the employee stock ownership plan complied with the requirements of applicable laws and regulations.	Reviewed related written reports	N/A
Remuneration and Appraisal Committee of the Fourth Session of the Board of Directors	Wang Zhifang, Chen Junfa, Fang Xiuyuan		November 10, 2025	Considered the matter relating to the grant of reserved restricted shares to target participants of the 2024 Restricted Stock Incentive Plan.	Ensured that the implementation of the equity incentive plan complied with the requirements of applicable laws and regulations.	Reviewed related written reports	N/A
Strategy and Social Responsibility Committee of the Fourth Session of the Board of Directors	Li Jianquan, Fang Xiuyuan, Zhang Yan, Liao Meizhen, Yang Xiangliang	2	April 23, 2025	Considered the Matters related to the 2024 Social, Environmental, and Governance Report	Elevated sustainable development to the level of corporate strategy.	Actively monitored the fulfillment of social responsibility and the progress in the preparation of relevant reports	N/A
Strategy and Social Responsibility Committee of the Fourth Session of the Board of Directors	Li Jianquan, Fang Xiuyuan, Zhang Yan, Liao Meizhen, Yang Xiangliang		November 10, 2025	Considered the matter relating to the investment in and construction of a production and sales base for spunlace non-woven fabric series products.	Implemented effective risk controls to ensure that projects achieved their expected return targets.	Conducted thorough understanding and discussion of the background and content of the projects.	N/A
Nomination Committee of the Fourth Session of the Board of Directors	Li Jianquan, Yang Xiangliang, Wang Zhifang	1	November 10, 2025	Considered the matters relating to the formulation of the Board Diversity Policy and the appointment of senior management of the Company.	Expressed recognition of the formulation of the policies, and extended a warm welcome to the newly appointed senior management.	Carefully reviewed the content of the policies, as well as the background and selection process of the proposed senior management.	N/A

## IX. Performance of Duties of the Audit Committee

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

Yes  No

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

## X. Details of Employees

### 1. Number, professional composition and educational background of employees

Number of employees at the parent company at the end of the Reporting Period (person)	1,056
Number of employees at major subsidiaries at the end of the Reporting Period (person)	14,799
Total number of employees at the end of the Reporting Period (person)	15,855
Total number of employees receiving compensation during the period (person)	15,855
Number of retired employees for whom the parent company and major subsidiaries bear expenses (person)	504
Professional composition	
Types of profession	Number of professionals (person)
Production staff	8,508
Sales staff	3,895
Technical staff	1,323
Finance staff	198
Administrative staff	1,931
Total	15,855
Education	
Degree of education	Number
Master's degree and above	341
Bachelor's degree	2,391
Below bachelor's degree	13,123
Total	15,855

### 2. Remuneration policy

In order to fully back the Company's strategy and business development and continuously stimulate employees' initiative, breakthrough, and value creation to drive ongoing performance growth, the Company has further optimized its remuneration incentive system as follows:

#### 1) Continuous Optimization of Remuneration Structure to Strengthen Incentive Orientation

In 2025, the "fixed salary + bonus + long-term incentive" remuneration model will continue to be followed. Fixed salary will gradually align with the market to ensure basic competitiveness. Bonuses will be allocated on a differentiated basis according to performance contribution, emphasizing value orientation — the greater the contribution, the higher the income. Long-term incentive is deeply linked to the Company's long-term performance and an individual's sustained contribution, enhancing the sense of responsibility and mission of core employees.

#### 2) Differentiated Design of Variable Remuneration to Encourage High Goals and High Growth

Variable remuneration will be allocated based on both existing and incremental performance dimensions, with greater incentives for exceeding performance targets and achieving high growth, enabling profit-sharing. The remuneration incentive is fully aligned with both short-term breakthroughs and long-term success, encouraging high goals, high efficiency, and high-

quality development, fostering a culture of ambition and success among teams.

### 3) Introduction of Performance Bonus Sharing System to Enhance Shared Responsibility of Management Team

For all employees, a performance bonus sharing system will be introduced on top of the existing remuneration incentives. In particular, the remuneration of the management team will be directly linked to the Company's overall performance and achievement of strategic goals. This further reinforces the sense of responsibility and long-term value orientation of the senior management team, deeply aligning management's interests with the Company's to jointly sustain growth.

### 4) Establishment of an Integrated Closed-Loop Performance Management System to Facilitate Strategy Execution

The "strategy-organization-individual" three-tier performance linkage mechanism has been strengthened. Annual company-level strategic planning will be conducted, through which organizational performance will be decoded. Individual performance will be closely aligned with and derived from key indicators of organizational performance, forming a closed-loop management system marked by vertical alignment, horizontal coherence, and shared responsibility. Performance results will be directly linked to annual bonus distribution, ensuring precise and effective incentives.

### 5) Improvement of the Welfare and Benefits System to Enhance Employee Belonging

On top of the statutory basic insurance, supplementary commercial insurance, such as personal accident insurance and supplementary medical insurance, will be provided to enhance employees' sense of security. Furthermore, the welfare and benefits system will be systematically improved, covering multiple levels of needs from basic support (such as transportation subsidy, communication subsidy, and meal allowance) to emotional recognition (such as team-building activities and anniversary gifts), continuously enhancing employees' sense of well-being, fulfillment, and belonging.

## 3. Training plan

In order to continuously implement the Company's "Four-High" Talent Philosophy of "High Personal Quality; High Academic Qualifications; High Performance; High Reward", the Company focused on optimizing talent structure, strengthening talent pipeline development, and increasing talent density as its core objectives in 2025. A systematic training and development system covering all employees will be advanced through tiered, leveled empowerment to enhance organizational capabilities and facilitate strategy execution.

1) Tiered, Leveled Empowerment to Build High-Quality Leadership and Professional Teams. For one thing, the Company continued to deepen the "Winning Leadership Initiative" leadership development program, focusing on strategic decoding (SP/BP), business operations, and management practices, aiming to build a "high-quality, sustainable" leadership team. For another thing, the Company systematically carried out the "Departmental Professional Training Plan" and company-wide thematic empowerment initiatives to address competency gaps based on job qualification requirements across different departments and functions.

2) Talent Pipeline Development to Strengthen the Cultivation and Integration of Emerging Talent. The "Spring Sprout" program for fresh graduates adopts an integrated development approach combining "training, practice, integration, and assessment." Thanks to various methods such as mentoring, rotational assignments, and cultural immersion, the program systematically supported new graduates in transitioning from campus to the workplace. A dedicated performance review and promotion mechanism for program participants created a closed-loop "cultivation-development-retention" system, continuously enhancing their cultural identification, professional capabilities, and performance contribution. Beyond that, for experienced new hires, the Company has established an integrated onboarding program combining online and offline elements, covering company introduction, cultural values, product knowledge, and professional conduct. This accelerated new employees' integration into teams and business understanding, equipping them to quickly assume responsibilities and create value.

3) The Company integrated internal and external training resources through a three-dimensional curriculum system covering “management, specialized, and general training” across all professional fields. Guided by the annual strategy and job qualification requirements for key positions, the Company continuously iterated curriculum content, expanded its faculty, and integrated online and offline learning models. This has created a dynamic and interactive learning ecosystem, providing sustained momentum for talent development and organizational growth. Going forward, the Company will double its efforts to deepen innovation in talent development mechanisms, strengthen the full-cycle “selection, cultivation, utilization, and retention” management, and build a solid talent foundation for business development and strategic realization.

4) To enhance lean production knowledge of frontline employees and improve specialized capabilities and efficiency in manufacturing, manufacturing subsidiaries have launched a series of lean production training programs. Based on real-world frontline scenarios, a systematic curriculum-based empowerment has been implemented, establishing a development path of “knowledge enhancement – practical training – mindset reshaping.” The program uses learning participation, test scores, and practical application (improvement proposals, improvement weeks, on-site improvements) as evaluation criteria. This has effectively strengthened frontline employees’ lean mindset and stimulated their intrinsic motivation to drive improvement initiatives together with their colleagues.

#### 4. Labor outsourcing

Applicable N/A

## XI. Profit Distribution and Share Capital Increase from Capital Surplus

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

Applicable N/A

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

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

The Company’s profit distribution plan and the proposal on share capital increase from capital surplus for the Reporting

Period are consistent with the relevant provisions of the Articles of Association and dividend management measures

Yes  No  N/A

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

Profit distribution and share capital increase from capital surplus in current year (excluding the interim dividend for the year 2025)

Number of bonus share to be distributed per 10 shares held (shares)	0
Amount of dividend to be distributed per 10 shares held (RMB) (tax inclusive)	3.0
Number of shares to be converted from capital surplus per 10 shares held (shares)	0
Base of share capital for the distribution plan (shares)	582,329,808
Amount of cash dividend (RMB) (tax inclusive)	174,698,942.40
Amount of cash dividend in other forms (e.g. share repurchase) (RMB)	0.00
Total amount of cash dividend (including in other forms) (RMB)	174,698,942.40
Profit available for distribution (RMB)	4,744,962,352.64
Percentage of total amount of cash dividend (including in other forms) in the total amount of profit distributed	100.00%

#### Current Cash Dividend

Other

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

The Company's profit distribution plan for 2025 is as follows: based on the current total share capital of 582,329,808 shares, a cash dividend of RMB3.0 (tax inclusive) will be distributed for every 10 shares held by shareholders, totaling RMB174,698,942.40 (tax inclusive) to be distributed. No share capital increase from capital surplus, and no distribution of bonus shares. The remaining undistributed profit will be carried forward to the next year. If the total number of shares entitled to profit distribution changes between the disclosure and implementation of this profit distribution plan, the Company will adjust the distribution accordingly, maintaining the cash dividend payout ratio while adjusting the total cash dividend amount.

The Company's total cash dividend for 2025 amounted to RMB436,747,356.00 (tax inclusive), accounting for 56.87% of the net profit attributable to ordinary shareholders of the listed company for the year 2025, which includes (1) cash dividend of RMB262,048,413.60 (tax inclusive) under the 2025 interim profit distribution plan (already implemented); (2) proposed cash dividend of RMB174,698,942.40 (tax inclusive) in the 2025 profit distribution plan, subject to approval by the shareholders' meeting.

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

Applicable  N/A

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

√ Applicable □ N/A

### 1. Equity incentive

#### (I) 2024 Restricted Share Incentive Plan

The Company held the fourth meeting of the fourth session of the Board of Directors, and Board of Supervisors on October 25, 2024, and the fourth extraordinary general meeting of 2024 on November 13, 2024. These meetings considered and approved the Proposal on the 2024 Restricted Share Incentive Plan (Draft) and its Summary, and other matters. The general meeting authorized the Board of Directors to determine the grant date of the restricted shares, grant the restricted shares to target participants upon their fulfillment of eligibility requirements, and handle all necessary procedures related to the grant.

The Company held the fifth meeting of the fourth session of the Board of Directors, and the fifth meeting of the fourth session of the Supervisory Committee on November 15, 2024, considered and approved the Proposal on the First Grant of Restricted Shares to Target Participants of the 2024 Restricted Share Incentive Plan and agreed to grant 6,976,300 restricted shares to 308 target participants who met the conditions.

The Company held the seventh meeting of the fourth session of the Board of Directors and the seventh meeting of the fourth session of the Supervisory Committee on August 20, 2025, and considered and approved the Proposal on Adjusting the Grant Price of the 2024 Restricted Share Incentive Plan. The Company adjusted the grant price of the Incentive Plan due to the implementation of the distribution of stock dividends. Following the adjustment, the grant price of both the initial and reserved restricted shares was adjusted from RMB15.39 per share to RMB14.69 per share.

The Company held the ninth meeting of the fourth session of the Board of Directors on November 12, 2025, and considered and approved the Proposal on the Grant of Reserved Restricted Shares to Target Participants of the 2024 Restricted Share Incentive Plan, and agreed to grant 500,000 reserved restricted shares to 13 target participants who met the grant conditions.

Equity incentive granted to Directors and senior management

√ Applicable □ N/A

Unit: Share

Name	Position	Number of stock options held at the beginning of the year	Number of new stock options granted during the Reporting Period	Number of exercisable shares during the Reporting Period	Number of exercised shares during the Reporting Period	Exercise price of shares exercised during the Reporting Period (RMB/share)	Number of stock options held at the end of the Period	Market price at the end of the Reporting Period (RMB/share)	Number of restricted shares held at the beginning of the Period	Number of shares unlocked in current period	Number of new restricted shares granted during the Reporting Period	Grant price of restricted shares (RMB/share)	Number of restricted shares held at the end of the Period
Fang Xiuyuan	Director, Deputy General Manager and Chief Financial Officer	0	0	0	0		0		80,000	0	0	14.69	80,000
Zhang Yan	Director	0	0	0	0		0		50,000	0	0	14.69	50,000
Liao Meizhen	Director	0	0	0	0		0		100,000	0	0	14.69	100,000
Yan Xia	Deputy General Manager	0	0	0	0		0		0	0	80,000	14.69	80,000
Liao Guanlai	Deputy General Manager	0	0	0	0		0		100,000	0	0	14.69	100,000
Chen Huixuan	Deputy General Manager and Board Secretary	0	0	0	0		0		40,000	0	0	14.69	40,000
Total	--	0	0	0	0	--	0	--	370,000	0	80,000	--	450,000

## Evaluation mechanism and incentive for senior management

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

## 2. Implementation of employee stock ownership plan

Applicable  N/A

All effective employee stock ownership plans implemented during the Reporting Period

Scope of Employee	Number of Employee	Total Shares Held (shares)	Change	Percentage of Total Share Capital of Listed Company	Sources of Funds for Implementing the Plan
Core employees at director level (inclusive) or above	12	353,500	No	0.06%	Incentive funds raised by employees and provided by the Company

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

Name	Position	Number of shares held at the beginning of the Reporting Period (shares)	Number of shares held at the end of the Reporting Period (shares)	Percentage of Total Share Capital of Listed Company
Liao Meizhen	Director	70,000	70,000	0.01%
Liao Guanlai	Deputy General Manager			

Changes in asset management institutions during the Reporting Period

Applicable  N/A

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

Applicable  N/A

Exercise of shareholders' rights during the Reporting Period

During the Reporting Period, the Company's employee stock ownership plan exercised shareholder rights to participate in the 2024 profit distribution and the 2025 interim profit distribution, but did not participate in the voting at the shareholders' meetings or exercise other shareholder rights.

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

Applicable  N/A

As of the end of the Reporting Period, two participants in the employee stock ownership plan had left the Company. Any remaining underlying shares not yet distributed or vested, together with their corresponding dividends (if any), shall be disposed of by the management committee of the employee stock ownership plan in accordance with the relevant provisions of the Company's First Employee Stock Ownership Plan (Draft).

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

Applicable N/A

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

Applicable N/A

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

Termination of employee stock ownership plan during the Reporting Period

Applicable N/A

Other explanation:

N/A

### 3. Other employee incentive measures

Applicable N/A

## XIII. Establishment and Implementation of an Internal Control System during the Reporting Period

### 1. Establishment and implementation of an internal control system

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

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

Yes  No

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

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

Anomalies in the management and control over subsidiaries.

Yes  No

## XV. Internal Control Evaluation Report and Internal Control Audit Report

### 1. Internal control evaluation report

Disclosure date of full text of internal control evaluation report	April 22, 2026
Disclosure index of full text of internal control evaluation report	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Proportion of total assets of entities included in the evaluation scope to the total assets of the Company's consolidated financial statements	100.00%
Proportion of operating revenue of entities included in the evaluation scope to the operating revenue of the Company's consolidated financial statements	100.00%

Deficiency Identification Criteria

Category	Financial Reporting	Non-Financial Reporting
Qualitative standards	<p>Material Weakness: 1) Ineffective control environment; 2) Fraud by the Company's Directors or senior management causing significant loss or adverse impact to the Company; 3) Material misstatements identified by the registered accountant in the current financial report that were not detected by the internal control system; 4) Ineffective supervision of internal control by the Company's audit committee and internal audit department.</p> <p>Significant Deficiency: 1) Failure to select and apply accounting policies in accordance with generally accepted accounting principles; 2) Failure to establish anti-fraud procedures and control measures; 3) Lack of established control mechanisms or implementation of controls, without compensatory controls, for non-routine or special transactions; 4) One or more deficiencies in the controls over the period-end financial reporting process that cannot reasonably ensure the accuracy and truthfulness of the prepared financial statements.</p> <p>Control Deficiency: Other internal control deficiencies that do not constitute material weaknesses or significant deficiencies.</p>	<p>Material Weakness: Lack of democratic decision-making procedures; Decision-making procedures leading to major mistakes; Lack of institutional control or systematic failure in important business operations, and lack of effective compensatory controls; Serious loss of middle and senior management and senior technical personnel; Failure to rectify internal control evaluation results, especially material weaknesses; Other circumstances with a significant negative impact on the company.</p> <p>Significant Deficiency: Democratic decision-making procedures exist but are not perfect; Decision-making procedures lead to general errors; Deficiencies in important business systems or institutions; Serious loss of key personnel; Failure to rectify internal control evaluation results, especially significant deficiencies; Other circumstances that have a relatively large negative impact on the company.</p> <p>Control Deficiency: Inefficient decision-making procedures; Deficiencies in general business systems or institutions; Loss of general staff; Failure to rectify control deficiencies.</p>
Quantitative standards	<p>Material Weakness: 1. Potential misstatement of operating revenue <math>\geq 2\%</math> of the total operating revenue in the consolidated financial statements; 2. Potential misstatement of total profit <math>\geq 5\%</math> of the total profit in the consolidated financial statements; 3. Potential misstatement of total assets <math>\geq 2\%</math> of the total assets in the consolidated financial statements.</p> <p>Significant Deficiency: 1. 1% of consolidated financial statement operating revenue <math>\leq</math> Potential misstatement of operating revenue <math>&lt; 2\%</math> of consolidated financial statement operating revenue; 2. 2% of consolidated financial statement total profit <math>\leq</math> Potential misstatement of total profit <math>&lt; 5\%</math> of consolidated financial statement total profit; 3. 1% of consolidated financial statement total assets <math>\leq</math> Potential misstatement of total assets <math>&lt; 2\%</math> of consolidated financial statement total assets.</p> <p>Control Deficiency: 1. Potential misstatement of operating revenue <math>&lt; 1\%</math> of the total operating revenue in the consolidated financial statements; 2. Potential misstatement of total profit <math>&lt; 2\%</math> of the total profit in the consolidated financial statements; 3. Potential misstatement of total assets <math>&lt; 1\%</math> of the total assets in the consolidated financial statements. When the potential misstatement caused by an internal control deficiency affects multiple indexes, the nature of the defect shall be determined according to the principle of which is lower.</p>	<p>Material Weakness: Amount of loss 5% of the total audited profit of the previous year.</p> <p>Significant Deficiency: Amount of loss 2% (inclusive) and <math>&lt; 5\%</math> of the total audited profit of the previous year.</p> <p>General Deficiency: Amount of loss <math>&lt; 2\%</math> of the total audited profit of the previous year.</p>
	Number of material weaknesses in financial reporting (Number)	0
	Number of material weaknesses in non-financial reporting (Number)	0
	Number of significant deficiencies in financial reporting (Number)	0
	Number of significant deficiencies in non-financial reporting (Number)	0

## 2. Internal control audit report

Applicable  N/A

### Opinion paragraph on internal control audit report

Ernst & Young Hua Ming LLP has issued an opinion on the effectiveness of the Company's internal control, concluding that the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations.

Disclosure of internal control audit report	Disclosed
Disclosure date of full text of internal control audit report	April 22, 2026
Disclosure index of full text of internal control audit report	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Internal control audit opinion type	Standard Unqualified Opinion
Existence of material weakness in non-financial reporting	No

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

Yes  No

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

Yes  No

Was a non-standard internal control audit opinion issued during the Reporting Period or the previous year

Yes  No

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

N/A

## XVII. Environmental Information Disclosure

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

Yes  No

Number of enterprises included in the list of enterprises required to disclose environmental information according to law

7

No.	Name of enterprise	Search index for environmental information disclosure report according to law
1	Winner Medical (Tianmen) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=d059f64e-54be-4ee3-a8d0-37f0bdd3e1ce&amp;XH=1677750544908009244672&amp;year=2025">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=d059f64e-54be-4ee3-a8d0-37f0bdd3e1ce&amp;XH=1677750544908009244672&amp;year=2025</a>
2	Winner Medical (Huanggang) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=41aa2d89-4666-4624-bb27-4e470b9826c8&amp;XH=1677749938692009244672&amp;year=2025">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=41aa2d89-4666-4624-bb27-4e470b9826c8&amp;XH=1677749938692009244672&amp;year=2025</a>
3	Winner Medical (Jingmen) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=9ff469e8-7109-4ec8-9af8-2a4d8ef5eecb&amp;XH=1677750239445009244672&amp;year=2025">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=9ff469e8-7109-4ec8-9af8-2a4d8ef5eecb&amp;XH=1677750239445009244672&amp;year=2025</a>
4	Winner Medical (Wuhan) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=5bf65297-4e71-459c-96d0-423379ee7254&amp;XH=1677751227336009244672&amp;year=2025">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=5bf65297-4e71-459c-96d0-423379ee7254&amp;XH=1677751227336009244672&amp;year=2025</a>
5	Winner Medical (Jiayu) Co., Ltd. (New Plant)	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=9c5c76f6-825e-4f81-bae0-211263e0ea02&amp;XH=1744247503922026976256&amp;year=2025">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=9c5c76f6-825e-4f81-bae0-211263e0ea02&amp;XH=1744247503922026976256&amp;year=2025</a>
6	Winner Medical (Chongyang) Co., Ltd.	<a href="http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=00266d7c-f87f-4cbf-b9ee-c5174377533d&amp;XH=1677751425806009244672&amp;year=2025">http://219.140.164.18:8007/hbyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=00266d7c-f87f-4cbf-b9ee-c5174377533d&amp;XH=1677751425806009244672&amp;year=2025</a>
7	Winner Medical (Hunan) Co., Ltd.(former name: Hunan Pingan Medical Device Technology Co., Ltd.)	<a href="https://yfpl.sthjt.hunan.gov.cn:8181/hnyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=6b11b5b4-9959-4b89-9aca-40b3578810bf&amp;XH=1745995454400084000768&amp;year=2025&amp;reportType=1">https://yfpl.sthjt.hunan.gov.cn:8181/hnyfpl/frontal/index.html#/home/enterpriseInfo?XTXH=6b11b5b4-9959-4b89-9aca-40b3578810bf&amp;XH=1745995454400084000768&amp;year=2025&amp;reportType=1</a>

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

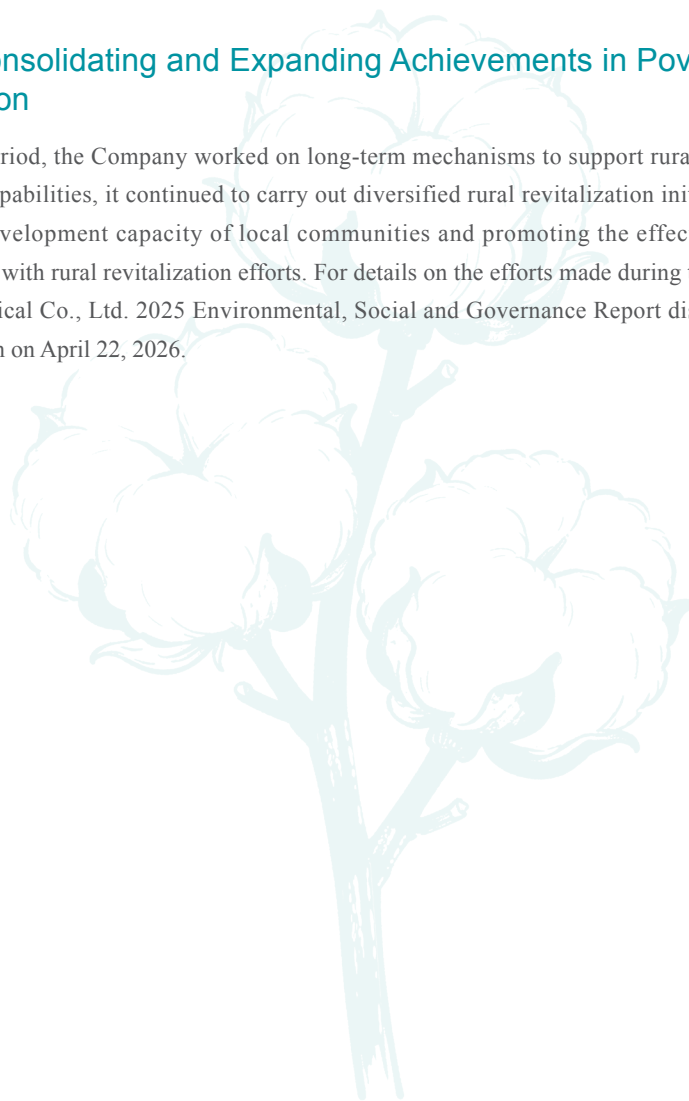
No

### XVIII. Social Responsibility

Guided by its founding aspiration of “Social Value over Corporate Value”, the Company has always attached great importance to social responsibilities while continuously improving its operating performance. These responsibilities include, among others, the protection of the rights and interests of shareholders and creditors, the protection of the rights and interests of employees, the protection of the rights and interests of suppliers, customers and consumers, environmental protection and sustainable development, public relations, and social welfare. For details on the fulfillment of social responsibilities during the Reporting Period, please refer to the Winner Medical Co., Ltd. 2025 Environmental, Social and Governance Report disclosed by the Company on <http://www.cninfo.com.cn> on April 22, 2026.

### XIX. Efforts in Consolidating and Expanding Achievements in Poverty Alleviation and Rural Revitalization

During the Reporting Period, the Company worked on long-term mechanisms to support rural revitalization. Leveraging its own resources and capabilities, it continued to carry out diversified rural revitalization initiatives, enhancing the self-sustaining economic development capacity of local communities and promoting the effective integration of poverty alleviation achievements with rural revitalization efforts. For details on the efforts made during the Reporting Period, please refer to the Winner Medical Co., Ltd. 2025 Environmental, Social and Governance Report disclosed by the Company on <http://www.cninfo.com.cn> on April 22, 2026.



## Section V

## Important Matters



## I. Performance in Fulfilling Commitments

### 1. Commitments fulfilled within and not fulfilled by the end of the Reporting Period by the Company's actual controller, shareholders, related parties, acquirer, the Company, and other committing parties

√ Applicable □ N/A

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

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

Reason for Commitment	Committing Party	Type of Commitment	Commitment Details	Commitment Date	Commitment Duration	Fulfillment Status
Commitment made at the time of IPO or refinancing	Winner Group Limited, Li Jianquan	Commitment regarding indemnification for the demolition of real estate owned by Winner Medical (Yichang)	The land and property authorities in Winner Medical (Yichang) have issued certificates confirming that the relevant subsidiaries have not engaged in any illegal or non-compliant activities related to the two properties during the Reporting Period. Furthermore, these two properties represent a small proportion of the total area of self-owned properties held by the Company and its subsidiaries. Therefore, even in the event of a demolition order, the impact on the Company's and its subsidiaries' production and operations would not be materially adverse. To address the potential relocation risk associated with these two properties, the controlling shareholder and actual controller of the issuer have made the following commitment: "Should the government authorities require the demolition of these properties within a specified timeframe, we agree to promptly, unconditionally, and fully compensate the Company for any resulting losses".	September 17, 2020	Long-term fulfillment	In fulfillment
Commitment made at the time of IPO or refinancing	The Company, Winner Group Limited, Li Jianquan, Fang Xiuyuan, Xu Xiaodan, Liu Weiwei, Wang Ying, Chen Huixuan, Yin Wenling, Bi Qun, Zhou Xiaoxiong, Liang Wenzhao, Guo Zhenwei, Ye Yangjing	Constraints imposed for default in the IPO	If we fail to fulfill the commitments disclosed in the prospectus, we will provide a public explanation of the specific reasons for non-compliance at a general meeting and through information disclosure channels designated by the CSRC. We will also issue a public apology to all shareholders and investors. Any gains obtained as a result of the unfulfilled commitments will revert to the Company. If our failure to fulfill these commitments causes losses to the Company, its shareholders, or other investors, we will compensate them for such losses in accordance with applicable laws. Furthermore, during the period of liability for such indemnification, we will not transfer any directly or indirectly held shares of the issuer (if any). If we fail to meet such indemnification obligations, we will cease receiving any remuneration, if applicable, within 10 days of the occurrence of such event and until the relevant commitments are fulfilled. If, due to changes in laws, regulations, or policies, natural disasters, force majeure, or other objective reasons beyond our control, we are unable to fulfill, have become unable to fulfill, or cannot fulfill on schedule the aforementioned commitments, we will take the following measures: (1) promptly and fully disclose the specific reasons for our inability or failure to promptly fulfill the commitments; (2) propose supplementary or alternative commitments to the Company's investors (subject to the relevant approval procedures as required by laws, regulations, and the Articles of Association) to protect investor interests to the greatest extent possible	September 17, 2020	Long-term fulfillment	In fulfillment
Other commitments	Winner Group Limited	Share lock-up	Based on the confidence in the prospects of the Company, in order to further strengthen the support for the Company, and in a responsible attitude to the public and shareholders, Winner Group Limited voluntarily reaffirmed its commitment to extend the lock-up period of the shares held by it in the Company from September 16, 2024 to September 16, 2025. During the lock-up period, Winner Group will not transfer or entrust the management of these shares to any third party, nor will it request the Company to repurchase them. Any new shares acquired by Winner Group during this lock-up period as a result of share conversions, bonus share issuances, or rights offerings will also be subject to the same lock-up restrictions	May 20, 2024	September 16, 2025	Fulfillment completed
Was the commitment fulfilled on time				Yes		
If the commitment was not fully met within the specified timeframe, provide a detailed explanation of the reasons for such failure and outline the next steps				N/A		

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

Applicable  N/A

3. The Company's involvement in fulfilling commitments

Applicable  N/A

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

Applicable  N/A

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

## III. Illegal External Guarantee

Applicable  N/A

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

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

Applicable  N/A

## V. Explanation by the Board of Directors, the Audit Committee, and the Independent Directors (if any) on the "Non-Standard Audit Report" Issued by the Accounting Firm for the Reporting Period

Applicable  N/A

## VI. Explanation by the Board of Directors Regarding Changes in Accounting Policies, Accounting Estimates, or Corrections of Significant Accounting Errors During the Reporting Period

Applicable  N/A

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

Applicable  N/A

Please refer to "Section VIII: Financial Report" for details.

### VIII. Appointment of and Dismissal of Accounting Firms

Accounting firm appointed currently

Name of domestic accounting firm	Ernst & Young Hua Ming LLP
Remuneration of domestic accounting firm (RMB0'000)	460
Continuous years of audit services by domestic accounting firm	2
Name of certified public accountant of domestic accounting firm	Liao Wenjia, Chen Huijin
Continuous years of audit services by certified public accountant of domestic accounting firm	2

Has the accounting firm been changed

Yes  No

Engagement of internal control auditor, financial advisor or sponsor

Applicable  N/A

During the Reporting Period, the Company engaged Ernst & Young Hua Ming LLP to conduct an internal control audit. The total fee for these services was RMB700,000 (included in the RMB4.6 million stated in the table above)

### IX. Delisting Risk After Disclosure of the Annual Report

Applicable  N/A

### X. Matters Related to Bankruptcy Reorganization

Applicable  N/A

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

### XI. Major Litigation and Arbitration Matters

Applicable  N/A

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

### XII. Punishment and Rectification

Applicable  N/A

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

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

Applicable  N/A

## XIV. Major Related-party Transactions

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

Applicable  N/A

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

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

Applicable  N/A

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

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

Applicable  N/A

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

### 4. Related-party receivables and payables

Applicable  N/A

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

### 5. Transactions with related finance companies

Applicable  N/A

There was no deposit, loan, credit granting, or other financial business among the Company, finance companies with a related-party relationship and related parties.

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

Applicable  N/A

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

### 7. Other major related-party transactions

Applicable  N/A

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

## XV. Major Contracts and Their Performance

### 1. Trusteeship, contracting and lease

#### (1) Trusteeship

Applicable  N/A

The Company had no trusteeship during the Reporting Period.

#### (2) Contracting

Applicable  N/A

The Company had no contracting during the Reporting Period.

#### (3) Lease

Applicable  N/A

The Company had no lease during the Reporting Period.

### 2. Major guarantee

Applicable  N/A

The Company had no major guarantee during the Reporting Period.

### 3. Details of entrusting others for cash asset management

#### (1) Entrusted wealth management

Applicable  N/A

Overview of entrusted wealth management during the Reporting Period

Unit: RMB0'000

Product type	Risk characteristics	Balance of entrusted wealth management during the Reporting Period	Overdue amount not recovered
Bank wealth management products	Principal guaranteed and floating income, non-principal guaranteed and floating income	180,203.87	0
Trust wealth management products	Non-principal guaranteed and floating income	100,000	0

Details regarding the Company's engagement of financial institutions as a single client to conduct asset management or invest in high-risk wealth management products with lower safety and poorer liquidity

Applicable  N/A

#### (2) Entrusted loan

Applicable  N/A

The Company had no entrusted loan during the Reporting Period.

#### 4. Other major contracts

Applicable  N/A

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

#### XVI. Use of Raised Funds

Applicable  N/A

The Company had no use of raised funds during the reporting period.

#### XVII. Explanation on Other Significant Events

Applicable  N/A

In July 2023, the Company entered into a relocation compensation and resettlement agreement with Shenzhen Xingda Real Estate Development Co., Ltd. for the urban renewal involving the land and above-ground buildings in the Winner Industrial Park in Longhua District, Shenzhen, which the Company holds. Due to the significant changes in the real estate market, the project was put on hold in January 2024. To smoothly advance the project, shorten the land idle time, and reduce uncertainties in the construction process, and in light of the market conditions for relocation compensation for urban renewal, the Company conducted multiple rounds of negotiations with its partner, and signed a supplementary agreement in August 2024. According to the supplementary agreement, the area of office space and commercial space obtained by the Company remains unchanged, while the area of residential space and the amount of compensation obtained by the Company will be linked to the actual average transaction price of the residential units obtained by Xingda Company. Given the significant volatility in the real estate market, there is uncertainty regarding the area of residential space and the amount of compensation the Company will obtain. For further details, please refer to the Company's "Announcement Regarding the Proposed Signing of Supplementary Agreements on Relocation Compensation and Resettlement for the Urban Renewal Unit of Winner Industrial Park" disclosed on July 27, 2024 on [www.cninfo.com.cn](http://www.cninfo.com.cn).

Currently, the Company and Xingda Company have signed a Land Acquisition Agreement with the relevant local government authorities. Xingda Company is currently applying for handling the procedures related to the transfer of land use rights through a contractual agreement in order to obtain a contract for the transfer of state-owned construction land use rights. Moving forward, Xingda Company will proceed with land development and construction in accordance with the relevant government procedures. However, due to the long implementation period of this project and the influence of factors such as adjustments in urban renewal regulations and policies, changes in urban planning, the partner's ability to perform its obligations, market conditions, prices, and force majeure, the Company will actively promote the project, strengthen communication and process control, and strive to reduce uncertainties in the execution process.

### XVIII. Significant Events of Subsidiaries

√ Applicable □ N/A

To further promote the implementation of the “Purcotton” strategy, optimize the supply chain layout and safety assurance system for all-cotton products, and build core competitiveness through controllable costs, supply chains, and technology across the industrial chain, Shenzhen Purcotton Technology Co., Ltd., a wholly-owned subsidiary of the Company, plans to invest in the construction of a production base for a series of all-cotton spunlace nonwoven fabric products, in accordance with the Company’s strategic and medium- to long-term development plans. This project will focus on the large-scale, high-quality production of all-cotton spunlace nonwoven fabrics. By introducing state-of-the-art production lines and establishing an intelligent production management system, we will effectively ensure the stability and security of the supply chain, further expand our portfolio of all-cotton products, and enhance our brand competitiveness in the all-cotton consumer goods sector. On November 12, 2025, the Company convened the ninth meeting of its fourth Board of Directors, at which the “Proposal on the Investment and Construction of a Production Base for All-cotton Spunlace Nonwoven Fabric Products” was reviewed and approved. For further details, please refer to the Company’s “Announcement on the Investment and Construction of a Production Base for All-cotton Spunlace Nonwoven Fabric Products” disclosed on November 12, 2025 on [www.cninfo.com.cn](http://www.cninfo.com.cn).



# Section VI Changes in Shares and Information on Shareholders



winner 稳健医疗

0.3mm吸液防水  
水胶体敷料

5片  
灭菌

薄型 吸收创面渗出液

10cmx10cmx0.3mm

- 自粘性水胶体配方
- 阻止细菌透过

## I. Changes in Shares

### 1. Changes in shares

Unit: share

	Before this change		Increase/decrease (+, -)					After this change	
	Number	Proportion	New issue of shares	Bonus issuance	Share conversion from capital reserves	Others	Subtotal	Number	Proportion
I. Shares with selling restrictions	406,824,127	69.86%	0	0	0	-404,185,301	-404,185,301	2,638,826	0.45%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned legal persons	0	0.00%	0	0	0	0	0	0	0.00%
3. Other shares held by domestic individuals and legal persons	209,740	0.04%	0	0	0	2,429,086	2,429,086	2,638,826	0.45%
Including: shares held by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	209,740	0.04%	0	0	0	2,429,086	2,429,086	2,638,826	0.45%
4. Shares held by overseas individuals and legal persons	406,614,387	69.83%	0	0	0	-406,614,387	-406,614,387	0	0.00%
Including: shares held by overseas legal persons	406,614,387	69.83%	0	0	0	-406,614,387	-406,614,387	0	0.00%
Shares held by overseas natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares without selling restrictions	175,505,681	30.14%	0	0	0	404,185,301	404,185,301	579,690,982	99.55%
1. RMB ordinary shares	175,505,681	30.14%	0	0	0	404,185,301	404,185,301	579,690,982	99.55%
2. Domestically listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	582,329,808	100.00%	0	0	0	0	0	582,329,808	100.00%

#### Reasons for changes in shares

√ Applicable □ N/A

1. Prior to the initial public offering, the controlling shareholder, Winner Group Limited, had 406,614,387 outstanding shares, representing 69.83% of the Company's total issued share capital. The shares subject to this lifting of the lock-up became tradable on September 17, 2025.

2. Between September 8, 2025 and September 23, 2025, certain directors, senior management, and former supervisors of the Company acquired, through block trades, shares of the Company that they had indirectly held via the pre-IPO employee stock ownership platform.

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

Approval on changes in shares

Applicable  N/A

Transfer due to changes in shares

Applicable  N/A

The impact of changes in shares on financial indicators, such as basic earnings per share, diluted earnings per share, and net assets

per share attributable to ordinary shareholders of the Company for the latest year and the latest period

Applicable  N/A

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

Applicable  N/A

## 2. Changes in restricted shares

Applicable  N/A

Unit: share

Name of shareholder	Opening number of restricted shares	Increased number of restricted shares in current period	Number of restricted shares released in current period	Closing number of restricted shares	Reason for restriction	Restriction release date
Zhang Tingting	0	61,905	0	61,905	Locked shares held by Directors, Supervisors, and senior management	Subject to the relevant regulations on share lock-up for departing Directors, Supervisors, and senior management
Wu Kezhen	0	53,496	0	53,496	Locked shares held by Directors, Supervisors, and senior management	Subject to the relevant regulations on share lock-up for departing Directors, Supervisors, and senior management
Fang Xiuyuan	87,000	1,990,751	0	2,077,751	Locked shares held by Directors, Supervisors, and senior management	25% of the total shares held are unlocked at the beginning of each year
Chen Huixuan	23,040	325,686	0	348,726	Locked shares held by Directors, Supervisors, and senior management	25% of the total shares held are unlocked at the beginning of each year

Name of shareholder	Opening number of restricted shares	Increased number of restricted shares in current period	Number of restricted shares released in current period	Closing number of restricted shares	Reason for restriction	Restriction release date
Zhang Yan	3,750	93,198	0	96,948	Locked shares held by Directors, Supervisors, and senior management	25% of the total shares held are unlocked at the beginning of each year
Zhang Li	15,000	0	15,000	0	Locked shares held by Directors, Supervisors, and senior management	Subject to the relevant regulations on share lock-up for departing Directors, Supervisors, and senior management
Wang Ying	36,150	0	36,150	0	Locked shares held by Directors, Supervisors, and senior management	Subject to the relevant regulations on share lock-up for departing Directors, Supervisors, and senior management
Liu Hua	22,000	0	22,000	0	Locked shares held by Directors, Supervisors, and senior management	Subject to the relevant regulations on share lock-up for departing Directors, Supervisors, and senior management
Xu Xiaodan	22,800	0	22,800	0	Locked shares held by Directors, Supervisors, and senior management	Subject to the relevant regulations on share lock-up for departing Directors, Supervisors, and senior management
Winner Group Limited	406,614,387	0	406,614,387	0	The controlling shareholder has voluntarily agreed to extend the lock-up period	September 17, 2025
Total	406,824,127	2,525,036	406,710,337	2,638,826	--	--

## II. Securities Issuance and Listing

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

Applicable  N/A

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

Applicable  N/A

Please refer to "1. Changes in shares" under "I. Changes in Shares" in this section.

### 3. Existing internal employee shares

Applicable  N/A

### III. Shareholders and Actual Controller

#### 1. Number of shareholders and their shareholding

Unit: share

Total number of ordinary shareholders as of the end of the Reporting Period	29,044	Total number of ordinary shareholders at the end of the month prior to the disclosure of the annual report	31,401	Total number of preferred shareholders with restored voting rights at the end of the Reporting Period (if any) (see Note 9)	0	Total number of preferred shareholders with restored voting rights as of the end of the month prior to the disclosure of the annual report (if any) (see Note 9)	0	Total number of shareholders holding shares with special voting rights (if any)	0
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Shareholding information of shareholders holding 5% or more, or the top 10 shareholders (excluding shares lent through margin financing and securities lending)

Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the Reporting Period	Change during the Reporting Period	Number of held shares with selling restrictions	Number of held shares without selling restrictions	Pledged, marked, or frozen	
							Status	Number
Winner Group Limited	Overseas legal person	69.83%	406,614,387	0	0	406,614,387	N/A	0
Bank of China Limited – Huabao CSI Healthcare ETF	Others	1.23%	7,143,160	0	0	7,143,160	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.79%	4,611,751	-925,994	0	4,611,751	N/A	0
Agricultural Bank of China Limited – CSI 500 ETF	Others	0.60%	3,467,300	246,540	0	3,467,300	N/A	0
Industrial and Commercial Bank of China Limited – E Fund ChiNext ETF	Others	0.59%	3,456,249	-1,561,264	0	3,456,249	N/A	0
Fang Xiuyuan	Domestic natural person	0.48%	2,770,335	2,654,335	2,077,751	692,584	N/A	0
Agricultural Bank of China Limited – BoCom-Schroders Domestic Demand Growth Hybrid Securities Investment Fund with One-Year Holding Period	Others	0.34%	1,955,989	614,889	0	1,955,989	N/A	0
China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L-CT001 Shanghai	Others	0.33%	1,919,400	-1,658,840	0	1,919,400	N/A	0
China CITIC Bank Corporation Limited – BoCom-Schroders Quality Growth Hybrid Securities Investment Fund with One-Year Holding Period	Others	0.31%	1,827,580	572,280	0	1,827,580	N/A	0
Zheng Junhui	Domestic natural person	0.28%	1,626,380	0	0	1,626,380	N/A	0
Strategic investors or general legal persons who become the top 10 shareholders due to rights issue (if any) (see Note 4)							N/A	
Explanation of the related party relationships or concerted actions among the above-mentioned shareholders							N/A	
Explanation of the delegation/trust of voting rights or waiver of voting rights among the above-mentioned shareholders							N/A	
Special note on the repurchase account among the top 10 shareholders (if any) (see Note 10)							N/A	

Shareholding information of the top 10 shareholders of shares without selling restriction (excluding shares lent through margin financing and securities lending, and lock-up shares held by senior management)

Name of shareholder	Number of held shares without selling restrictions as of the end of the Reporting Period	Type of share	
		Type of share	Number
Winner Group Limited	406,614,387	RMB ordinary shares	406,614,387
Bank of China Limited – Huabao CSI Healthcare ETF	7,143,160	RMB ordinary shares	7,143,160
Hong Kong Securities Clearing Company Limited	4,611,751	RMB ordinary shares	4,611,751
Agricultural Bank of China Limited – CSI 500 ETF	3,467,300	RMB ordinary shares	3,467,300
Industrial and Commercial Bank of China Limited – E Fund ChiNext ETF	3,456,249	RMB ordinary shares	3,456,249
Agricultural Bank of China Limited – BoCom-Schroders Domestic Demand Growth Hybrid Securities Investment Fund with One-Year Holding Period	1,955,989	RMB ordinary shares	1,955,989
China Life Insurance Company Limited – Traditional – Ordinary Insurance Products – 005L-CT001 Shanghai	1,919,400	RMB ordinary shares	1,919,400
China CITIC Bank Corporation Limited – BoCom-Schroders Quality Growth Hybrid Securities Investment Fund with One-Year Holding Period	1,827,580	RMB ordinary shares	1,827,580
Zheng Junhui	1,626,380	RMB ordinary shares	1,626,380
Industrial and Commercial Bank of China Limited – Fullgoal Tianhui Selected Growth Mixed Securities Investment Fund (LOF)	1,603,160	RMB ordinary shares	1,603,160
Explanation of the related party relationships or concerted actions between the top 10 shareholders of outstanding shares without selling restriction, and between the top 10 shareholders of outstanding shares without selling restriction and the top 10 shareholders		N/A	
Information on shareholders involved in margin trading and securities lending (if any) (see Note 5)		N/A	

Shares lent through margin financing and securities lending by shareholders holding 5% or more shares, the top 10 shareholders and

top 10 holders of outstanding shares without selling restriction

Applicable  N/A

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

and securities lending and returning activities

Applicable  N/A

Has the Company a differentiated voting rights structure?

Applicable  N/A

Whether the top 10 ordinary shareholders and the top 10 holders of ordinary shares without selling restriction conducted agreed

repurchase transactions during the Reporting Period

Yes  No

The top 10 ordinary shareholders and the top 10 holders of ordinary shares without selling restriction did not conduct agreed repurchase

transactions during the Reporting Period.

## 2. Information on controlling shareholders

Nature of controlling shareholder: foreign-controlled

Type of controlling shareholder: legal person

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

Change of controlling shareholder during the Reporting Period

Applicable  N/A

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

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

Nature of the actual controller: overseas natural person

Type of the actual controller: natural person

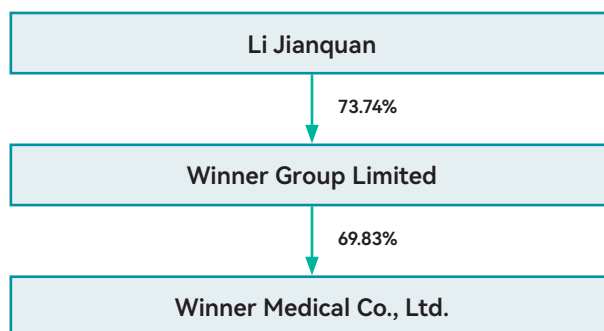
Name of the actual controller	Relation with the actual controller	Nationality	Whether residency in other countries or regions has been obtained
Li Jianquan	Himself	Hong Kong, China	Yes
Main occupations and positions		Chairman, General Manager	
Domestic and overseas listed companies controlled in the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

Change of actual controller during the Reporting Period

Applicable  N/A

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

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



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

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A

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

Applicable  N/A

#### IV. Specific Implementation of Share Repurchase During the Reporting Period

Progress of share repurchase implementation

Applicable  N/A

Progress of reduction of repurchased shares via centralized bidding transactions

Applicable  N/A

#### V. Preferred Shares

Applicable  N/A

The Company had no preferred shares during the Reporting Period.

# Section VII

## Bonds

□ Applicable ✓ N/A



# Section VIII

## Financial Report



## I. Auditor's report

Auditor's opinion	Unqualified opinion
Date of signing	20 April 2026
Auditor	Ernst & Young Hua Ming LLP
No. of auditor's report	Ernst & Young Hua Ming (2026) Shen Zi No. 70016450_H01
Chinese Certified Public Accountant	Liao Wenjia, Chen Huijin

### AUDITOR'S REPORT (Body)

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

#### (I) Opinion

We have audited the financial statements of Winner Medical Co., Ltd. (the "Company"), which comprise the consolidated and company balance sheets as at 31 December 2025, and the consolidated and company income statements, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2025, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

#### (II) Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with China Independence Standard No. 1 - Independence Requirements for Financial Statement Audit and Review Engagements and China Code of Ethics for Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We have complied with the independence requirements applicable to audits of public interest entities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### (III) Key audit matters

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

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

## (III) Key audit matters (continued)

Key audit matters:	How our audit addressed the matters:
<p data-bbox="193 379 352 401">Revenue recognition</p> <p data-bbox="193 720 719 935">In 2025, the revenue of Winner Medical Co., Ltd. and its subsidiaries (collectively referred to as “the Group”) in the consolidated financial statements was RMB10,949,489,967.01, of which the income of medical consumables and consumer goods was RMB5,114,457,721.11 and RMB5,748,821,913.85 respectively, and other income was RMB86,210,332.05.</p> <p data-bbox="193 950 719 1241">The revenue amount of the Group is significant in relation to the financial statements as a whole. There are not only domestic and overseas sales, as well as distribution and direct sales models, but also sales through physical stores and e-commerce platforms. With diverse revenue settlement models, inappropriate revenue recognition has a significant impact on the financial statements. Therefore, we have identified revenue recognition as a key audit matter.</p> <p data-bbox="193 1256 719 1360">For the accounting policy, significant accounting judgements and estimates, as well as the related financial statement disclosures, please refer to Note III.12, 24, 30, as well as Note V.45.</p>	<p data-bbox="746 470 1251 491">Our procedures in relation to revenue recognition mainly included:</p> <ol data-bbox="746 506 1398 1726" style="list-style-type: none"> <li>1) Understand, evaluate, and test the design and operational effectiveness of key internal controls in the revenue-related processes;</li> <li>2) Understand the accounting policies for revenue recognition and examine the major sales contracts, identify the contract terms and conditions related to the transfer of significant risks and rewards of ownership of goods, and evaluate the rationality of the revenue recognition policies;</li> <li>3) Conduct analytical review of operating revenue to identify whether there are any significant or abnormal fluctuations, and investigate the causes of such fluctuations;</li> <li>4) Perform tests of details, review sales orders, delivery slips, logistics records, signed delivery receipts or export customs declaration forms and bills of lading, invoices, and bank statements of collections, etc.;</li> <li>5) Implement analytical review procedures for the sales revenue from e-commerce platforms and offline stores, obtain sales data for consumer behavior analysis, and compare it with the book value of sales revenue;</li> <li>6) Examine the fund flow of third-party payment platforms such as Alipay, and reconcile it with the book value of receipts;</li> <li>7) In combination with the confirmation of accounts receivable, send confirmation letters to major customers on a sampling basis to confirm the sales amount during the reporting period, and perform alternative procedures for customers who do not reply to the confirmation letters;</li> <li>8) Conduct background investigation procedures for important general sales customers;</li> <li>9) Reconcile the export sales amount in the export tax declaration data and the export data at the customs with the book value of export sales revenue; obtain the foreign exchange data from the information inquiry system on the website of the State Administration of Foreign Exchange on a sampling basis and reconcile it with the book value of export sales proceeds;</li> <li>10) Perform cut-off tests on the revenue recognised around the balance sheet date, and check whether there are significant revenue reversals or large-value returns after the period;</li> <li>11) Review whether the information related to revenue has been appropriately presented and disclosed in the financial statements.</li> </ol>

Key audit matters:	How our audit addressed the matters:
<p><b>Impairment of goodwill</b></p> <p>As at 31 December 2025, the carrying amount of goodwill of the Group was RMB1,061,673,881.52, and the provision for impairment was RMB461,252,867.96, mainly including RMB335,186,885.63 and RMB123,384,750.24 for the goodwill of the asset groups of Winner Medical (Hunan) Co., Ltd. (hereinafter referred to as “Winner Medical (Hunan)”) and Winner Guilin Latex Co., Ltd. (hereinafter referred to as “Winner Guilin”).</p> <p>The Group’s management conducts impairment testing on goodwill when there are indications of impairment and at the end of each fiscal year. Such testing is based on the recoverable amount of each asset group. The recoverable amount of the asset group is determined based on the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. Because of the importance of goodwill to the financial statements as a whole, impairment testing involves significant management judgements and estimates of key assumptions such as revenue growth, gross margin and discount rates. Such judgements and estimates are influenced by management’s judgements about the way in which business activities are managed, the future market and the economic environment, and different judgements and estimates may have a significant impact on the calculation of impairment of goodwill.</p>	<p>Therefore, we consider impairment of goodwill as a key audit matter.</p> <p>For the accounting policy, significant accounting judgements and estimates, as well as the related disclosures, please refer to Note III.20, 30, as well as Note V.19 of the financial statement.</p> <p>Our procedures in relation to impairment of goodwill mainly included:</p> <ol style="list-style-type: none"> <li>1) Understand, evaluate, and test the design and operational effectiveness of internal controls in relation to impairment of goodwill;</li> <li>2) Review the management’s identification of the asset group and the allocation of goodwill.</li> <li>3) Understand the basis for management to determine the key indicators of profit forecast, including revenue growth rate and gross profit margin, compare them with historical and industry indicators, and assess their reasonableness;</li> <li>4) Obtain the relevant evaluation reports of the external appraisers engaged by the management on the main goodwill, and evaluate the competence, professional quality and objectivity of the external appraisers;</li> <li>5) Review, with the assistance of internal valuation experts, the reasonableness of the models and key parameters used by management in the goodwill impairment test, including discount rate and the growth rate during the stable period;</li> <li>6) Review whether the information related to impairment of goodwill has been appropriately presented and disclosed in the financial statements.</li> </ol>

#### (IV) Other information

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

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

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

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

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

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

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

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

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

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; however, the objective was not to express an opinion on the effectiveness of the internal controls.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Liao Wenjia

(Engagement partner)

Chinese Certified Public Accountant: Chen Huijin

Beijing, the People's Republic of China

20 April 2026

## II. Financial statements

The notes to financial statements are expressed in Renminbi Yuan.

### 1. Consolidated balance sheet

Preparer: Winner Medical Co., Ltd.

31 December 2025

Currency: Renminbi Yuan

Items	Closing balance	Opening balance
Current assets:		
Currency funds	1,593,989,319.92	1,412,088,898.63
Settlement reserves		
Placements to banks and other financial institutions		
Financial assets held for trading	2,825,378,695.56	2,921,341,484.39
Derivative financial assets		
Notes receivable	39,357,178.51	34,319,961.81
Accounts receivable	1,040,873,548.50	980,617,641.38
Receivables financing	48,201,306.98	68,349,926.24
Prepayments	179,318,742.70	107,051,901.68
Premium receivable		
Reinsurance receivables		
Due from Reinsurer for reserve of reinsurance contract		
Other receivables	204,468,498.11	186,351,012.28
Including: Interest receivable	0.00	
Dividends receivable	0.00	
Financial assets held under resale agreements		
Inventories	2,016,213,055.34	1,957,814,608.25
Including: Data resources		
Contract assets		
Assets classified as held for sale		
Current portion of non-current assets	432,793,859.94	345,468,268.20
Other current assets	85,677,714.26	67,736,523.90
Total current assets	8,466,271,919.82	8,081,140,226.76
Non-current assets:		

Items	Closing balance	Opening balance
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	83,590,080.72	88,435,629.22
Long-term equity investments	478,989,825.04	445,355,778.00
Other equity investments		
Other non-current financial assets	99,881,071.54	107,906,716.86
Investment properties	1,454,295.27	2,360,346.25
Fixed assets	4,199,969,234.92	3,354,304,108.81
Construction in progress	511,625,219.44	1,074,955,450.40
Productive biological assets		
Oil and gas assets		
Right-of-use assets	554,782,629.68	595,222,623.66
Intangible assets	1,008,848,502.75	1,095,755,498.27
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill	1,061,673,881.52	1,251,264,505.00
Long-term prepaid expenses	133,901,014.09	143,855,144.02
Deferred tax assets	146,109,331.24	139,000,387.64
Other non-current assets	1,657,761,021.19	2,012,299,546.63
Total non-current assets	9,938,586,107.40	10,310,715,734.76
Total assets	18,404,858,027.22	18,391,855,961.52
Current liabilities:		
Short-term borrowings	1,836,629,579.24	1,969,044,164.65
Borrowings from the Central Bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	381,818,750.95	431,873,210.11

Items	Closing balance	Opening balance
Accounts payable	1,280,618,737.32	1,155,930,554.98
Receipts in advance	0.00	
Contract liabilities	169,914,491.43	182,755,504.60
Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Customer money for securities trading		
Proceeds from securities underwriting on agency basis		
Employee benefits payable	332,576,791.46	308,955,076.89
Taxes and surcharges payable	130,559,536.02	123,630,574.88
Other payables	529,651,533.30	681,390,743.80
Including: Interest payable	0.00	0.00
Dividends payable		164,868,250.80
Fees and commissions payable		
Reinsurance payables		
Liabilities classified as held for sale		
Current portion of non-current liabilities	185,546,235.07	396,768,243.67
Other current liabilities	22,078,405.94	21,235,048.58
Total current liabilities	4,869,394,060.73	5,271,583,122.16
Non-current liabilities:		
Reserves for insurance Contract		
Long-term borrowings	50,000,000.00	53,000,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	416,875,073.97	440,876,652.33
Long-term payables	26,994,520.77	48,544,431.64
Long-term employee benefits payable	13,271,993.56	13,247,971.34
Provisions	0.00	
Deferred income	211,162,383.13	157,154,401.72
Deferred tax liabilities	136,896,207.18	158,515,830.62

Items	Closing balance	Opening balance
Other non-current liabilities	387,682,358.99	373,262,348.97
Total non-current liabilities	1,242,882,537.60	1,244,601,636.62
Total liabilities	6,112,276,598.33	6,516,184,758.78
Owners' equity:		
Share capital	582,329,808.00	582,329,808.00
Other equity investments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	3,389,737,553.59	3,378,540,115.00
Less: Treasury shares	4,187,537.10	7,282,100.00
Other comprehensive income	-11,835,038.99	-2,637,827.10
Specialised reserves		
Surplus reserves	420,212,778.13	420,212,778.13
General reserve		
Unappropriated profit	7,140,453,466.82	6,780,116,870.53
Total equity attributable to owners of the parent	11,516,711,030.45	11,151,279,644.56
Non-controlling interests	775,870,398.44	724,391,558.18
Total equity	12,292,581,428.89	11,875,671,202.74
Total liabilities and equity	18,404,858,027.22	18,391,855,961.52

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## 2. Parent company's balance sheet

Preparer: Winner Medical Co., Ltd.

Currency: Renminbi Yuan

Items	Closing balance	Opening balance
Current assets:		
Currency funds	713,886,735.40	443,572,315.60
Financial assets held for trading	1,978,673,463.33	2,794,105,538.09
Derivative financial assets		
Notes receivable	6,847,204.90	6,635,069.05
Accounts receivable	453,304,452.50	349,608,101.82
Receivables financing	22,653,120.31	24,348,899.43
Prepayments	166,878,123.57	130,809,600.46
Other receivables	250,844,030.72	167,026,860.96
Including: Interest receivable		
Dividends receivable		9,404,946.00
Inventories	218,884,891.65	206,425,686.10
Including: Data resources		
Contract assets		
Assets classified as held for sale		
Current portion of non-current assets	432,793,859.94	345,468,268.20
Other current assets	9,671,040.36	8,707,781.75
Total current assets	4,254,436,922.68	4,476,708,121.46
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables	26,502,052.74	31,209,579.38
Long-term equity investments	4,999,415,008.13	5,195,497,758.83
Other equity investments		
Other non-current financial assets	73,603,810.38	76,673,047.39
Investment properties		
Fixed assets	315,171,759.48	38,592,292.38

Items	Closing balance	Opening balance
Construction in progress	32,790,523.08	214,011,382.64
Productive biological assets		
Oil and gas assets		
Right-of-use assets	32,839,135.44	32,141,280.38
Intangible assets	39,373,841.62	41,672,000.26
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	8,721,282.84	15,685,458.76
Deferred tax assets	19,996,691.95	30,999,936.31
Other non-current assets	1,489,288,095.87	1,767,046,194.63
Total non-current assets	7,037,702,201.53	7,443,528,930.96
Total assets	11,292,139,124.21	11,920,237,052.42
Current liabilities:		
Short-term borrowings		200,130,600.00
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	935,500,319.24	843,693,594.39
Accounts payable	381,079,772.46	469,844,799.47
Receipts in advance		
Contract liabilities	27,210,735.47	50,096,915.01
Employee benefits payable	76,798,911.73	64,256,450.47
Taxes and surcharges payable	7,061,696.17	13,779,416.66
Other payables	300,454,835.05	459,940,163.58
Including: Interest payable		
Dividends payable		162,645,754.80
Liabilities classified as held for sale		
Current portion of non-current liabilities	11,649,279.48	193,218,394.36
Other current liabilities	2,117,794.99	2,861,257.23

Items	Closing balance	Opening balance
Total current liabilities	1,741,873,344.59	2,297,821,591.17
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	39,746,851.13	32,224,060.33
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	18,133.33	424,728.11
Deferred tax liabilities		
Other non-current liabilities	387,682,358.99	373,262,348.97
Total non-current liabilities	427,447,343.45	405,911,137.41
Total liabilities	2,169,320,688.04	2,703,732,728.58
Owners' equity:		
Share capital	582,329,808.00	582,329,808.00
Other equity investments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	3,388,316,701.42	3,376,294,181.65
Less: Treasury shares	4,187,537.10	7,282,100.00
Other comprehensive income		
Specialised reserves		
Surplus reserves	411,397,111.21	411,397,111.21
Unappropriated profit	4,744,962,352.64	4,853,765,322.98
Total equity	9,122,818,436.17	9,216,504,323.84
Total liabilities and equity	11,292,139,124.21	11,920,237,052.42

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

### 3. Consolidated income statement

Preparer: Winner Medical Co., Ltd.

Currency: Renminbi Yuan

Items	2025	2024
I. Total Revenue	10,949,489,967.01	8,977,853,631.73
Including: Revenue	10,949,489,967.01	8,977,853,631.73
Interest income		
Premium earned		
Fee and commission income		
II. Total Costs	9,733,808,334.16	7,996,304,540.94
Including: Cost of sales	5,733,463,029.53	4,729,562,118.23
Interest expenses		
Fee and commission expenses		
Surrender value payment		
Net claim payments		
Net amount of provisions for insurance contract liabilities recognised		
Policy dividend payments		
Reinsurance expenses		
Taxes and surcharges	93,698,779.57	79,905,265.65
Selling expenses	2,633,668,842.91	2,264,147,324.64
Administrative expenses	855,447,401.69	673,737,166.83
Research and development expenses	410,877,566.24	348,163,926.01
Finance expenses	6,652,714.22	-99,211,260.42
Including: Interest expenses	55,114,093.69	54,863,504.13
Interest income	82,400,032.94	117,095,211.38
Add: Other income	84,244,396.64	91,637,936.87
Investment income (loss is expressed with "-")	53,091,575.78	75,387,830.93
Including: Income from investments in associates and joint ventures	-27,220,472.60	-11,305,734.64
Income from the derecognition of financial assets measured at amortised cost		
Exchange gains (loss is expressed with "-")		
Net position hedging gains (loss is expressed with "-")		

Items	2025	2024
Fair value gains (loss is expressed with “-”)	-24,339,525.82	2,862,219.03
Credit impairment losses (loss is expressed with “-”)	-10,273,088.79	444,626.25
Impairment losses of assets (loss is expressed with “-”)	-251,273,437.71	-242,895,761.34
Gains on disposal of assets (loss is expressed with “-”)	546,546.56	5,877,157.55
III. Operating profit (loss is expressed with “-”)	1,067,678,099.51	914,863,100.08
Add: Non-operating income	8,206,430.16	11,926,122.62
Less: Non-operating expenses	28,063,679.49	18,440,910.03
IV. Profit before income tax (loss is expressed with “-”)	1,047,820,850.18	908,348,312.67
Less: Income tax expenses	233,703,122.41	167,642,375.27
V. Profit (loss is expressed with “-”)	814,117,727.77	740,705,937.40
1. Classified by continuity of operations		
(1) Profit from continuing operations (loss is expressed with “-”)	814,117,727.77	740,705,937.40
(2) Profit from a discontinued operation (loss is expressed with “-”)		
2. Classified by ownership		
(1) Profit attributable to shareholders of the parent	767,967,461.87	695,378,928.72
(2) Profit or loss attributable to non-controlling interests	46,150,265.90	45,327,008.68
VI. Other comprehensive income, net of tax	-1,581,626.72	-13,162,548.61
Other comprehensive income, net of tax, attributable to owners of the parent	-9,197,211.89	-4,853,196.54
1. Other comprehensive income that will not be reclassified to profit or loss	141,398.71	-772,779.52
(1) Remeasurement of a defined benefit plan	141,398.71	-772,779.52
(2) Other comprehensive income using the equity method that will not be reclassified to profit or loss		
(3) Change in the fair value of other equity investments		
(4) Change in the fair value of the entity’s own credit risks		
(5) Others		
2. Other comprehensive income that may be reclassified to profit or loss	-9,338,610.60	-4,080,417.02
(1) Other comprehensive income using the equity method that may be reclassified to profit or loss		
(2) Change in the fair value of other debt investments		
(3) Amount recognised in other comprehensive income resulting from the reclassification of financial assets		

Items	2025	2024
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedge reserve		
(6) Exchange differences on translation of foreign currency financial statements	-9,338,610.60	-4,080,417.02
(7) Others		
Other comprehensive income, net of tax, attributable to non-controlling interests	7,615,585.17	-8,309,352.07
VII. Total comprehensive income	812,536,101.05	727,543,388.79
Total comprehensive income attributable to owners of the parent	758,770,249.98	690,525,732.18
Total comprehensive income attributable to non-controlling interests	53,765,851.07	37,017,656.61
VIII. Earnings per share		
1. Basic earnings per share	1.3200	1.1900
2. Diluted earnings per share	1.3200	1.1900

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

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## 4. Parent company' s income statement

Preparer: Winner Medical Co., Ltd.

Currency: Renminbi Yuan

Items	2025	2024
I. Revenue	2,836,356,685.11	2,670,598,689.18
Less: Cost of sales	1,872,953,966.60	1,997,443,466.38
Taxes and surcharges	10,546,996.13	6,437,824.59
Selling expenses	433,098,633.11	372,332,633.60
Administrative expenses	235,460,709.91	253,555,583.52
Research and development expenses	109,534,639.46	82,639,397.94
Finance expenses	-48,048,777.91	-99,985,415.41
Including: Interest expenses	15,807,766.00	20,368,268.78
Interest income	70,744,406.73	101,694,267.17
Add: Other income	23,936,086.35	12,029,687.14
Investment income (loss is expressed with “-”)	456,166,072.85	616,652,959.37
Including: Income from investments in associates and joint ventures	274,423.52	335,565.86
Income from the derecognition of financial assets measured at amortised cost (loss is expressed with “-”)		
Net position hedging gains (loss is expressed with “-”)		
Fair value gains (loss is expressed with “-”)	-22,095,908.83	4,290,632.80
Credit impairment losses (loss is expressed with “-”)	-3,264,616.79	-1,010,957.53
Impairment losses of assets (loss is expressed with “-”)	-333,312,598.93	-136,104,433.40
Gains on disposal of assets (loss is expressed with “-”)	771,594.59	-58,680.29
II. Operating profit (loss is expressed with “-”)	345,011,147.05	553,974,406.65
Add: Non-operating income	2,292,810.36	3,008,988.49
Less: Non-operating expenses	4,255,849.57	187,025.91
III. Profit before income tax (loss is expressed with “-”)	343,048,107.84	556,796,369.23
Less: Income tax expenses	44,220,212.58	11,276,172.24
IV. Profit (loss is expressed with “-”)	298,827,895.26	545,520,196.99
1. Profit from continuing operations (loss is expressed with “-”)	298,827,895.26	545,520,196.99
2. Profit from a discontinued operation (loss is expressed with “-”)		
V. Other comprehensive income, net of tax		

Items	2025	2024
1. Other comprehensive income that will not be reclassified to profit or loss		
(1) Remeasurement of a defined benefit plan		
(2) Other comprehensive income using the equity method that will not be reclassified to profit or loss		
(3) Change in the fair value of other equity investments		
(4) Change in the fair value of the entity's own credit risks		
(5) Others		
2. Other comprehensive income that may be reclassified to profit or loss		
(1) Other comprehensive income using the equity method that may be reclassified to profit or loss		
(2) Change in the fair value of other debt investments		
(3) Amount recognised in other comprehensive income resulting from the reclassification of financial assets		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedge reserve		
(6) Exchange differences on translation of foreign currency financial statements		
(7) Others		
VI. Total comprehensive income	298,827,895.26	545,520,196.99
VII. Earnings per share:		
1. Basic earnings per share		
2. Diluted earnings per share		
Legal representative: Li Jianquan	Financial controller: Fang Xiuyuan	Accounting supervisor: Zhao Yan

## 5. Consolidated statement of cash flows

Preparer: Winner Medical Co., Ltd.

Currency: Renminbi Yuan

Items	2025	2024
<b>1. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from the sale of goods and the rendering of services	12,116,489,200.36	10,017,512,504.65
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in borrowings from the Central Bank		
Net increase in placements from other financial institutions		
Cash receipts for premium of original insurance contract		
Net cash receipts for reinsurance business		
Net increase in policyholders' deposits and investment funds		
Cash received from interest, fee and commission income		
Net increase in placements from banks and other financial institutions		
Net increase in funds for repurchase business		
Net cash receipts for securities trading on agency basis		
Receipts of taxes and surcharges refunds	154,112,612.79	114,907,212.10
Other cash receipts relating to operating activities	183,597,185.12	198,112,197.51
<b>Total cash inflows from operating activities</b>	<b>12,454,198,998.27</b>	<b>10,330,531,914.26</b>
Cash payments for goods and services	7,581,659,323.15	6,228,472,098.13
Net increase in loans and advances to customers		
Net increase in deposits with the Central Bank and other financial institutions		
Cash payments for settlement of claims under the original insurance contract		
Net increase in placements to banks and other financial institutions		
Cash payments for interest, fee and commission expenses		
Cash payments for insurance policy dividends		
Cash payments to and on behalf of employees	1,994,039,654.55	1,838,454,165.09
Payments of taxes and surcharges	711,128,635.69	414,807,419.31
Other cash payments relating to operating activities	501,694,489.95	583,042,965.03
<b>Total cash outflows from operating activities</b>	<b>10,788,522,103.34</b>	<b>9,064,776,647.56</b>
<b>Net cash flows from operating activities</b>	<b>1,665,676,894.93</b>	<b>1,265,755,266.70</b>
<b>2. CASH FLOWS FROM INVESTING ACTIVITIES</b>		

Items	2025	2024
Cash receipts from returns of investments	3,583,540,064.18	3,367,701,242.20
Cash receipts from returns on investments	107,918,042.34	193,502,728.27
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	37,868,707.85	25,746,178.71
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Total cash inflows from investing activities	3,729,326,814.37	3,586,950,149.18
Cash payments to acquire fixed assets, intangible assets and other long-term assets	647,910,000.49	900,886,591.31
Cash payments for investments	3,357,033,541.10	6,030,497,813.66
Net increase in pledged loans		
Net cash payments for acquisition of subsidiaries and other business units		767,592,040.13
Other cash payments relating to other investing activities		
Total cash outflows from investing activities	4,004,943,541.59	7,698,976,445.10
Net cash flows from investing activities	-275,616,727.22	-4,112,026,295.92
<b>3. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from investments by others		
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		
Cash receipts from borrowings	2,819,128,017.53	1,760,844,244.64
Other cash receipts relating to financing activities	44,201,640.58	223,726,501.95
Total cash inflows from financing activities	2,863,329,658.11	1,984,570,746.59
Cash repayments for debts	3,158,474,619.84	1,549,119,709.96
Cash payments for distribution of dividends or profit and interest expenses	606,825,040.03	412,662,512.60
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		
Other cash payments relating to financing activities	277,924,918.29	500,312,174.51
Total cash outflows from financing activities	4,043,224,578.16	2,462,094,397.07
Net cash flows from financing activities	-1,179,894,920.05	-477,523,650.48
<b>4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	-6,540,524.43	3,551,282.60
<b>5. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	203,624,723.23	-3,320,243,397.10
Add: Cash and cash equivalents at beginning of period	1,357,097,385.35	4,677,340,782.45
<b>6. CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	1,560,722,108.58	1,357,097,385.35

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

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

Preparer: Winner Medical Co., Ltd.

Currency: Renminbi Yuan

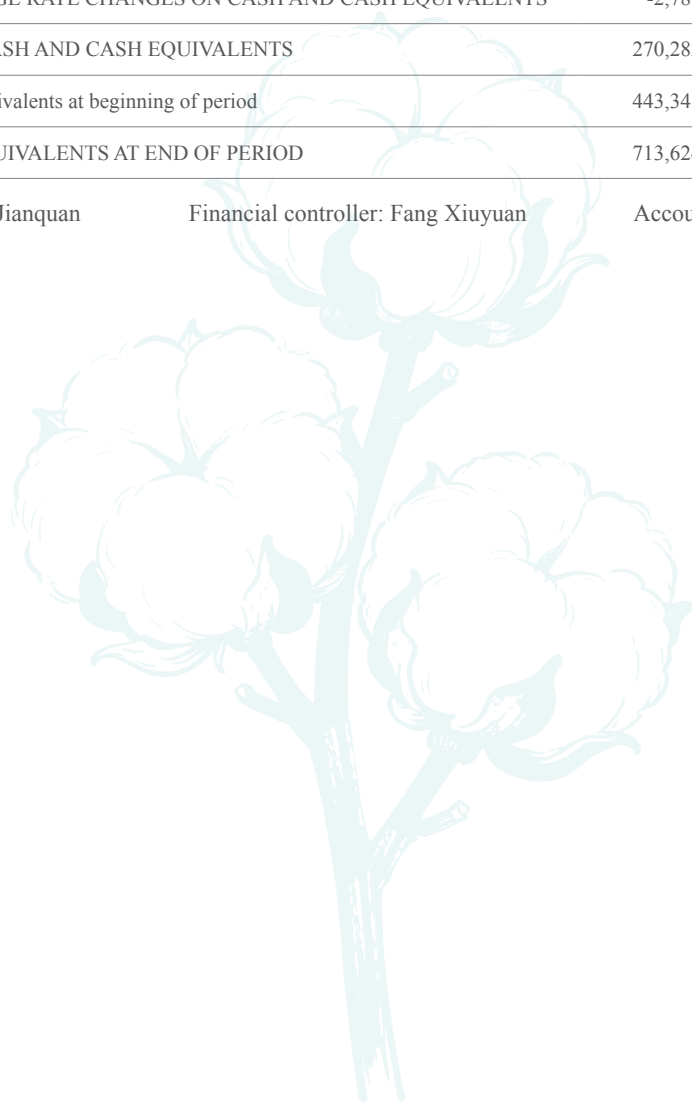
Items	2025	2024
<b>1. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from the sale of goods and the rendering of services	2,810,541,841.48	2,741,375,372.83
Receipts of taxes and surcharges refunds	136,531,610.64	126,732,129.08
Other cash receipts relating to operating activities	64,479,150.77	83,140,200.61
Total cash inflows from operating activities	3,011,552,602.89	2,951,247,702.52
Cash payments for goods and services	2,423,319,530.37	1,876,321,073.55
Cash payments to and on behalf of employees	417,221,690.15	373,829,422.15
Payments of taxes and surcharges	48,541,362.30	6,468,609.06
Other cash payments relating to operating activities	177,099,406.16	164,608,734.56
Total cash outflows from operating activities	3,066,181,988.98	2,421,227,839.32
Net cash flows from operating activities	-54,629,386.09	530,019,863.20
<b>2. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash receipts from returns of investments	2,852,300,541.89	2,836,007,884.61
Cash receipts from returns on investments	465,591,065.99	674,273,513.95
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	15,108,877.23	22,383,546.07
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Total cash inflows from investing activities	3,333,000,485.11	3,532,664,944.63
Cash payments to acquire fixed assets, intangible assets and other long-term assets	89,752,291.70	174,434,234.35
Cash payments for investments	1,825,000,000.00	4,928,452,000.00
Net cash payments for acquisition of subsidiaries and other business units	100,000,000.00	1,434,628,768.41
Other cash payments relating to other investing activities		
Total cash outflows from investing activities	2,014,752,291.70	6,537,515,002.76
Net cash flows from investing activities	1,318,248,193.41	-3,004,850,058.13
<b>3. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from investments by others		
Cash receipts from borrowings		200,000,000.00
Other cash receipts relating to financing activities		80,000,000.00
Total cash inflows from financing activities	0.00	280,000,000.00

Items	2025	2024
Cash repayments for debts	370,130,600.00	470,000,000.00
Cash payments for distribution of dividends or profit and interest expenses	586,309,403.88	381,638,195.24
Other cash payments relating to financing activities	34,110,798.42	222,082,246.32
Total cash outflows from financing activities	990,550,802.30	1,073,720,441.56
Net cash flows from financing activities	-990,550,802.30	-793,720,441.56
4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-2,785,728.38	2,145,362.77
5. NET INCREASE IN CASH AND CASH EQUIVALENTS	270,282,276.64	-3,266,405,273.72
Add: Cash and cash equivalents at beginning of period	443,341,985.31	3,709,747,259.03
6. CASH AND CASH EQUIVALENTS AT END OF PERIOD	713,624,261.95	443,341,985.31

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan



## 7. Consolidated statement of changes in equity

Preparer: Winner Medical Co., Ltd.

Amount for the period

Currency: Renminbi Yuan

Items	2025												Non-controlling interests	Total equity	
	Attributable to owners of the parent														
	Share capital	Other equity investments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	General reserves	Unappropriated profit	Others			Subtotal
	Preference shares	Perpetual bonds	Others												
I. Balance at end of prior year	582,329,808.00				3,378,540,115.00	7,282,100.00	-2,637,827.10		420,212,778.13		6,780,116,870.53		11,151,279,644.56	724,391,558.18	11,875,671,202.74
Add: Changes in accounting policies															
Correction of prior period errors															
Others															
II. Balance at beginning of year	582,329,808.00				3,378,540,115.00	7,282,100.00	-2,637,827.10		420,212,778.13		6,780,116,870.53		11,151,279,644.56	724,391,558.18	11,875,671,202.74
III. Changes for the period (loss is expressed with "-")					11,197,438.59	-3,094,562.90	-9,197,211.89				360,336,596.29		365,431,385.89	51,478,840.26	416,910,226.15
1. Total comprehensive income							-9,197,211.89		0.00		767,967,461.87		758,770,249.98	53,765,851.07	812,536,101.05
2. Owners' contributions and reduction in capital					25,617,448.61	-2,847,112.90							28,464,561.51	1,433,312.27	29,897,873.78
(1) Ordinary shares invested by owners														1,450,000.00	1,450,000.00
(2) Capital contributions from holders of other equity instruments															
(3) Amount of share-based payments recognised in equity					26,442,529.79								26,442,529.79		26,442,529.79
(4) Others					-825,081.18	-2,847,112.90							2,022,031.72	-16,687.73	2,005,343.99
3. Profit distribution						-247,450.00					-407,630,865.58		-407,383,415.58	-3,719,802.60	-411,103,218.18
(1) Appropriation to surplus reserves															
(2) Appropriation to general reserve															
(3) Distribution to owners (or shareholders)						-247,450.00					-407,630,865.58		-407,383,415.58	-3,719,802.60	-411,103,218.18
(4) Others															
4. Transfer within equity															
(1) Capitalisation of capital reserves (or share capital)															
(2) Capitalisation of surplus reserves (or share capital)															
(3) Loss made up by surplus reserves															
(4) Transfer of changes in the defined benefit plan to retained earnings															
(5) Transfer of other comprehensive income to retained earnings															
(6) Others															
5. Specialised reserves															
(1) Appropriation for the period															
(2) Utilisation for the period															
6. Others					-14,420,010.02								-14,420,010.02	-520.48	-14,420,530.50
IV. Balance at end of period	582,329,808.00				3,389,737,553.59	4,187,537.10	-11,835,038.99		420,212,778.13		7,140,453,466.82		11,516,711,030.45	775,870,398.44	12,292,581,428.89

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## 7. Consolidated statement of changes in equity(Continue)

Preparer: Winner Medical Co., Ltd.

Amount for the prior period

Currency: Renminbi Yuan

Items	2024												Non-controlling interests	Total equity	
	Attributable to owners of the parent														
	Share capital	Other equity investments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	General reserves	Unappropriated profit	Others			Subtotal
	Preference shares	Perpetual bonds	Others												
I. Balance at end of prior year	594,387,367.00				4,381,126,487.29	473,552,442.85	2,215,369.44		420,212,778.13		6,608,834,768.99		11,533,224,328.00	577,097,475.15	12,110,321,803.15
Add: Changes in accounting policies															
Correction of prior period errors															
Others															
II. Balance at beginning of year	594,387,367.00				4,381,126,487.29	473,552,442.85	2,215,369.44		420,212,778.13		6,608,834,768.99		11,533,224,328.00	577,097,475.15	12,110,321,803.15
III. Changes for the period (loss is expressed with "-")	-12,057,559.00				-1,002,586,372.29	-466,270,342.85	-4,853,196.54		0.00		171,282,101.54		-381,944,683.44	147,294,083.03	-234,650,600.41
1. Total comprehensive income							-4,853,196.54				695,378,928.72		690,525,732.18	37,017,656.61	727,543,388.79
2. Owners' contributions and reduction in capital	-12,057,559.00				-629,324,023.32	-465,815,842.85							-175,565,739.47	5,051,706.60	-170,514,032.87
(1) Ordinary shares invested by owners	-12,057,559.00				-645,619,219.06	-462,694,942.85							-194,981,835.21	1,300,000.00	-193,681,835.21
(2) Capital contributions from holders of other equity instruments															
(3) Amount of share-based payments recognised in equity					14,795,634.88								14,795,634.88		14,795,634.88
(4) Others					1,499,560.86	-3,120,900.00							4,620,460.86	3,751,706.60	8,372,167.46
3. Profit distribution						-454,500.00					-524,096,827.18		-523,642,327.18	-22,697,501.08	-546,339,828.26
(1) Appropriation to surplus reserves															
(2) Appropriation to general reserve															
(3) Distribution to owners (or shareholders)						-454,500.00					-524,096,827.18		-523,642,327.18	-22,697,501.08	-546,339,828.26
(4) Others															
4. Transfer within equity															
(1) Capitalisation of capital reserves (or share capital)															
(2) Capitalisation of surplus reserves (or share capital)															
(3) Loss made up by surplus reserves															
(4) Transfer of changes in the defined benefit plan to retained earnings															
(5) Transfer of other comprehensive income to retained earnings															
(6) Others															
5. Specialised reserves															
(1) Appropriation for the period															
(2) Utilisation for the period															
6. Others						-373,262,348.97							-373,262,348.97	127,922,220.90	-245,340,128.07
IV. Balance at end of period	582,329,808.00				3,378,540,115.00	7,282,100.00	-2,637,827.10		420,212,778.13		6,780,116,870.53		11,151,279,644.56	724,391,558.18	11,875,671,202.74

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## 8. Parent company's statement of changes in equity

Preparer: Winner Medical Co., Ltd.

Amount for the period

Currency: Renminbi Yuan

Items	2025										Total equity	
	Share capital	Other equity investments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	Unappropriated profit		Others
		Preference shares	Perpetual bonds	Others								
I. Balance at end of prior year	582,329,808.00				3,376,294,181.65	7,282,100.00			411,397,111.21	4,853,765,322.98		9,216,504,323.84
Add: Changes in accounting policies												
Correction of prior period errors												
Others												
II. Balance at beginning of year	582,329,808.00				3,376,294,181.65	7,282,100.00			411,397,111.21	4,853,765,322.98		9,216,504,323.84
III. Changes for the period (loss is expressed with "-")					12,022,519.77	-3,094,562.90				-108,802,970.34		-93,685,887.67
1. Total comprehensive income										298,827,895.26		298,827,895.26
2. Owners' contributions and reduction in capital					26,442,529.79	-2,847,112.90						29,289,642.69
(1) Ordinary shares invested by owners												
(2) Capital contributions from holders of other equity instruments												
(3) Amount of share-based payments recognised in equity					26,442,529.79							26,442,529.79
(4) Others						-2,847,112.90						2,847,112.90
3. Profit distribution						-247,450.00				-407,630,865.60		-407,383,415.60
(1) Appropriation to surplus reserves												
(2) Distribution to owners (or shareholders)						-247,450.00				-407,630,865.60		-407,383,415.60
(3) Others												
4. Transfer within equity												
(1) Capitalisation of capital reserves (or share capital)												
(2) Capitalisation of surplus reserves (or share capital)												
(3) Loss made up by surplus reserves												
(4) Transfer of changes in the defined benefit plan to retained earnings												
(5) Transfer of other comprehensive income to retained earnings												
(6) Others												
5. Specialised reserves												
(1) Appropriation for the period												
(2) Utilisation for the period												
6. Others					-14,420,010.02							-14,420,010.02
IV. Balance at end of period	582,329,808.00				3,388,316,701.42	4,187,537.10			411,397,111.21	4,744,962,352.64		9,122,818,436.17

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

## 8. Parent company' s statement of changes in equity(Continue)

Preparer: Winner Medical Co., Ltd.

Amount for the prior period

Currency: Renminbi Yuan

Items	2024										Total equity	
	Share capital	Other equity investments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	Unappropriated profit		Others
		Preference shares	Perpetual bonds	Others								
I. Balance at end of prior year	594,387,367.00				4,380,380,114.80	473,552,442.85			411,397,111.21	4,897,039,093.59		9,809,651,243.75
Add: Changes in accounting policies												
Correction of prior period errors										-64,697,140.41		-64,697,140.41
Others												
II. Balance at beginning of year	594,387,367.00				4,380,380,114.80	473,552,442.85			411,397,111.21	4,832,341,953.18		9,744,954,103.34
III. Changes for the period (loss is expressed with "-")	-12,057,559.00				-1,004,085,933.15	-466,270,342.85		0.00		21,423,369.80		-528,449,779.50
1. Total comprehensive income										545,520,196.99		545,520,196.99
2. Owners' contributions and reduction in capital	-12,057,559.00				-630,823,584.18	-465,815,842.85						-177,065,300.33
(1) Ordinary shares invested by owners	-12,057,559.00				-645,619,219.06	-462,694,942.85						-194,981,835.21
(2) Capital contributions from holders of other equity instruments												
(3) Amount of share-based payments recognised in equity					14,795,634.88							14,795,634.88
(4) Others						-3,120,900.00						3,120,900.00
3. Profit distribution						-454,500.00				-524,096,827.19		-523,642,327.19
(1) Appropriation to surplus reserves												
(2) Distribution to owners (or shareholders)						-454,500.00				-524,096,827.19		-523,642,327.19
(3) Others												
4. Transfer within equity												
(1) Capitalisation of capital reserves (or share capital)												
(2) Capitalisation of surplus reserves (or share capital)												
(3) Loss made up by surplus reserves												
(4) Transfer of changes in the defined benefit plan to retained earnings												
(5) Transfer of other comprehensive income to retained earnings												
(6) Others												
5. Specialised reserves												
(1) Appropriation for the period												
(2) Utilisation for the period												
6. Others					-373,262,348.97							-373,262,348.97
IV. Balance at end of period	582,329,808.00				3,376,294,181.65	7,282,100.00			411,397,111.21	4,853,765,322.98		9,216,504,323.84

Legal representative: Li Jianquan

Financial controller: Fang Xiuyuan

Accounting supervisor: Zhao Yan

### III. General information

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

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

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

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

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

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

The Company and its subsidiaries (collectively referred to as the “the Group”) are mainly engaged in the research and development, production, and sales of medical consumables and consumer goods. The product categories of the medical consumables segment are divided into traditional wound care and dressing products, high-end wound dressing products, operating room consumable products, infection prevention products, health and personal care products and other products; the product categories of the consumer goods segment are divided into wet and dry wipes, sanitary napkins, baby clothing and supplies, adult apparel and other non-woven/woven products.

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

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

The financial statements were approved and authorised for issue by the board of directors on 20 April 2026.

## IV. Basis of preparation of the financial statements

### 1. Basis of preparation

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

### 2. Going concern

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

## V. Material accounting policies and significant estimates

Tips of specific accounting policies and significant estimates:

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

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

The financial statements present truly and completely the financial positions of the Company and the Group as at 31 December 2025, and the financial performance and the cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

### 2. Accounting year

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

### 3. Operating cycle

The operating cycle of the Group is 12 months.

### 4. Functional currency

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

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

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

√ Applicable □ Not applicable

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

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

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

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

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

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

### (1) The criterion of control

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. Control is achieved when the Company is exposed, or has the following:

(a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

### (2) Consolidation procedures

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

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

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

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

If control over an invested entity under common control is achieved due to reasons such as additional investment, for the equity investments held before obtaining the control of the entity being absorbed, the recognised relevant profit or loss, other comprehensive income, and other net asset changes from the later of the date of obtaining the original equity and the date when both the absorbing entity and the entity being absorbed are under common control up to the combination date shall be offset against the opening balance of retained earnings in the comparative financial statement period or the profit or loss. During the reporting period, if subsidiaries or business are increased due to business combination involving entities not under common control, it shall be included in the consolidated financial statements as of the acquisition date on the basis of the fair value of all identifiable assets, liabilities and contingent liabilities determined on the acquisition date.

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

## (2.2) Disposal of a subsidiary

### ① General disposal method

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

### ② Disposal of a subsidiary step by step

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

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

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

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

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

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

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

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

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

## 9. Recognition criteria for cash and cash equivalents

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

## 10. Foreign currency transactions and foreign currency translation

### (1) Foreign currency transactions

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

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

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

### (2) Conversion of financial statements denominated in foreign currencies

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

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

## 11. Financial instruments

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

### (1) Classification of financial instrument

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

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

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

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

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

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

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

The Company's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, or financial liabilities measured at amortised cost.

A financial liability may be designated at initial recognition as at fair value through profit or loss if it meets any of the following conditions:

- 1) This designation eliminates or significantly reduces accounting mismatches;
- 2) Based on the enterprise risk management or investment strategy set forth in the formal written documents, the portfolio of financial liabilities or the portfolio of financial assets and financial liabilities is managed and evaluated on the basis of fair value, and reported to key management personnel within the enterprise on this basis;

3) The financial liabilities include embedded derivatives that need to be separated.

(2) Recognition basis and measurement method for financial instruments

(2.1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, etc. They are initially recognized at fair value, with related transaction costs included in the initial carrying amount. Accounts receivable that do not contain a significant financing component, as well as for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component due within one year, are initially recognized at the contractual transaction price. Interest calculated using the effective interest method during the holding period is recognized in profit or loss for the current period. Upon collection or disposal, the difference between the proceeds received and the carrying amount of the financial asset is recognized in profit or loss for the current period.

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

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

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

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

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

Financial assets at fair value through profit or loss include financial assets held for trading, derivative financial assets and other non-current financial assets, which are initially measured at fair value, with related transaction costs included in profit or loss. Such financial assets are subsequently measured at fair value, and changes in fair value are recognised in profit or loss.

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

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

(2.6) Financial liabilities measured at amortised cost

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

### (3) Derecognition of financial liabilities

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

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

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

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

### (4) Determination method of fair value for financial assets and financial liabilities

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

### (5) Testing and accounting methods for impairment of financial instruments

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

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

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

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

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

The Group compares the risk of a default occurring as at the balance sheet date with the risk of a default as at the date of initial recognition to determine relative changes in the risk of a default occurring of the financial instrument in the expected lifetime, and assess whether the credit risk of the financial instrument has increased significantly since initial recognition.

Generally, the Group considers that the credit risk of a financial instrument has increased significantly when it is more than 30 days past due, unless there is reasonable evidence demonstrating that the credit risk has not increased significantly since initial recognition.

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

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

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

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

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

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

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

Item	Group	Basis
Accounts receivable:		
Receivables from related parties within the scope of consolidation	No credit risk group	No provision for bad debts is made for receivables within the scope of consolidation unless there is objective evidence that they cannot be recovered.
Due from other clients	Aging group	The accounts receivable are grouped based on their aging as the credit risk characteristic.
Other receivables:		
Receivables such as export tax rebates and housing funds have no credit risk.	No credit risk group	The accounts receivable are grouped based on their nature as the credit risk characteristic (mainly including export tax rebates, and housing funds).
Other receivables from related parties within the scope of consolidation	No credit risk group	No provision for bad debts is made for amounts within the scope of consolidation unless there is objective evidence that they cannot be recovered.
Deposits and guarantee deposits	Balance percentage group	The accounts receivable are grouped based on their nature as the credit risk characteristic (mainly including deposits and guarantee deposits)
Other receivables	Aging group	The accounts receivable are grouped based on their aging as the credit risk characteristic.
Long-term receivables:		
Finance lease receivables	Balance percentage group	The finance lease receivables are grouped based on their nature of the receivables as the credit risk characteristic.
Deposits and guarantee deposits	Balance percentage group	The accounts receivable are grouped based on their nature as the credit risk characteristic (mainly including deposits and guarantee deposits)
Provision for bad debts of aging group:		
Aging	Provision ratio for accounts receivables (%)	Provision ratio for other receivables (%)
Within 1 year, inclusive	5.00	5.00
1 to 2 years	10.00	10.00
2 to 3 years	30.00	30.00
3 to 4 years	50.00	50.00
4 to 5 years	80.00	80.00
Over 5 years	100.00	100.00

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

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

## 12. Notes receivable

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

## 13. Accounts receivable

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

## 14. Receivables financing

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

## 15. Other receivables

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

## 16. Contract assets

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

## 17. Inventories

### (1) Category and cost of inventories

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

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

### (2) Valuation method of inventories shipped

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

### (3) Inventory system

The perpetual inventory system is adopted.

### (4) Amortisation method for low-value consumables and packaging materials

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

### (5) Recognition criteria and accrual method of provision for write-down of inventories

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

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

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

## 18. Financial assets held for trading

### 19. Debt investments

### 20. Other debt investments

### 21. Long-term receivables

Please refer to “Note 41. Leases (2) Accounting treatment for leases as a lessor 2) Accounting treatment for finance leases” for details.

### 22. Long-term equity investments

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

#### (1) Criteria for joint control and significant influence

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

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

(2) Determination of initial investment cost

1) Long-term equity investments arising from a business combination

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

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

2) Long-term equity investments not arising from a business combination

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

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

i) Long-term equity investment under the cost method

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

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

ii) Long-term equity investment under the equity method

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

loss, and the cost of the long-term equity investment is adjusted accordingly.

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

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

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

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

### iii) Disposal of long-term equity investments

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

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

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

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

changes in owners' equity recognised before acquiring control shall be fully carried forward.

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

### 23. Investment properties

Measurement model of investment properties

Cost method measurement

Depreciation or amortisation method

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

### 24. Fixed assets

(1) Recognition criteria

1) Recognition and initial measurement of fixed assets

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

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

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

## (2) Depreciation method

Category	Depreciation method	Depreciation period	Percentage of estimated residual value	Annual depreciation rate
Buildings	Straight-line method	10-40 years	0.00%-10.00%	2.25%- 10.00%
Machinery	Straight-line method	2-15 years	5.00%-10.00%	6.00%-47.50%
Vehicles	Straight-line method	3-10 years	5.00%-10.00%	9.00%-31.67%
Electronic equipment, office equipment and others	Straight-line method	2-10 years	5.00%-10.00%	9.00%-47.50%
Land ownership	Others	N/A	N/A	N/A

No provision for depreciation is made for land ownership.

## 25. Construction in progress

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

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

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

## 26. Borrowing costs

### (1) Recognition principles for capitalization of borrowing costs

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

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

### (2) Capitalisation period of borrowing costs

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

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

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

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

### (3) Suspension period of capitalisation

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

### (4) Calculation of capitalisation rate and amount of borrowing costs

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

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

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

## 27. Biological assets

## 28. Oil and gas assets

## 29. Intangible assets

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

1) Valuation of intangible assets

i) Intangible assets are initially measured at cost when the Company obtains them;

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

ii) Subsequent measurement

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

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

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

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

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

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

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

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

4) Specific criteria for distinguishing between research phase and development phase

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

phase and expenditure on the development phase.

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

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

#### 5) Specific conditions for capitalisation of expenditure on development phase

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

- i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) the intention to complete the intangible asset and use or sell it;
- iii) how the intangible asset will generate probable future economic benefits (among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset);
- iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- v) the ability to measure reliably the expenditure attributable to the intangible asset during the development phase.

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

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

### 30. Impairment of long-term assets

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

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

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

recognised in profit or loss. A provision for impairment loss of the asset is recognised accordingly.

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

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

### 31. Long-term prepaid expenses

Long-term prepaid expenses refer to costs that have already been incurred but should be allocated over the current and future periods, with an amortisation period exceeding one year.

Long-term prepaid expenses are amortised using the straight-line method over the benefit period. The amortisation period is as follows:

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

### 32. Contract liabilities

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

### 33. Employee benefits

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

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

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

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

For the social insurance premium and housing fund paid by the Group for employees, as well as the union running costs

and employee education expenditure provided according to the regulations, the corresponding employee benefit amount is calculated according to the stipulated accrual basis and accrual ratio during the accounting period when employees provide services to the Group.

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

(2) Accounting for post-employment benefits

1) Defined contribution plan

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

2) Defined benefit plan

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

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

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

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

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

(3) Accounting for termination benefits

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

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

## 34. Provisions

An obligation related to a contingency shall be recognised by the Group as a provision when the following conditions are

met, except for contingent considerations and contingent liabilities assumed in a business combination not involving entities under common control.

- (1) The obligation is a present obligation of the Group;
- (2) The fulfilment of the obligation is likely to result in an outflow of economic benefits from the Group;
- (3) The amount of the obligation can be measured reliably.

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

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

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

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

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

### 35. Share-based payment

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

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

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

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

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

### 36. Preferred stock, perpetual bonds and other financial instruments

### 37. Revenue

Disclose the accounting policies adopted for revenue recognition and measurement by business type

Revenue from contracts with customers

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

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

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

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

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

For the performance obligations performed over time, the Group recognises the revenue in accordance with the performance progress during that period, except where the performance progress cannot be reasonably measured. Taking into account the nature of the goods or services, the Group uses the output or input method to determine the performance progress. If

the progress towards the complete satisfaction of the performance obligation cannot be reasonably measured, but the Group expects to recover the costs incurred in satisfying the performance obligation, the revenue is recognised only to extent of the costs incurred until such time that the Group can reasonably measure the progress towards the complete satisfaction of the performance obligation.

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

- (1) The Group has the present right to payment for the goods or services, that is, the customer is presently obliged to pay for the goods or services;
- (2) The Group has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods;
- (3) The Group has physically transferred the goods to the customer, that is, the customer has physically possessed the goods;
- (4) The Group has transferred the significant risks and rewards of ownership of the goods to the customer, that is, the customer has acquired the significant risks and rewards of ownership of the goods;
- (5) The customer has accepted the goods or services, etc.

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

Specific principles for recognition of revenue from sale of goods:

- (1) General foreign sales: revenue is recognised after commodity inspection, customs declaration and shipment of goods (the Company mainly adopts FOB and CIF methods for export revenue settlement. For a very small amount of revenue using other settlement methods, such as for those adopting EXW terms, the buyer designates carrier door-to-door delivery as the timing of recognition of revenue; for those adopting FCA terms, the delivery of products to the carrier designated by the buyer shall be the timing of recognition of revenue; for those adopting the DDP/DDU terms, the delivery of products to the destination designated by the buyer shall be the timing of recognition of revenue);
- (2) General domestic sales: the timing of recognition of sales revenue is based on the customer's confirmation of receipt (i.e., the revenue is recognised after the customer signs for the receipt, but if the contract stipulates that acceptance is needed, the revenue will be recognised after acceptance by the customer);
- (3) E-commerce business (B2C): the timing of recognition of sales revenue is based on the customer's confirmation of the completion of the transaction (i.e., the revenue is recognised when the customer initiatively confirms receipt of the goods on the e-commerce platform or when the e-commerce platform automatically confirms receipt of the goods within a certain period of time after delivery, whichever is earlier);
- (4) E-commerce business (B2B): the revenue is recognised in the settlement cycle at the point in time when control of the product is transferred;
- (5) Store sales model: sales revenue is recognised according to settlement time and price (i.e., the revenue is recognised after the store salesperson receives payment and delivers the goods to the customer);

(6) Consignment model: the Company delivers the goods to the place designated by the agent, and recognises the revenue after checking the sales list received by the deadline of reconciliation agreed in the contract.

#### Variable consideration

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

#### Additional purchase options

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

#### Sale with a right of return

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

#### Warranties provisions

The Group provides warranties in connection with the sale of goods in accordance with the contract and the relevant laws and regulations, etc. For an assurance-type warranty that provides a customer with the assurance that the good complies with agreed-upon specifications, the Group accounts for the warranty in accordance with "Note V.35 Provisions".

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

### 38. Contract costs

### 39. Government grants

#### (1) Types of government grants

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

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

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

#### (2) Timing of recognition

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

#### (3) Accounting treatment

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

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

### 40. Deferred tax assets/Deferred tax liabilities

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

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

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

(1) when the taxable temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting

profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

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

(1) when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and (2) in respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

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

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

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

#### 41. Leases

(1) Accounting treatment for leases as a lessee

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

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

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

As lessee

(1) Right-of-use assets

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

- 1) the amount of the initial measurement of the lease liability;
- 2) any lease payments made at or before the commencement date of the lease, less any lease incentives received if there are lease incentives;
- 3) any initial direct cost incurred;
- 4) and estimates of costs incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, excluding the costs incurred for producing the inventories.

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

The Group determines whether the right-of-use asset has been impaired in accordance with the principles described in “Note V.(20) Impairment of assets”, and accounts for the impairment losses identified.

(2) Lease liabilities

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

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

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

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

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

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

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

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

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

#### (4) Lease modifications

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

1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

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

#### (2) Accounting treatment for leases as a lessor

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

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

At the commencement date of the lease, the Group recognises finance lease receivable and derecognises finance lease assets. The Group presents the lease receivables at an amount equal to the net investment in the lease for the initial measurement. The net investment in the lease is the sum of any unguaranteed residual value accruing to the lessor and the lease payments receivable at the commencement date of the lease by a lessor under a finance lease discounted at the interest rate implicit

in the lease. The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. Variable lease payments received by the Group that are not included in the measurement of the net investment in the lease are recognised in profit or loss as incurred.

#### 42. Other material accounting policies and significant estimates

##### (1) Share repurchase

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

##### (2) Fair value measurement

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

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

##### (3) Significant accounting judgements and estimates

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

###### 1) Judgements

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

###### Business models

The classification of financial assets at initial recognition depends on the Group’s business model for managing financial assets. When determining the business model, the Group considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and risk management, and

the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

## 2) Estimation uncertainty

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

### Impairment of financial assets

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

### Variable consideration for sales rebates or returns

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

### Loyalty points

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

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

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

#### Share-based payments

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

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

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

#### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the present value of the future cash flows expected to be derived from the asset groups (sets of asset groups) to which the goodwill is allocated. Estimating the present value requires the Group to make an estimate of the expected future cash flows from the asset groups (sets of asset groups) and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in "Note V.19".

#### Deferred tax assets

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

#### Lessee's incremental borrowing rate

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

#### Depreciation and amortisation

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

#### Fair value of investments in convertible corporate bonds

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

Fair values of wealth management products and trust products

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

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

(1) Changes in material accounting policies

Applicable  Not applicable

(2) Changes in significant estimates

Applicable  Not applicable

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

Applicable  Not applicable

#### 44. Others

## VI. Taxation

### 1. Main tax categories and tax rates

Category of tax	Taxation basis	Tax rates
Value-added tax (VAT)	Output VAT is calculated based on product sales and service provided pursuant to tax laws. The basis for VAT payable is to deduct input VAT from the output VAT for the period.	13%, 9%, 6%, 3%, 1%, 0% <sup>Note 1*</sup>
Excise tax	N/A	N/A
Urban maintenance and construction tax	Actual paid turnover tax	7%, 5%
Corporate income tax (CIT)	Levied by taxable profit	30%, 27%, 25.8%, 25%, 24%, 21%, 20%, 17%, 16.5%, 15%
Education surcharge	Actual paid turnover tax	3%
Local education surcharge	Actual paid turnover tax	2%

Note 1\*: Certain stores of Shenzhen Purcotton Technology Co., Ltd. (“Shenzhen Purcotton”), Guangzhou Purcotton Medical Technology Co., Ltd. (“Guangzhou Purcotton”), Beijing Purcotton Technology Co., Ltd. (“Beijing Purcotton”), Shanghai Purcotton Technology Co., Ltd. (“Shanghai Purcotton”), and Wuhan Purcotton Ltd. (“Wuhan Purcotton”) are small-scale taxpayers, subject to VAT levied at a rate of 3%. The VAT rate is 13% for non-small-scale taxpayers. According to the Announcement of the Ministry of Finance and the State Taxation Administration on Value-added Tax Reduction and Exemption Policy for Small-scale VAT Taxpayers (MOF, STA Announcement [2023] No.19), small-scale VAT taxpayers with monthly sales amount of below RMB100,000 (inclusive) shall be exempt from VAT. Small-scale VAT taxpayers whose

taxable sales revenue shall be subject to the 3% levy rate shall be eligible for a reduced rate of 1%; for items subject to prepayment of VAT at the rate of 3%, the prepayment will be made at a reduced rate of 1%. The Announcement shall be in effect until 31 December 2027. The sales of goods by the Group's subsidiaries as general taxpayers are subject to a VAT rate of 13%. The Company and some subsidiaries are eligible to engage in import/export business, and their export products are subject to VAT "exemption, credit, and refund" policies. VAT on income from consulting services provided by the Group is levied at a rate of 6%; VAT on income from promotion services provided by Shenzhen Purcotton is levied at a rate of 6%; VAT on income from warehousing services provided by Winner Medical (Wuhan) is levied at a rate of 6%; and VAT on income from customer services provided by Huanggang Purcotton is levied at a rate of 6%.

Disclosure of entities subject to different corporate income tax rates

Name of taxpayers	Income tax rates
Winner Medical Co., Ltd.	15%
Winner Medical (Huanggang) Co., Ltd. ("Winner Medical (Huanggang)")	15%
Winner Medical (Jingmen) Co., Ltd. ("Winner Medical (Jingmen)")	15%
Winner Medical (Tianmen) Co., Ltd. ("Winner Medical (Tianmen)")	15%
Winner Medical (Chongyang) Co., Ltd. ("Winner Medical (Chongyang)")	15%
Winner Medical (Jiayu) Co., Ltd. ("Winner Medical (Jiayu)")	15%
Yichang Winner Medical Textile Co., Ltd. ("Winner Medical (Yichang)")	25%
Winner Medical (Heyuan) Co., Ltd. ("Winner Medical (Heyuan)")	25%
Winner Medical (Wuhan) Co., Ltd. ("Winner Medical (Wuhan)")	15%
Winner Medical (Hong Kong) Ltd. ("Hong Kong Winner")	16.50%
Winner Medical Malaysia Sdn. Bhd. ("Winner Medical Malaysia")	24%
Winner Guilin Latex Co., Ltd. ("Winner Guilin").	15%
Shenzhen Junjian Medical Device Co., Ltd. ("Junjian Medical")	25%
Shanghai Hongsong Medical Device Co., Ltd. ("Shanghai Hongsong")	25%
Nature Health Development (Hong Kong) Co., Ltd. ("Nature Health (HK)")	16.50%
Winner (Jingzhou) Latex Products Co., Ltd. ("Winner Jingzhou")	25%
Winner Biomedical Technology (Wuhan) Co., Ltd. ("Winner Biomedical")	20%
Hubei Zhongfu New Materials Co., Ltd. ("Hubei Zhongfu")	20%
Winner Medical Technology (Foshan) Co., Ltd. ("Winner Medical (Foshan)")	20%
Nature Health Trading (Hong Kong) Co., Ltd. ("Nature Health Trading")	16.5%
Shenzhen Purcotton	25%
Beijing Purcotton	20%
Guangzhou Purcotton	20%
Shanghai Purcotton	20%
Shenzhen Qianhai Purcotton E-Commerce Co., Ltd. ("Qianhai Purcotton")	25%
Shenzhen Purunderwear Sci-Tech Innovation Co., Ltd. ("Purunderwear")	20%
Huanggang Purcotton Ltd. ("Huanggang Purcotton")	25%
Wuhan Purcotton	25%
Hong Kong Purcotton Ltd. ("Hong Kong Purcotton")	16.50%

Name of taxpayers	Income tax rates
Purcotton Agricultural Technology (Wuhan) Co., Ltd. (“Purcotton Agricultural”)	20%
Purcotton (Vietnam) Co., Ltd. (“Vietnam Purcotton”)	15%
Shenzhen PureH2B Technology Co., Ltd. (“PureH2B”)	20%
Zhejiang Longterm Medical Technology Co., Ltd. (“Longterm Medical”)	15%
Hangzhou Shengyi Technology Co., Ltd. (“Hangzhou Shengyi”)	20%
Xi’an Longtemu Medical Technology Co., Ltd. (“Xi’an Longtemu”)	20%
Deqing Longterm Medical Silica Gel Products Co., Ltd. (“Deqing Longterm”)	20%
Longterm Medical US LLC (“Medical US”)	Federal 21%
LONGTERM MEDICAL,S.DE.R.L.DE C.V (“MEDICAL CV”)	30%
Zhejiang Honglan Technology Co., Ltd. (“Zhejiang Honglan”)	20%
Winner Medical (Hunan)	15%
Hunan Ruian Medical Device Technology Co., Ltd. (“Ruian Medical Device”)	20%
Global Resources International, Inc. (“GRI USA”)	Federal 21%
GRI-Alleset Limited B.V. (“Alleset BV”)	25.80%
Alleset Healthcare UK, Limited (“Alleset UK”)	25%
GRI-Alleset Limited (“GRI Alleset”)	16.50%
GRI Medical & Electronics Technology Co., Ltd. (“GRI METC”)	15%
Wuhu Shiyuan Zhuochuang Medical Material Technology Co., Ltd. (“GRI Nanling”)	20%
GRI (Wuhu) New Materials Co., Ltd. (“GRI Wuhu”)	15%
Jiaxing Aixin Medical Device Co., Ltd. (“Alleset China”)	20%
Zhejiang Aixin Polymer Materials Co., Ltd. (“AXHPM”)	25%
GRI Precision Medical Devices Co., Ltd. (“GRI PM”)	20%
Alleset Singapore Ltd (“Alleset Singapore”)	17%
Curicyn, Inc. (“Curicyn”)	Federal 21%
Advanced Product Solutions, Inc. (“APS”)	Federal 21%
Global Resources Investments, LLC (“GRI Investment”)	Federal 21%
GRI-Alleset, Inc. (“Alleset Inc”)	Federal 21%
Tennessee Foam, LLC (“TNFOAM”)	Federal 21%
Invenio Healthcare, LLC (“Invenio LLC”)	Federal 21%
Invenio Procedure Solutions, LLC (“IPS”)	Federal 21%
Global Resources International Dominicana-Grid-SRL (“GRI DR”)	27%
Thermogear, Inc. (“Thermogear”)	Federal 21%
Invenio Alternate Care Solutions, LLC (“IACS”)	Federal 21%
ETI Services, Inc. (“ETI Services”)	Federal 21%1*
Global Resources (Vietnam) Group Limited Company (“GRI VN”)	20%

Note: 1\* State income tax rates vary across U.S. states. State income taxes are deductible for federal income tax purposes.

## 2. Tax preference

Name of taxpayers	Tax category	Preferential policy	Tax rates	Certificate No.	Certificate date	
Winner Medical Co., Ltd.			15%	GR202444206145	26 December 2024	
Winner Medical (Huanggang)			15%	GR202542000284	11 November 2024	
Winner Medical (Jingmen)			15%	GR202442001714	04 December 2025	
Winner Medical (Tianmen)			15%	GR202442003221	16 November 2024	
Winner Medical (Chongyang)		According to the second paragraph of Article 28 of the Corporate Income Tax Law of the People's Republic of China stipulates, with respect to a high-tech enterprise that is specifically supported by the State, the tax on its income shall be levied at a reduced rate of 15 percent.	15%	GR202442001824	15 November 2024	
Winner Medical (Jiayu)			15%	GR202442004304	16 December 2024	
Winner Medical (Wuhan)			15%	GR202542000765	08 December 2025	
Winner Guilin			15%	GR202345000323	04 December 2023	
Longterm Medical			15%	GR202333003226	08 December 2023	
Winner Medical (Hunan)			15%	GR202543002877	08 December 2025	
GRI METC	Corporate income tax		15%	GR202533006896	19 December 2025	
GRI Wuhu			15%	GR202534004988	08 December 2025	
Winner Biomedical			According to in the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax and Fee Policies with Respect to Further Supporting the Development of Small and Micro Enterprises and Individually-Owned Businesses (MOF, STA Announcement [2023] No. 12), the policy of small and low-profit enterprises calculating the taxable income at 25% and paying corporate income tax at a rate of 20% is extended to 31 December 2027.	20%	N/A	N/A
Hubei Zhongfu				20%	N/A	N/A
Beijing Purcotton		20%		N/A	N/A	
Guangzhou Purcotton		20%		N/A	N/A	
Shanghai Purcotton		20%		N/A	N/A	
Purunderwear		20%		N/A	N/A	
Purcotton Agricultural		20%		N/A	N/A	
PureH2B		20%		N/A	N/A	
Winner Medical (Foshan)		According to in the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax and Fee Policies with Respect to Further Supporting the Development of Small and Micro Enterprises and Individually-Owned Businesses (MOF, STA Announcement [2023] No. 12), the policy of small and low-profit enterprises calculating the taxable income at 25% and paying corporate income tax at a rate of 20% is extended to 31 December 2027.		20%	N/A	N/A
Hangzhou Shengyi				20%	N/A	N/A
Zhejiang Honglan			20%	N/A	N/A	
Xi'an Longtemu	Corporate income tax		20%	N/A	N/A	
Deqing Longterm			20%	N/A	N/A	
Ruian Medical Device			20%	N/A	N/A	
GRI Nanling			20%	N/A	N/A	
Alleset China			20%	N/A	N/A	
GRI PM			20%	N/A	N/A	

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

### 3. Others

## VII. Notes to the consolidated financial statements

### 1. Currency funds

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Cash on hand	98,223.24	152,838.15
Cash at banks	1,541,265,623.54	1,348,440,889.85
Other currency funds	52,625,473.14	63,495,170.63
Total	1,593,989,319.92	1,412,088,898.63
Including: Total amount deposited abroad	73,178,038.54	87,101,777.00

Other disclosures:

Wherein, the breakdown of currency funds that are restricted in use due to mortgages, pledges or freezes is as follows:

Item	2025	2024
Guarantee deposit for bank acceptance bill (Note 1)	20,773,341.08	44,202,960.58
Letter of credit (Note 2)	101,320.00	100,000.00
Performance bond (Note 3)	3,962,873.80	4,384,215.00
Letter of guarantee (Note 4)	-	230,000.00
Balance of other restricted currency funds (Note 5)	8,429,676.46	6,074,337.70
Total	33,267,211.34	54,991,513.28

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

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

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

Note 4: Letter of guarantee represents the guarantee deposit made by Winner Medical (Hunan) to apply for the construction permission for its Phase II plant. The guarantee matured in March 2025, and the funds were automatically transferred back to the Company's account.

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

## 2. Financial assets held for trading

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	2,825,378,695.56	2,921,341,484.39
Including:		
Trust plan	1,006,390,017.33	1,589,166,136.99
Wealth management products issued by banks	1,818,988,678.23	1,332,175,347.40
Including:		
Total	2,825,378,695.56	2,921,341,484.39

Other disclosures:

## 3. Derivative financial assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Other disclosures:		

## 4. Notes receivable

(1) Classified presentation of notes receivable

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Bank acceptance bills	39,357,178.51	34,319,961.81
Total	39,357,178.51	34,319,961.81

(2) Disclosure by bad debt provision accrual method

Currency: Renminbi Yuan

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

Including:

Including:

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

Applicable  Not applicable

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

Provision for bad debts accrued:

Currency: Renminbi Yuan

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

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

Applicable  Not applicable

(4) Notes receivable pledged

Currency: Renminbi Yuan

Item	Pledged notes receivable at end of year
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(5) Notes receivable endorsed or discounted and not yet expired at the balance sheet date

Currency: Renminbi Yuan

Item	Derecognised	Not derecognised
Bank acceptance bills		17,525,376.84
Total		17,525,376.84

(6) Notes receivable actually written off

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

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

## 5. Accounts receivable

(1) Disclosure by aging

Currency: Renminbi Yuan

Aging	Closing balance	Opening balance
Within 1 year, inclusive	1,078,434,515.13	1,006,495,090.20
1 to 2 years	13,195,106.36	18,474,160.02
2 to 3 years	4,839,980.27	8,532,477.53
Over 3 years	17,192,544.41	13,225,461.37
3 to 4 years	5,167,731.89	7,176,362.31
4 to 5 years	7,176,361.56	3,065,166.50
Over 5 years	4,848,450.96	2,983,932.56
Total	1,113,662,146.17	1,046,727,189.12

(2) Disclosure by bad debt provision accrual method

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts made on an individual basis	5,762,385.03	0.52%	5,762,385.03	100.00%	0.00	4,274,807.30	0.41%	3,774,809.80	88.30%	499,997.50
Including:										
Provision for bad debts made on a collective basis	1,107,899,761.14	99.48%	67,026,212.64	6.05%	1,040,873,548.50	1,042,452,381.82	99.59%	62,334,737.94	5.98%	980,117,643.88
Including:										
Provision for bad debts made on a collective basis by credit risk characteristics	1,107,899,761.14	99.48%	67,026,212.64	6.05%	1,040,873,548.50	1,042,452,381.82	99.59%	62,334,737.94	5.98%	980,117,643.88
Total	1,113,662,146.17	100.00%	72,788,597.67	6.54%	1,040,873,548.50	1,046,727,189.12	100.00%	66,109,547.74	6.32%	980,617,641.38

Provision for bad debts made on an individual basis:

Currency: Renminbi Yuan

Name	Opening balance		Closing balance			Reasons for provision
	Book balance	Impairment allowance	Book balance	Impairment allowance	Provision ratio (%)	
Others	4,274,807.30	3,774,809.80	5,762,385.03	5,762,385.03	100.00%	Expected to be uncollectible
Total	4,274,807.30	3,774,809.80	5,762,385.03	5,762,385.03		

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

Currency: Renminbi Yuan

Aging	Closing balance		
	Book balance	Impairment allowance	Provision ratio (%)
Within 1 year	1,078,003,467.00	53,899,913.34	5.00%
1 to 2 years	12,747,505.21	1,275,044.00	10.00%
2 to 3 years	4,135,872.35	1,240,761.71	30.00%
3 to 4 years	2,443,382.89	1,221,691.44	50.00%
4 to 5 years	5,903,657.73	4,722,926.19	80.00%
Over 5 years	4,665,875.96	4,665,875.96	100.00%
Total	1,107,899,761.14	67,026,212.64	

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

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

Applicable  Not applicable

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

Provision for bad debts accrued:

Currency: Renminbi Yuan

Category	Opening balance	Changes for the year			Closing balance	
		Accrual	Recovery or reversal	Write-off		Others
Provision for bad debts made on an individual basis	3,774,809.80	2,033,930.23	46,355.00		5,762,385.03	
Provision for bad debts made on a collective basis by credit risk characteristics	62,334,737.94	30,235,156.34	22,608,626.57	2,455,292.31	-479,762.76	67,026,212.64
Total	66,109,547.74	32,269,086.57	22,654,981.57	2,455,292.31	-479,762.76	72,788,597.67

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

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

Item	Amount written off
Accounts receivable actually written off	2,455,292.31

Write-off of significant accounts receivable:

Currency: Renminbi Yuan

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

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

Currency: Renminbi Yuan

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable and contract assets (%)	Closing balance of bad debt provision for accounts receivable and impairment allowances for contract assets
First	152,890,915.70		152,890,915.70	13.73%	7,645,899.46
Second	29,364,232.17		29,364,232.17	2.64%	1,468,211.61
Third	27,017,676.49		27,017,676.49	2.43%	1,409,946.17
Fourth	26,388,836.78		26,388,836.78	2.37%	1,319,443.21
Fifth	21,629,148.30		21,629,148.30	1.94%	1,081,457.41
Total	257,290,809.44		257,290,809.44	23.11%	12,924,957.86

## 6. Contract assets

(1) Details of contract assets

Currency: Renminbi Yuan

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

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

Currency: Renminbi Yuan

Item	Changes for the year	Reasons for changes
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(3) Disclosure by bad debt provision accrual method

Currency: Renminbi Yuan

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

Including:

Including:

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

Applicable  Not applicable

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

Currency: Renminbi Yuan

Item	Accrual	Recovery or reversal	Transfer/Write-off	Reasons
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Significant recovery or reversal of provision for bad debts for the current period:

Currency: Renminbi Yuan

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

(5) Contract assets actually written off

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

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

Other disclosures:

## 7. Receivables financing

### (1) Classified presentation of receivables financing

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Bank acceptance bills Note 1*	48,201,306.98	68,349,926.24
Total	48,201,306.98	68,349,926.24

Note 1\*: Those notes receivable were held by the Group within a business model whose objective is both collecting contractual cash flows and selling, and they were classified as financial assets at fair value through other comprehensive income and presented as receivables financing.

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

Currency: Renminbi Yuan

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

Including:

Including:

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

Currency: Renminbi Yuan

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

Provision (reversal) for the year

Criteria for stage classification and provision ratio for bad debts

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

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

Currency: Renminbi Yuan

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

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

Currency: Renminbi Yuan

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

(4) Receivables financing pledged

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

Item	Derecognised	Not derecognised
Bank acceptance bills	75,425,011.30	
Total	75,425,011.30	

(6) Receivables financing actually written off

Currency: Renminbi Yuan

Item	Amount written off
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Write-off of significant receivables financing

Currency: Renminbi Yuan

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

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

(8) Other disclosures

## 8. Other receivables

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Interest receivable	0.00	
Dividends receivable	0.00	
Other receivables	204,468,498.11	186,351,012.28
Total	204,468,498.11	186,351,012.28

## (1) Interest receivable

## 1) Classification of interest receivable

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Total	0.00	

## 2) Significant overdue interest

Currency: Renminbi Yuan

Borrower	Closing balance	Overdue time	Overdue reasons	Impairment determination basis
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Other description:

## 3) Disclosure by bad debt provision accrual method

 Applicable  Not applicable

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

Currency: Renminbi Yuan

Category	Opening balance	Changes			Closing balance
		Accrual	Recovery or reversal	Disposal or write-off	

Significant recovery or reversal of provision for bad debts:

Currency: Renminbi Yuan

Unit name	Amount recovered or reversed	Reasons for reversal	Method of recovery	Basis and rationale for original bad debt provision ratio
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Other description:

## 5) Interest receivable actually written off

Currency: Renminbi Yuan

Item	Amount written-off
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Significant write-off of interest receivable:

Currency: Renminbi Yuan

Unit name	Nature of interest receivable	Amount written-off	Reasons for write-off	Write-off procedures performed	Whether caused by related party transactions
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Notes on write-off interest receivable:

Other disclosures:

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2) Dividends receivable

1) Classification of dividends receivable

Currency: Renminbi Yuan

Item (or investee)	Closing balance	Opening balance
Total	0.00	

2) Significant dividends receivable aged over 1 year

Currency: Renminbi Yuan

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

Applicable  Not applicable

4) Provision for bad debts accrued, recovered or reversed

Currency: Renminbi Yuan

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

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

Currency: Renminbi Yuan

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

5) Dividends receivable actually written off

Currency: Renminbi Yuan

Item	Amount written off
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Write-off of significant dividends receivable

Currency: Renminbi Yuan

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

Other disclosures:

## (3) Other receivables

## 1) Classification by nature

Currency: Renminbi Yuan

Nature	Closing balance	Opening balance
Compensation for investment and construction project of Winner Medical (Heyuan)	215,155,320.00	217,155,320.00
Deposit and guarantee deposit	71,788,017.49	51,068,341.89
Amounts due from related parties outside the scope of consolidation of the Group	4,010,984.13	5,186,667.64
Employee pretty cash	2,871,481.77	1,625,166.73
Others	31,531,589.37	31,649,509.07
Total	325,357,392.76	306,685,005.33

## 2) Disclosure by aging

Currency: Renminbi Yuan

Aging	Closing balance	Opening balance
Within 1 year, inclusive	60,807,073.86	46,812,996.63
1 to 2 years	12,006,371.78	8,315,527.96
2 to 3 years	7,913,808.36	3,952,388.84
Over 3 years	244,630,138.76	247,604,091.90
3 to 4 years	3,740,683.54	3,951,681.84
4 to 5 years	3,397,327.98	6,965,806.49
Over 5 years	237,492,127.24	236,686,603.57
Total	325,357,392.76	306,685,005.33

3) Disclosure by bad debt provision accrual method

√ Applicable □ Not applicable

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts made on an individual basis	217,564,878.81	66.87%	109,987,218.81	50.55%	107,577,660.00	219,310,090.37	71.51%	110,322,244.51	50.30%	108,987,845.86
Including:										
Provision for bad debts made on a collective basis	107,792,513.95	33.13%	10,901,675.84	10.11%	96,890,838.11	87,374,914.96	28.49%	10,011,748.54	11.46%	77,363,166.42
Including:										
No credit risk group	2,765,127.72	0.85%	0.00	0.00%	2,765,127.72	2,752,904.44	0.90%	0.00	0.00%	2,752,904.44
Aging group	33,638,967.74	10.34%	7,332,254.92	21.80%	26,306,712.82	33,698,253.02	10.99%	7,465,560.68	22.15%	26,232,692.34
Deposit and guarantee deposit	71,388,418.49	21.94%	3,569,420.92	5.00%	67,818,997.57	50,923,757.50	16.60%	2,546,187.86	5.00%	48,377,569.64
Total	325,357,392.76	100.00%	120,888,894.65	37.16%	204,468,498.11	306,685,005.33	100.00%	120,333,993.05	39.24%	186,351,012.28

Provision for bad debts made on an individual basis:

Currency: Renminbi Yuan

Name	Opening balance		Closing balance			Reasons for provision
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision ratio (%)	
Zijin County People's Government	217,155,320.00	108,577,660.00	215,155,320.00	107,577,660.00	50.00%	Government receivables, aged over 5 years
Total	217,155,320.00	108,577,660.00	215,155,320.00	107,577,660.00		

Provision for bad debts made on a collective basis: Aging

Currency: Renminbi Yuan

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision ratio (%)
Within 1 year	27,464,801.30	1,373,240.07	5.00%
1 to 2 years	35,499.85	3,549.99	10.00%
2 to 3 years	238,878.11	71,663.43	30.00%
3 to 4 years	31,856.67	15,928.34	50.00%
4 to 5 years	282.56	226.05	80.00%
Over 5 years	5,867,649.25	5,867,647.04	100.00%
Total	33,638,967.74	7,332,254.92	

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

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

Currency: Renminbi Yuan

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	
Balance at 1 January 2025	10,011,748.65	110,322,244.40		120,333,993.05
Provision (reversal) for the year				
Provision	3,132,912.84	809,558.81		3,942,471.65
Reversal	2,276,223.62	1,000,000.00		3,276,223.62
Transfer		144,584.40		144,584.40
Other changes	33,237.97			33,237.97
Balance at 31 December 2025	10,901,675.84	109,987,218.81		120,888,894.65

Criteria for stage classification and provision ratio for bad debts

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

Applicable  Not applicable

4) Provision for bad debts accrued, recovered or reversed

Provision for bad debts accrued:

Currency: Renminbi Yuan

Category	Opening balance	Changes for the year				Closing balance
		Accrual	Recovery or reversal	Transfer/Write-off	Others	
Provision for bad debts	120,333,993.05	3,942,471.65	3,276,223.62	144,584.40	33,237.97	120,888,894.65
Total	120,333,993.05	3,942,471.65	3,276,223.62	144,584.40	33,237.97	120,888,894.65

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

Currency: Renminbi Yuan

Entity name	Amount recovered or reversed	Reasons for reversal	Recovery method	The basis for determining the original provision ratio for bad debts and its reasonableness
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5) Other receivables actually written off

Currency: Renminbi Yuan

Item	Amount written off
Others	144,584.40

Write-off of significant dividends receivable:

Currency: Renminbi Yuan

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

6) Top 5 other receivables with closing balances by debtor

Currency: Renminbi Yuan

Entity name	Nature of other receivables	Closing balance	Aging	Proportion in total balance of other receivables (%)	Closing balance of provision for bad debts
First	Receivables related to Heyuan project	215,155,320.00	Over 5 years	66.13%	107,577,660.00
Second	Deposits	15,656,693.47	Within 1 year	4.81%	782,834.67
Third	Others	5,034,735.20	Over 5 years	1.55%	5,034,735.20
Fourth	Others	5,000,000.00	Within 1 year	1.54%	250,000.00
Fifth	Amounts due from related parties outside the scope of consolidation of the Group	4,010,984.13	Within 1 year	1.23%	200,549.21
Total		244,857,732.80		75.26%	113,845,779.08

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

Currency: Renminbi Yuan

Other disclosures:

## 9. Prepayments

### (1) Presentation of prepayments by aging

Currency: Renminbi Yuan

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	166,358,685.76	92.77%	104,869,986.82	97.96%
1 to 2 years	12,569,766.20	7.01%	1,216,447.34	1.14%
2 to 3 years	390,290.74	0.22%	965,467.52	0.90%
Total	179,318,742.70		107,051,901.68	

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

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

Supplier	Closing balance	Proportion in total closing balance of prepayments (%)
First	62,239,944.54	34.08
Second	8,938,180.55	4.89
Third	7,234,822.48	3.96
Fourth	2,552,335.23	1.40
Fifth	2,458,224.45	1.35
Total	83,423,507.25	45.68

Other disclosures:

## 10. Inventories

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

No

(1) Classification

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Book balance	Provision for write-down of inventories / impairment of costs to fulfil a contract	Carrying amount	Book balance	Provision for write-down of inventories / impairment of costs to fulfil a contract	Carrying amount
Raw materials	426,515,412.13	16,092,327.97	410,423,084.16	422,260,084.86	9,769,459.08	412,490,625.78
Work in process	283,112,438.71	18,180,794.50	264,931,644.21	265,426,666.70	29,252,698.59	236,173,968.11
Finished goods	1,385,540,258.49	93,362,105.64	1,292,178,152.85	1,411,909,543.62	167,669,713.69	1,244,239,829.93
Semi-finished products shipped in transit	35,983,569.08	0	35,983,569.08	48,244,017.80	0.00	48,244,017.80
Low-value consumables	13,628,598.45	931,993.41	12,696,605.04	18,956,973.99	2,290,807.36	16,666,166.63
Total	2,144,780,276.86	128,567,221.52	2,016,213,055.34	2,166,797,286.97	208,982,678.72	1,957,814,608.25

(2) Data resources recognised as inventories

Currency: Renminbi Yuan

Item	Purchased data resources	Self-processed data resources	Other data resources	Total
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(3) Provision for write-down of inventories / impairment of costs to fulfil a contract

Currency: Renminbi Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Reversal or write-off	Others	
Raw materials	9,769,459.08	17,326,879.45		11,004,010.56		16,092,327.97
Work in process	29,252,698.59	14,922,048.68		25,993,952.77		18,180,794.50
Finished goods	167,669,713.69	45,708,658.75		120,016,266.80		93,362,105.64
Semi-finished products shipped in transit		123,797.00		123,797.00		0.00
Low-value consumables	2,290,807.36	814,596.47		2,173,410.42		931,993.41
Total	208,982,678.72	78,895,980.35	0.00	159,311,437.55	0.00	128,567,221.52

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

Inventories written down on a collective basis

Currency: Renminbi Yuan

Name	End of year			Beginning of year		
	Closing balance	Inventory write-downs	Accruing proportion (%)	Opening balance	Inventory write-downs	Accruing proportion (%)
Raw materials and entrusted processing materials	426,515,412.13	16,092,327.97	3.77%	422,260,084.86	9,769,459.08	2.31%
Work in process	283,112,438.71	18,180,794.50	6.42%	265,426,666.70	29,252,698.59	11.02%
Finished goods	1,385,540,258.49	93,362,105.64	6.74%	1,411,909,543.62	167,669,713.69	11.88%
Semi-finished products shipped in transit	35,983,569.08		0.00%	48,244,017.80	0.00	0.00%
Low-value consumables	13,628,598.45	931,993.41	6.84%	18,956,973.99	2,290,807.36	12.08%
Total	2,144,780,276.86	128,567,221.52	5.99%	2,166,797,286.97	208,982,678.72	9.64%

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

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

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

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

#### 11. Assets classified as held for sale

Currency: Renminbi Yuan

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

## 12. Current portion of non-current assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Certificates of deposits due within one year	428,086,333.31	340,988,583.36
Long-term receivables due within one year	4,707,526.63	4,479,684.84
Total	432,793,859.94	345,468,268.20

(1) Debt investments due within one year

Applicable  Not applicable

(2) Other debt investments due within one year

Applicable  Not applicable

## 13. Other current assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Return cost receivable	881,568.59	792,155.41
VAT input tax to be deducted/Uncertified input tax	55,515,674.59	38,151,229.60
Prepaid corporate income tax	1,585,317.44	745,868.29
Prepaid expenses	27,676,950.97	28,014,182.32
Others	18,202.67	33,088.28
Total	85,677,714.26	67,736,523.90

Other disclosures:

## 14. Debt investments

(1) Details of debt investments

Currency: Renminbi Yuan

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

Changes in impairment allowance for debt investments in the current period

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

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

## (3) Impairment allowance

Currency: Renminbi Yuan

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

Provision (reversal) for the year

Criteria for stage classification and provision ratio for bad debts

## (4) Debt investments actually written off

Currency: Renminbi Yuan

Item	Amount written off
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Write-off of significant debt investments

Description of write-off of debt investments:

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

 Applicable  Not applicable

Other disclosures:

## 15. Other debt investments

## (1) Details of other debt investments

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

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

(3) Impairment allowance

Currency: Renminbi Yuan

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

Provision (reversal) for the year

Criteria for stage classification and provision ratio for bad debts

(4) Other debt investments actually written off

Currency: Renminbi Yuan

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

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

Applicable  Not applicable

Other disclosures:

## 16. Other equity investments

Currency: Renminbi Yuan

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

Derecognition during the current year

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

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

## 17. Long-term receivables

### (1) Long-term receivables

Currency: Renminbi Yuan

Item	Closing balance			Opening balance			Discount rate range
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount	
Finance leases	31,209,579.37		31,209,579.37	35,689,264.21		35,689,264.21	4.20%-5.00%
Including:							
Unearned finance income	-5,407,510.69		-5,407,510.69	-7,241,784.14		-7,241,784.14	4.20%-5.00%
Current portion of non-current assets	-4,707,526.63		-4,707,526.63	-4,479,684.84		-4,479,684.84	4.20%-5.00%
Rental deposits	60,092,661.11	3,004,633.13	57,088,027.98	60,237,947.22	3,011,897.37	57,226,049.85	2.90%-3.00%
Total	86,594,713.85	3,004,633.13	83,590,080.72	91,447,526.59	3,011,897.37	88,435,629.22	

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

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Including:										
Provision for bad debts made on a collective basis	86,594,713.85	100.00%	3,004,633.13	3.47%	83,590,080.72	91,447,526.59	100.00%	3,011,897.34	3.29%	88,435,629.25
Including:										
Total	86,594,713.85	100.00%	3,004,633.13	3.47%	83,590,080.72	91,447,526.59	100.00%	3,011,897.34	3.29%	88,435,629.25

Provision for bad debts made on a collective basis:

Currency: Renminbi Yuan

Name	Closing balance		
	Book balance	Provision for bad debts	Provision ratio (%)
Provision for bad debts made on a collective basis by credit risk characteristics	86,594,713.85	3,004,633.13	3.47%
Including:			
Deposit and guarantee deposit	60,092,661.11	3,004,633.13	5.00%
Others	26,502,052.74		
Total	86,594,713.85	3,004,633.13	

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

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

Currency: Renminbi Yuan

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

Provision (reversal) for the year

Criteria for stage classification and provision ratio for bad debts

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

Currency: Renminbi Yuan

Category	Opening balance	Changes for the year			Closing balance
		Accrual	Recovery or reversal	Transfer/Write-off Others	
Rental deposit	3,011,897.37	1,122,278.09	1,129,542.33		3,004,633.13
Total	3,011,897.37	1,122,278.09	1,129,542.33		3,004,633.13

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

Currency: Renminbi Yuan

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

## (4) Long-term receivables actually written off

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

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

## 18. Long-term equity investments

Currency: Renminbi Yuan

Investee	Opening balance (carrying amount)	Opening balance of impairment provision	Changes for the year							Closing balance (carrying amount)	Closing balance of impairment provision	
			Additional investment	Reduced investment	Investment gains and losses recognised under the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision for impairment			Others
I. Joint ventures												
II. Associates												
Company S Note 1* :	423,148,649.68		71,327,283.40		-27,439,130.85						-10,451,682.74	456,585,119.49
Chengdu Winner Likang Medical Products Co., Ltd.	20,712,599.93				274,423.52							20,987,023.45
Zhejiang Shiyu Medical Materials Co., Ltd.	992,318.26				-74,953.15						-21,081.02	896,284.09
Hubei Xianchuang Technology Co., Ltd.	502,210.13				19,187.88							521,398.01
Sub-total	445,355,778.00	0.00	71,327,283.40	0.00	-27,220,472.60	0.00	0.00	0.00	0.00	0.00	-10,472,763.76	478,989,825.04
Total	445,355,778.00	0.00	71,327,283.40	0.00	-27,220,472.60	0.00	0.00	0.00	0.00	0.00	-10,472,763.76	478,989,825.04

Note 1\*: On 28 February 2024, the Group acquired a 35.2055% equity interest in Company S at a consideration of USD60 million (equivalent to RMB428,074,000.00). The Group appointed two directors to Company S and exercises significant impact over it and the investment is accounted for using the equity method. The Group paid cash consideration on 12 March 2024 and appointed two directors to Company S on 12 March 2024 and 1 April 2024, respectively. The Group has significant impact over Company S and accounts for the investment using the equity method. On 20 August 2025, the Group paid an additional cash consideration of USD10 million (equivalent to RMB71,327,283.40). Following the capital increase, the shareholding increased to 38.8219%. The Group continues to have significant impact over Company S, and the investment is accounted for using the equity method.

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

Applicable  Not applicable

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

√ Applicable □ Not applicable

Currency: Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment provided	Years of forecast period	Key parameters for forecast period	Key parameters for the stable period	Basis for determining the key parameters of the stable period
Company S	456,585,119.49	492,717,012.32		5 years	Note 2*		The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group, production expansion plans, and expectations for the development of the market in which it operates.
Total	456,585,119.49	492,717,012.32					

Note 2\*: Based on a comprehensive analysis of Company S's signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to the specific product categories, it is predicted that the revenue growth rate from 2026 to 2030 will be 19.26%, 23.00%, 23.50%, 23.50% and 23.50%, respectively, and the gross margins will be 46.63%, 46.63%, 46.63%, 46.63% and 46.63% from 2026 to 2030, respectively. In the stable period, the revenue growth rate will be 2.00%, the gross margin will be consistent with that in 2030, and the discount rate before taxation will be 15.59%.

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

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

Other disclosures:

## 19. Other non-current financial assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss		
Including: Fund investments	73,603,810.38	76,673,047.39
Convertible corporate bond investments (Note 1*)	26,277,261.16	31,233,669.47
Total	99,881,071.54	107,906,716.86

Other disclosures:

Note 1\*: The convertible bonds were subscribed by Nature Health Development (Hong Kong) Co., Ltd. on 20 September 2024, for NUGEN MEDICAL DEVICES INC. These convertible bonds are due within five years from the closing date and bear an annual interest rate of 12%. Prior to maturity, the holders have the right to convert all or any portion of the outstanding principal amount of the convertible bonds into one ordinary share of NUGEN MEDICAL DEVICES INC. and one ordinary share purchase warrant at an exercise price of CAD0.10 per share.

## 20. Investment properties

(1) Investment properties measured at cost

√ Applicable □ Not applicable

Currency: Renminbi Yuan

Item	Buildings	Land use rights	Construction in progress	Total
I. Cost				
1. Opening balance	5,972,970.52			5,972,970.52
2. Increase				
(1) Purchases				
(2) Transfers from inventories / fixed assets / construction in progress				
(3) Increase from business combinations				
3. Decrease				
(1) Disposals				
(2) Other transfer-outs				
4. Closing balance	5,972,970.52			5,972,970.52
II. Accumulated depreciation and amortisation				
1. Opening balance	3,612,624.27			3,612,624.27
2. Increase	906,050.98			906,050.98
(1) Provision or amortisation	906,050.98			906,050.98
3. Decrease				
(1) Disposals				
(2) Other transfer-outs				
4. Closing balance	4,518,675.25			4,518,675.25
III. Provision for impairment				
1. Opening balance				
2. Increase				
(1) Provision				
3. Decrease				
(1) Disposals				
(2) Other transfer-outs				
4. Closing balance				
IV. Carrying amount				
1. Carrying amount at end of year	1,454,295.27			1,454,295.27
2. Carrying amount at beginning of year	2,360,346.25			2,360,346.25

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

Applicable  Not applicable

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

Applicable  Not applicable

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

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

Other disclosures:

(2) Investment properties measured using the fair value model

Applicable  Not applicable

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

Currency: Renminbi Yuan

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

Currency: Renminbi Yuan

Item	Carrying amount	Reasons for not obtaining the certificate of title
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Other disclosures:

## 21. Fixed assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Fixed assets	4,199,969,234.92	3,354,304,108.81
Total	4,199,969,234.92	3,354,304,108.81

## (1) Fixed assets

Currency: Renminbi Yuan

Item	Buildings	Land use rights	Machinery	Vehicles	Electronic equipment, office equipment and others	Total
I. Cost:						
1. Opening balance	2,449,675,239.17	2,689,773.12	2,175,377,566.42	43,346,681.91	237,919,582.49	4,909,008,843.11
2. Increase	837,981,617.82		351,391,508.94	2,730,054.59	42,081,268.96	1,234,184,450.31
(1) Purchases	3,089,253.73		142,229,888.56	2,730,054.59	41,426,916.64	189,476,113.52
(2) Transfers from construction in progress	834,892,364.09		209,161,620.38	0.00	654,352.32	1,044,708,336.79
(3) Increase from business combinations						
3. Decrease	15,159,683.22	0.00	89,697,878.66	3,761,514.40	19,658,171.68	128,277,247.96
(1) Disposals or retirements	14,025,795.53		88,491,521.13	3,458,835.08	19,201,640.37	125,177,792.11
Changes in exchange rate	1,133,887.69		1,206,357.53	302,679.32	456,531.31	3,099,455.85
4. Closing balance	3,272,497,173.77	2,689,773.12	2,437,071,196.70	42,315,222.10	260,342,679.77	6,014,916,045.46
II. Accumulated depreciation						
1. Opening balance	437,196,383.75		852,231,647.45	22,789,513.75	131,513,650.62	1,443,731,195.57
2. Increase	112,254,625.77	0.00	192,479,402.40	3,001,095.91	30,175,955.43	337,911,079.51
(1) Provision	112,254,625.77		192,479,402.40	3,001,095.91	30,175,955.43	337,911,079.51
	0.00					
3. Decrease	4,237,909.56	0.00	58,210,827.56	3,455,078.94	12,543,803.18	78,447,619.24
(1) Disposals or retirements	3,869,531.89		57,293,583.44	3,177,579.42	12,189,802.09	76,530,496.84
Changes in exchange rate	368,377.67		917,244.12	277,499.52	354,001.09	1,917,122.40
4. Closing balance	545,213,099.96		986,500,222.29	22,335,530.72	149,145,802.87	1,703,194,655.84
III. Provision for impairment						
1. Opening balance	43,277,161.98		66,581,288.93		1,115,087.82	110,973,538.73
2. Increase	3,666,802.23		5,938,977.68			9,605,779.91
(1) Provision	3,666,802.23		5,938,977.68			9,605,779.91
3. Decrease	0.00	0.00	8,824,589.69	0.00	2,574.25	8,827,163.94
(1) Disposals or retirements			8,824,589.69		2,574.25	8,827,163.94
4. Closing balance	46,943,964.21	0.00	63,695,676.92	0.00	1,112,513.57	111,752,154.70
IV. Carrying amount						
1. Carrying amount at end of year	2,680,340,109.60	2,689,773.12	1,386,875,297.49	19,979,691.38	110,084,363.33	4,199,969,234.92
2. Carrying amount at beginning of year	1,969,201,693.44	2,689,773.12	1,256,564,630.04	20,557,168.16	105,290,844.05	3,354,304,108.81

(2) Temporarily idle fixed assets

Currency: Renminbi Yuan

Item	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Notes
Buildings	953,844.52	853,332.71	70,292.96	30,218.85	Not currently in use
Machinery	38,098,183.71	17,648,757.90	9,398,153.44	11,051,272.37	Not currently in use
Electronic equipment, office equipment and others	1,233,871.62	719,216.18	428,291.64	86,363.80	Not currently in use
Total	40,285,899.85	19,221,306.79	9,896,738.04	11,167,855.02	

(3) Fixed assets leased out under operating leases

Currency: Renminbi Yuan

Item	Carrying amount at end of year
Plants leased out	4,098,595.72

(4) Fixed assets without certificates of title

Currency: Renminbi Yuan

Item	Carrying amount	Reasons for not obtaining the certificate of title
Winner Medical (Wuhan) - No.1 Workshops, Phase II (Phase II)	113,759,373.34	The formalities have not yet been completed
Winner Medical (Wuhan) - No.1 Sorting Workshops (Phase II)	67,399,910.25	The formalities have not yet been completed
Winner Medical (Wuhan) - No.2 Sorting Workshops (Phase II)	131,134,374.70	The formalities have not yet been completed
Winner Medical (Wuhan) - No.3 Sorting Workshops (Phase II)	59,590,363.28	The formalities have not yet been completed
Winner Medical (Wuhan) - Connecting Corridor for Sorting Workshops (Phase II)	2,666,149.81	The formalities have not yet been completed
Winner Medical (Wuhan) - Guardhouse, Phase II	171,745.64	The formalities have not yet been completed
Winner Medical (Wuhan) - Fire Pump Room, Phase II (Phase II)	223,590.21	The formalities have not yet been completed
Winner Medical (Wuhan) - Shift Workers' Dormitory Building No. 10	29,930,723.58	The formalities have not yet been completed
Winner Medical (Wuhan) - Canteen Expansion Project	8,992,881.67	The formalities have not yet been completed
Winner Medical (Wuhan) - R&D Building, Phase II (Phase II)	67,728,103.43	The formalities have not yet been completed
Winner Medical (Hunan) - Hazardous Chemicals Warehouse (with Spill Containment Basin)	2,591,998.34	The formalities have not yet been completed

Other disclosures:

(5) Impairment testing of fixed assets

Applicable  Not applicable

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

Applicable  Not applicable

Currency: Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment provided	Determination of fair value and costs of disposal	Key parameters	Basis for determining key parameters
Buildings	22,077,361.03	18,410,558.79	3,666,802.24	Based on market valuation		
Machinery	6,444,242.53	505,264.86	5,938,977.67	Based on market valuation or residual value rate		
Total	28,521,603.56	18,915,823.65	9,605,779.91			

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

Applicable  Not applicable

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

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

Other disclosures:

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

(6) Disposal of fixed assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
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Other disclosures:

## 22. Construction in progress

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Construction in progress	511,625,219.44	1,074,955,450.40
Total	511,625,219.44	1,074,955,450.40

### (1) Construction in progress

Currency: Renminbi Yuan

Project	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Winner Medical (Jiayu) engineering project	9838707.1		9838707.1	426,769,460.94		426,769,460.94
Winner Medical (Shenzhen) engineering project	12,104,881.82		12,104,881.82	190,817,210.35		190,817,210.35
Winner Medical (Hunan) engineering project	196,620,000.37		196,620,000.37	133,036,931.53		133,036,931.53
Mexico Longterm Medical engineering project	57,351,464.37		57,351,464.37	75,596,709.28		75,596,709.28
Winner Medical (Wuhan) engineering project	-		-	47,827,152.56		47,827,152.56
GRI engineering project	4,969,915.33		4,969,915.33	43,810,296.12		43,810,296.12
Winner Guilin engineering project	15,880,227.64	10,205,833.26	5,674,394.38	15,859,336.55	10,205,833.26	5,653,503.29
Winner Medical (Huanggang) Engineering Project	26,426,689.78		26,426,689.78	-		-
Other equipment to be installed and sporadic project	198,639,166.29		198,639,166.29	151,444,186.33		151,444,186.33
Total	521,831,052.70	10,205,833.26	511,625,219.44	1,085,161,283.66	10,205,833.26	1,074,955,450.40

## (2) Changes in significant construction in progress

Currency: Renminbi Yuan

Project name	Budgeted amount	Opening balance	Increase	Transfers to fixed assets	Decrease	Closing balance	Engineering inputs as a proportion of the budget (%)	Construction progress (%)	Accumulated amount of interest eligible for capitalisation	Including: Amount of interest eligible for capitalisation for the period	Current interest capitalisation rate	Source of funds
Winner Medical (Hunan)												
Engineering Project - Industrial Park Project Phase I	369,300,000.00	133,036,931.53	63,813,964.34	230,895.50		196,620,000.37	78.87%	95%				Others
Winner Medical (Jiayu)												
Engineering Project - Industrial Park Project Construction Engineering of Workshop 1-4	465,667,142.65	358,960,025.25	101,518,968.82	442,383,785.52	8,256,501.45	9,838,707.10	98.89%	95%				Others
Winner Medical (Shenzhen)												
Engineering Project - Industry Building	261,723,960.00	188,025,738.46	88,593,241.07	276,364,020.22		254,959.31	99.90%	99.90%				Others
Winner Medical (Wuhan)												
Engineering Project - Phase II Comprehensive Infrastructure Project	563,402,300.00	35,656,557.76		4,366,074.26	31,290,483.50		100%	100%				Others
Mexico Longterm Medical												
Engineering Project - Plant Cleanroom Project	70,288,000.00		57,351,464.37			57,351,464.37	82%	82%				Others
Mexico Longterm Medical												
Engineering Project - Plant Construction Project	88,000,000.00	64,767,119.42	20,271,683.31	85,038,802.73			100%	100%				Others
Total	1,818,381,402.65	780,446,372.42	331,549,321.91	808,383,578.23	39,546,984.95	264,065,131.15						

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

Currency: Renminbi Yuan

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

Other disclosures:

## (4) Impairment testing of construction in progress

√ Applicable □ Not applicable

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

Applicable  Not applicable

The recoverable amount was determined according to the present value of the expected future cash flows.

Applicable Not applicable

Currency: Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment provided	Years of forecast period	Key parameters for forecast period	Key parameters for the stable period	Basis for determining the key parameters of the stable period
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Reasons for the difference between the above information and the information used in the prior year's impairment testing or external information

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

Other disclosures:

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

(5) Materials for construction

Currency: Renminbi Yuan

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

Other disclosures:

### 23. Bearer biological assets

(1) Bearer biological assets measured at cost

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

### 24. Oil and gas assets

Applicable  Not applicable

## 25. Right-of-use assets

## (1) Right-of-use assets

Currency: Renminbi Yuan

Item	Buildings	Machinery	Vehicles	Total
<b>I. Cost</b>				
1. Opening balance	1,008,461,009.53	1,006,008.22	3,485,345.53	1,012,952,363.28
2. Increase	206,577,947.57			206,577,947.57
New lease	206,577,947.57			206,577,947.57
3. Decrease	204,456,553.70	75,115.70	77,383.16	204,609,052.56
Disposals	203,189,886.19	52,779.87	0.00	203,242,666.06
Changes in exchange rate	1,266,667.51	22,335.83	77,383.16	1,366,386.50
4. Closing balance	1,010,582,403.40	930,892.52	3,407,962.37	1,014,921,258.29
<b>II. Accumulated depreciation</b>				
1. Opening balance	417,397,168.51	104,601.86	227,969.25	417,729,739.62
2. Increase	230,435,947.31	401,906.05	905,105.54	231,742,958.90
(1) Provision	230,435,947.31	401,906.05	905,105.54	231,742,958.90
3. Decrease	189,254,448.50	61,085.51	18,535.90	189,334,069.91
(1) Disposals	189,011,295.31	52,779.87		189,064,075.18
Changes in exchange rate	243,153.19	8,305.64	18,535.90	269,994.73
4. Closing balance	458,578,667.32	445,422.40	1,114,538.89	460,138,628.61
<b>III. Provision for impairment</b>				
1. Opening balance				
2. Increase				
(1) Provision				
3. Decrease				
(1) Disposals				
4. Closing balance				
<b>IV. Carrying amount</b>				
1. Carrying amount at end of year	552,003,736.08	485,470.12	2,293,423.48	554,782,629.68
2. Carrying amount at beginning of year	591,063,841.02	901,406.36	3,257,376.28	595,222,623.66

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2) Impairment testing of right-of-use assets

√ Applicable □ Not applicable

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

□ Applicable √ Not applicable

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

√ Applicable □ Not applicable

Currency: Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment provided	Years of forecast period	Key parameters for forecast period	Key parameters for the stable period	Basis for determining the key parameters of the stable period
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Reasons for the difference between the above information and the information used in the prior year's impairment testing or external information

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

Other disclosures:

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

## 26. Intangible assets

### (1) Intangible assets

Currency: Renminbi Yuan

Item	Land use rights	Patents	Know-how	Software use rights	Franchised use right	Trademarks	Customer relationships	Total
I. Cost								
1. Opening balance	585,391,553.32	267,863,690.35	0.00	122,351,651.77	10,228,226.53	151,413,127.04	235,586,649.09	1,372,834,898.10
2. Increase	574,463.60	22,449,545.61	0.00	166,583.38	0.00	0.00	8,971,122.91	32,161,715.50
(1) Purchases	47,194.00	21,463,554.93	0.00	0.00	0.00	0.00	0.00	21,510,748.93
(2) Internal development								
(3) Increase from business combinations								
(4) Changes in exchange rate	527,269.60	985,990.68	0.00	166,583.38	0.00	0.00	8,971,122.91	10,650,966.57
3. Decrease		0.00	0.00	30,620,808.89	0.00	2,996,175.22	0.00	33,616,984.11
(1) Disposals	0.00	0.00	0.00	30,620,808.89	0.00	2,996,175.22	0.00	33,616,984.11

Item	Land use rights	Patents	Know-how	Software use rights	Franchised use right	Trademarks	Customer relationships	Total
4. Closing balance	585,966,016.92	290,313,235.96	0.00	91,897,426.26	10,228,226.53	148,416,951.82	244,557,772.00	1,371,379,629.49
II. Accumulated amortisation								
1. Opening balance	72,021,779.26	70,824,030.06	0.00	61,602,198.95	10,228,226.53	22,122,452.66	40,280,712.37	277,079,399.83
2. Increase	13,472,533.35	27,923,824.74	0.00	6,306,776.69	0.00	14,163,211.64	31,848,287.77	93,714,634.19
(1) Provision	13,352,632.77	27,923,824.74	0.00	6,298,505.32	0.00	14,163,211.64	31,848,287.77	93,586,462.24
(2) Changes in exchange rate	119,900.58	0.00	0.00	8,271.37	0.00	0.00	0.00	128,171.95
3. Decrease	0.00	0.00	0.00	6,727,396.47	0.00	1,535,510.81	0.00	8,262,907.28
(1) Disposals	0.00	0.00	0.00	6,727,396.47	0.00	1,535,510.81	0.00	8,262,907.28
4. Closing balance	85,494,312.61	98,747,854.80	0.00	61,181,579.17	10,228,226.53	34,750,153.49	72,129,000.14	362,531,126.74
III. Provision for impairment								
1. Opening balance								
2. Increase								
(1) Provision								
3. Decrease								
(1) Disposals								
4. Closing balance								
IV. Carrying amount								
1. Carrying amount at end of year	500,471,704.31	191,565,381.16	0.00	30,715,847.09	0.00	113,666,798.33	172,428,771.86	1,008,848,502.75
2. Carrying amount at beginning of year	513,369,774.06	197,039,660.29		60,749,452.82		129,290,674.38	195,305,936.72	1,095,755,498.27

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

(2) Data resources recognised as intangible assets

Applicable  Not applicable

(3) Land use rights without certificates of title

Currency: Renminbi Yuan

Project	Carrying amount	Reasons for not obtaining the certificate of title
Winner Medical (Hunan) - Phase II land for infusion category	80,285,370.77	The two certificates are consolidated into one, and the real estate certificate can be applied for upon completion

Other disclosures:

(4) Impairment testing of Intangible assets

Applicable  Not applicable

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

√ Applicable □ Not applicable

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

√ Applicable □ Not applicable

Currency: Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment provided	Years of forecast period	Key parameters for forecast period	Key parameters for the stable period	Basis for determining the key parameters of the stable period
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Reasons for the difference between the above information and the information used in the prior year's impairment testing or external information

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

## 27. Goodwill

### (1) Cost of goodwill

Expressed in Renminbi Yuan

Name of the investee or the matter that forms goodwill	Opening balance	Increase		Decrease	Closing balance
		Business combinations	Exchange rate changes	Disposals	
Business combinations not involving entities under common control - Acquisition of GRI	475,092,515.29		-10,548,211.76		464,544,303.53
Business combination not involving entities under common control - Acquisition of Longterm Medical	392,686,398.74				392,686,398.74
Business combinations not involving entities under common control - Acquisition of Winner Medical (Hunan)	388,989,258.26				388,989,258.26
Business combinations not involving entities under common control - Acquisition of Winner Guilin	253,215,940.40				253,215,940.40
Business combinations not involving entities under common control - Acquisition of Junjian Medical	20,397,972.33				20,397,972.33
Business combinations not involving entities under common control - Acquisition of Winner Medical Malaysia	2,681,232.09				2,681,232.09
Business combinations not involving entities under common control - Acquisition of Hubei Zhongfu	411,644.13				411,644.13
Total	1,533,474,961.24		-10,548,211.76		1,522,926,749.48

## (2) Goodwill impairment provision

Expressed in Renminbi Yuan

Name of the investee or the matter that forms goodwill	Opening balance	Increase		Decrease		Closing balance
		Depreciation		Disposals		
Business combinations not involving entities under common control - Acquisition of Winner Medical (Hunan)	156,144,473.91	179,042,411.72				335,186,885.63
Business combinations not involving entities under common control - Acquisition of Winner Guilin	123,384,750.24					123,384,750.24
Business combinations not involving entities under common control - Acquisition of Winner Medical Malaysia	2,681,232.09					2,681,232.09
Total	282,210,456.24	179,042,411.72				461,252,867.96

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

Name	Composition and basis of asset group or portfolio	Operating segments and basis	Is it consistent with previous years
GRI	The cash inflows generated by GRI from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		Yes
Longterm Medical and its subsidiaries	The cash inflows generated by Longterm Medical and its subsidiaries from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		Yes
Winner Medical (Hunan) and its subsidiaries	The cash inflows generated by Winner Medical (Hunan) and its subsidiaries from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		Yes
Winner Guilin and its subsidiaries	The cash inflows generated by Winner Guilin and its subsidiaries from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		Yes
Junjian Medical	The cash inflows generated by Junjian Medical from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		Yes
Hubei Zhongfu	The cash inflows generated by Hubei Zhongfu from operating related long-term assets are basically independent of the cash inflows produced by other assets or asset groups.		Yes

Changes in asset groups or groups of asset groups

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

(4) Specific method for determining recoverable amount

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

Applicable  Not applicable

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

Applicable  Not applicable

Expressed in Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impairment amount	Years of forecast period	Key parameters forecast period	Key parameters for the stable period	Basis for determining the key parameters of the stable period
GRI	1,213,978,323.34	1,308,000,000.00		5 years	Note 1	Note 1	The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group, production expansion plans, and expectations for the development of the market in which it operates.
Longterm Medical and its subsidiaries	1,428,939,110.72	1,491,000,000.00		5	Note 2	Note 2	The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group, production expansion plans, and expectations for the development of the market in which it operates.
Winner Guilin and its subsidiaries	422,615,542.28	442,555,600.00		5	Note 3	Note 3	The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group, production expansion plans, and expectations for the development of the market in which it operates.

Item	Carrying amount	Recoverable amount	Impairment amount	Years of forecast period	Key parameters forecast period	Key parameters for the stable period	Basis for determining the key parameters of the stable period
Winner Medical (Hunan) and its subsidiaries	913,538,664.22	652,923,800.00	179,042,411.72	5	Note 4	Note 4	The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group, production expansion plans, and expectations for the development of the market in which it operates.
Junjian Medical	105,387,386.67	114,662,092.65		7	Note 5	Note 5	The pre-tax discount rate is determined based on the region where the Company's primary business is located and the business scope, considering the past performance of the asset group and expectations for the development of the market in which it operates.
Total	4,084,459,027.23	4,009,141,492.65	179,042,411.72		Note 6		

Note 1: GRI is a global medical consumables and industrial protection enterprise, primarily engaged in the R&D, production, and sales of surgical kits, drapes, surgical gowns, containers, industrial protective clothing, and related products. Based on a comprehensive analysis of its signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to specific product categories, it is predicted that the revenue growth rates from 2026 to 2030 will be 13.45%, 10.20%, 9.19%, 8.50% and 8.43%, respectively, and the gross margins will be 30.85%, 32.75%, 33.46%, 33.47% and 33.48% respectively from 2026 to 2030. In the stable period, the revenue growth rate is 2.00%, the gross margin will be consistent with that in 2030, and the discount rate before taxation will be 15.10%.

Note 2: Longterm Medical and its subsidiaries are mainly engaged in the research and development, production and sales of products related to wound care, puncture care, stoma care, disinfection, minimally invasive and others. Based on a comprehensive analysis of its signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to specific product categories, it is predicted that the revenue growth rates from 2026 to 2030 will be 7.25%, 7.04%, 6.17%, 5.40% and 4.43%, respectively, and the gross margins will be 48.85%, 48.66%, 48.66%, 48.91% and 48.94% from 2026 to 2030, respectively. In the stable period, the revenue growth rate will be zero, the gross margin will be consistent with that in 2030, and the discount rate before taxation will be 13.69%.

Note 3: Winner Guilin and its subsidiaries are mainly engaged in the research and development, production and sales of products such as medical gloves, protective gloves and condoms. Based on a comprehensive analysis of its signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to specific product categories, it is predicted that the revenue growth rates from 2026 to 2030 will be 10.87%, 11.18%, 13.56%, 12.93% and 9.10%, respectively, and the gross margins will be 18.89%, 19.58%, 20.37%, 20.90% and 21.04% from 2026 to 2030, respectively. In the stable period, the revenue growth rate will be zero, the gross margin will be consistent with that in 2030, and the discount rate before taxation will be 9.80%.

Note 4: Winner Medical (Hunan) and its subsidiaries are mainly engaged in the research and development, production and sales of disposable sterile infusion medical devices. Based on a comprehensive analysis of its signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to specific product categories, it is predicted that the revenue growth rates from 2026 to 2030 will be 15.24%, 40.01%, 17.47%, 10.75% and 9.83%, respectively, and the gross margins will be 20.65%, 23.62%, 23.89%, 23.55% and 23.56% from 2026 to 2030, respectively. In the stable period, the revenue growth rate will be zero, the gross margin will be 22.98%, and the discount rate before taxation will be 10.79%.

Note 5: Junjian Medical is mainly engaged in the sales of medical equipment. Based on a comprehensive analysis of its signed contracts, agreements, development plans, business trends over the years, market competition and other factors, according to specific product categories, it is predicted that the revenue growth rates from 2026 to 2032 will be 4.71%, 6.40%, 13.26%, 13.28%, 13.07%, 13.08% and 13.10%, respectively, and the gross margins will be 29.38%, 28.47%, 28.18%, 28.21%, 28.26%, 28.31% and 28.37% from 2026 to 2032, respectively. In the stable period, the revenue growth rate will be zero, the gross margin will be consistent with that in 2032, and the discount rate before taxation will be 15.71%.

Note 6: Following the assessment, the recoverable amounts of GRI and its subsidiaries, Longterm Medical and its subsidiaries, Winner Guilin and its subsidiaries and Junjian Medical exceeded the carrying amounts of the related asset group containing goodwill, thus no goodwill impairment provision was made for this year; the recoverable amount of Winner Medical (Hunan) and its subsidiaries was also lower than the carrying amount of the related asset group containing goodwill, leading to a goodwill impairment provision of RMB179,042,411.72 in the current year.

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

Reasons for the difference between the information used in the impairment test of the previous year and the actual situation of the current year

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

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

Applicable  Not applicable

Other descriptions:

## 28. Long-term prepaid expenses

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Amortisation	Other decrease	Closing balance
Decoration expenses	88,512,086.02	18,598,733.30	11,597,910.01	21,747,423.10	73,765,486.21
Decoration expenses of leased assets	54,691,626.36	39,053,090.06	19,361,658.60	15,445,898.45	58,937,159.37
Others	651,431.64	2,198,449.34	1,587,699.17	63,813.30	1,198,368.51
Total	143,855,144.02	59,850,272.70	32,547,267.78	37,257,134.85	133,901,014.09

Other descriptions:

## 29. Deferred tax assets/deferred tax liabilities

## (1) Unoffset deferred tax assets

Expressed in Renminbi Yuan

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	492,818,700.52	83,709,759.89	550,449,530.43	90,418,899.06
Unrealised profits from internal transactions	198,204,306.81	29,730,646.02	150,436,301.18	25,447,384.76
Tax losses	16,643,858.26	1,209,683.26	25,130,761.33	5,703,567.28
Termination benefits	6,145,109.42	969,438.85	4,853,272.78	727,990.92
Deferred income	211,162,383.14	32,710,427.18	157,154,401.72	24,692,720.59
Membership points	12,677,270.34	3,169,317.58	12,284,747.04	3,071,186.76
Accrued expenses	15,247,192.70	2,721,192.02	15,760,822.19	3,527,287.64
Others	24,521,745.80	6,051,139.48	6,468,018.78	1,617,004.69
Deferred tax assets arising from leases	601,510,665.94	134,030,658.55	654,330,932.49	150,868,185.35
Total	1,578,931,232.93	294,302,262.83	1,576,868,787.94	306,074,227.05

## (2) Unoffset deferred tax liabilities:

Expressed in Renminbi Yuan

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Appreciation of assets evaluation for business combinations not involving entities under common control	724,757,791.91	131,212,262.85	802,989,102.65	147,254,914.34
Changes in fair value of financial assets held for trading	25,280,603.31	3,997,679.97	37,518,003.21	5,642,558.53
Depreciation of fixed assets	138,362,863.72	20,754,429.57	186,776,801.45	28,423,676.90
Changes in fair value of other non-current financial assets	3,603,810.38	540,571.56	6,673,047.39	1,000,957.11
Others	881,568.59	220,392.14	9,174,543.11	1,997,248.94
Deferred tax liabilities arising from leases	576,310,192.80	128,363,802.68	634,023,315.85	141,270,314.21
Total	1,469,196,830.71	285,089,138.77	1,677,154,813.66	325,589,670.03

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

Expressed in Renminbi Yuan

Item	Closing offset amount of deferred tax assets and liabilities	Ending balance of deferred tax assets or liabilities after offsetting	Deferred tax assets and liabilities offset at the beginning of the period	Opening balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	148,192,931.59	146,109,331.24	167,073,839.41	139,000,387.64
Deferred tax liabilities	148,192,931.59	136,896,207.18	167,073,839.41	158,515,830.62

(4) Details of unrecognised deferred tax assets

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Tax losses	327,677,451.79	276,754,326.94
Provision for impairment	1,572,475.78	15,592,137.87
Total	329,249,927.57	292,346,464.81

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

Expressed in Renminbi Yuan

Year	Closing balance	Opening balance	Remarks
2025		44,694,974.69	
2026	58,424,501.17	65,550,076.42	
2027	66,306,538.57	75,041,455.71	
2028	20,926,758.49	20,645,028.50	
2029	15,653,500.08	12,715,543.46	
2030	19,973,750.69		
No maturity date	146,392,402.79	58,107,248.16	
Total	327,677,451.79	276,754,326.94	

Other descriptions:

30. Other non-current assets

Expressed in Renminbi Yuan

Item	Closing balance			Opening balance		
	Carrying amount	Impairment allowance	Carrying amounts	Gross carrying amount	Impairment allowance	Carrying amounts
CDs	1,559,776,367.96		1,559,776,367.96	1,841,393,117.97		1,841,393,117.97
Prepayments for long-term assets	77,756,462.62		77,756,462.62	150,678,238.05		150,678,238.05
Buildings and land use rights of Shenzhen Longhua Industrial Park	20,228,190.61		20,228,190.61	20,228,190.61		20,228,190.61
Total	1,657,761,021.19		1,657,761,021.19	2,012,299,546.63		2,012,299,546.63

Other descriptions:

## 31. Assets with restricted ownership or use rights

Expressed in Renminbi Yuan

Item	Closing balance				Opening balance			
	Gross carrying amount	Carrying amounts	Type of restriction	Restricted situation	Gross carrying amount	Carrying amounts	Type of restriction	Restricted situation
Currency funds	33,267,211.34	33,267,211.34	Deposit	Further details are included in "Note VII.1. Currency funds".	54,991,513.28	54,991,513.28	Deposit	Further details are included in "Note VII.1. Currency funds".
Fixed assets – Houses and buildings	63,396,831.00	33,434,982.91	Mortgage	Further details are included in "Note VII.44. Long-term borrowings".				
Fixed assets – Houses and buildings	61,320,840.57	25,780,696.38	Mortgage	Further details are included in "Note VII.32. Short-term borrowings".				
Intangible assets					75,150,000.00	74,210,625.00	Mortgage	
Total	157,984,882.91	92,482,890.63			130,141,513.28	129,202,138.28		

Other descriptions:

## 32. Short-term borrowings

## (1) Classification of short-term borrowings

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Mortgage borrowings	90,000,000.00	26,000,000.00
Guaranteed borrowings		36,500,000.00
Unsecured borrowings	222,013,524.63	491,131,567.12
Bills discounting	1,522,800,000.00	1,415,000,000.00
Interest expenses on borrowings	1,816,054.61	412,597.53
Total	1,836,629,579.24	1,969,044,164.65

Description of classification of short-term borrowings:

Note 1: Unsecured borrowings

RMB unsecured borrowings: As of 31 December 2025, Winner Guilin, Hong Kong Winner, GRI-METC, and GRI-Alleaset obtained unsecured borrowings totaling RMB202,235,501.66, with maturities falling between 24 February 2026 and 11 December 2026, bearing interest rates ranging from 1.2% to 2.6%. The loan terms varied from 6 to 12 months.

USD unsecured borrowings: As of 31 December 2025, Alleaset Inc. obtained unsecured borrowings amounting to USD2,603,245.86, maturing on 3 January 2026, with an interest rate of 5.85% and a term of 10 months. Additionally, credit card borrowings by GRI subsidiaries totaled USD210,608.99.

VND unsecured borrowings: As of 31 December 2025, the Company had no VND unsecured borrowings.

Note 2: Bills discounting

Bills discounting represents the discounted and unmatured amounts of bank acceptance bills and domestic letters of credit issued between related parties within the scope of consolidation as at the end of the year. As of 31 December 2025, the borrowing amount was RMB1,522,800,000.00, with interest rates ranging from 0.59% to 2.60% and terms ranging from 6 months to 12 months.

Note 3: Mortgage borrowings

RMB mortgage borrowings: As of 31 December 2025, GRI-METC obtained mortgage borrowings totaling RMB90,000,000.00, with interest rates from 2.40% to 2.60% and a term of 1 year, maturing ranging from 16 January 2026 to 19 November 2026. The collateral for these borrowings were certain property and patent rights owned by GRI-METC.

Note 4: Guaranteed borrowings

RMB guaranteed borrowings: As of 31 December 2025, the Company had no guaranteed borrowings.

(2) Overdue and unpaid short-term borrowings

The total amount of overdue and unpaid short-term loans at the end of the period is RMB0.00, of which the important overdue and unpaid short-term loans are as follows:

Expressed in Renminbi Yuan

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

**33. Financial liabilities held for trading**

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
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Including:

Including:

Other descriptions:

**34. Derivative financial liabilities**

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
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Other descriptions:

## 35. Notes payable

Expressed in Renminbi Yuan

Category	Closing balance	Opening balance
Bank acceptance bills	381,818,750.95	431,873,210.11
Total	381,818,750.95	431,873,210.11

The total amount of notes payable due and unpaid at the end of the period is RMB0.00, and the reason for the overdue is.

## 36. Accounts payable

## (1) Presentation of accounts payable

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Within 1 year, inclusive	1,260,125,441.19	1,119,313,821.66
1 to 2 years, inclusive	11,159,306.59	25,848,505.23
2 to 3 years, inclusive	2,955,160.54	5,558,801.55
Over 3 years	6,378,829.00	5,209,426.54
Total	1,280,618,737.32	1,155,930,554.98

## (2) Significant accounts payable aged over one year

Expressed in Renminbi Yuan

Item	Closing balance	Reasons for not repaying or carrying forward
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Other descriptions:

## (3) Whether there are any overdue payments to small and medium-sized enterprises that remain unpaid

Whether it is a large enterprise

Yes  No

Whether there are any overdue payments to small and medium-sized enterprises that remain unpaid

Yes  No

## 37. Other payables

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Interest payable	0.00	0.00
Dividends payable		164,868,250.80
Other payables	529,651,533.30	516,522,493.00
Total	529,651,533.30	681,390,743.80

(1) Interest payables

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Total	0.00	0.00

Significant overdue and unpaid interest:

Expressed in Renminbi Yuan

Borrower	Overdue amount	Reason for overdue
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Other descriptions:

(2) Dividends payable

Expressed in Renminbi Yuan

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

Other descriptions, including significant dividends payable that have not been paid for over one year, should disclose the reasons for non-payment:

(3) Other payables

1) Other payables by nature

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Deposit and guarantee	293,025,055.19	287,382,658.22
Accrued expenses such as freight	161,355,764.74	150,720,263.25
Commission	27,177,544.35	24,724,746.48
Repurchase obligations of employee stock ownership plans	3,975,155.07	7,282,100.00
Others	44,118,013.95	46,412,725.05
Total	529,651,533.30	516,522,493.00

2) Significant other payables aged over one year or overdue

Expressed in Renminbi Yuan

Item	Closing balance	Reasons for not repaying or carrying forward
Shenzhen Xingda Real Estate Development Co., Ltd.	249,951,339.91	Relocation compensation deposits for the Urban Renewal Project of Winner Industrial Park (Note XVIII.7)
Total	249,951,339.91	

Other descriptions:

## 38. Contract liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Consideration received from customers <sup>Note</sup>	157,237,221.09	170,470,757.56
Membership points	12,677,270.34	12,284,747.04
Total	169,914,491.43	182,755,504.60

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

Significant contract liabilities aged over one year

Expressed in Renminbi Yuan

Item	Closing balance	Reasons for not repaying or carrying forward
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Amount and reasons for significant changes in book value during the reporting period

Expressed in Renminbi Yuan

Item	Change amount	Reason for change
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## 39. Employee benefits payable

(1) Presentation of employee benefits payable

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee benefits	296,771,630.90	1,834,917,280.84	1,812,569,427.62	319,119,484.12
II. Post-employment benefits - defined contribution plan	7,319,702.87	157,292,078.74	157,299,583.69	7,312,197.92
III. Termination benefits	4,863,743.12	22,405,641.02	21,124,274.72	6,145,109.42
Total	308,955,076.89	2,014,615,000.60	1,990,993,286.03	332,576,791.46

(2) Presentation of short-term employee benefits

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Wages or salaries, bonuses, allowances and subsidies	293,225,971.68	1,698,527,108.83	1,676,498,038.79	315,255,041.72
2. Staff welfare	1,894,913.55	15,536,187.71	15,474,366.62	1,956,734.64
3. Social security contributions	429,126.80	74,055,207.60	74,052,772.59	431,561.81
Including: Medical insurance	253,035.89	63,596,666.35	63,594,331.94	255,370.30
Work injury insurance	123,469.83	6,240,469.24	6,240,331.35	123,607.72
Maternity insurance	52,621.08	4,218,072.01	4,218,109.30	52,583.79
4. Housing funds	114,198.00	42,098,706.81	42,190,949.81	21,955.00
5. Union running costs and employee education costs	691,638.92	2,582,449.14	2,485,643.02	788,445.04
Other short-term benefits	415,781.95	2,117,620.75	1,867,656.79	665,745.91
Total	296,771,630.90	1,834,917,280.84	1,812,569,427.62	319,119,484.12

(3) Presentation of defined contribution plans

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension insurance	7,213,732.45	150,867,694.73	150,875,366.66	7,206,060.52
2. Unemployment insurance	105,970.42	6,424,384.01	6,424,217.03	106,137.40
Total	7,319,702.87	157,292,078.74	157,299,583.69	7,312,197.92

Other descriptions:

40. Taxes and surcharges payable

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
VAT	12,324,094.87	17,598,731.48
Corporate income tax	98,510,386.40	82,323,661.99
Individual income tax	4,856,974.77	8,002,053.24
Urban maintenance and construction tax	1,704,477.26	2,729,715.85
Property tax	7,400,348.77	7,165,168.93
Education surcharges and local education surcharges	1,404,573.18	2,088,623.81
Land use tax	2,164,977.79	1,839,746.31
Stamp duty	1,321,989.49	1,802,649.39
Others	871,713.49	80,223.88
Total	130,559,536.02	123,630,574.88

Other descriptions:

## 41. Liabilities classified as held for sale

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
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Other descriptions:

## 42. Current portion of non-current liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Current portion of long-term borrowings		175,108,600.02
Current portion of long-term payables		6,017,646.86
Current portion of lease liabilities	184,899,235.07	215,052,996.79
Current portion of long-term employee benefits payable	647,000.00	589,000.00
Total	185,546,235.07	396,768,243.67

Other descriptions:

## 43. Other current liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Refunds payable	1,965,794.96	1,983,029.26
Output tax to be transferred	20,112,610.98	19,252,019.32
Total	22,078,405.94	21,235,048.58

Increase or decrease in short-term bonds payable:

Expressed in Renminbi Yuan

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

Other descriptions:

#### 44. Long-term borrowings

##### (1) Classification of long-term borrowings

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Unsecured borrowings	50,000,000.00	53,000,000.00
Total	50,000,000.00	53,000,000.00

Description of classification of long-term borrowings:

In November 2024, Winner Medical (Hunan) entered into a loan agreement with China Construction Bank Corporation Lixian Branch for RMB65,000,000.00, of which RMB50,000,000.00 has been withdrawn. The loan has a term of 60 months and an interest rate of 2.66%, and matures in November 2032.

Other descriptions, including interest rate ranges:

#### 45. Bonds payable

##### (1) Bonds payable

Expressed in Renminbi Yuan

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

Expressed in Renminbi Yuan

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

(3) Description of convertible corporate bonds

(4) Description of other financial instruments classified as financial liabilities

Basic information of preference shares, perpetual bonds and other financial instruments issued at the end of the period

Changes in preference shares, perpetual bonds and other financial instruments issued at the end of the period

Expressed in Renminbi Yuan

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

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

Other descriptions:

## 46. Lease liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Lease liabilities	601,774,309.04	655,929,649.12
Lease liabilities due within one year	-184,899,235.07	-215,052,996.79
Total	416,875,073.97	440,876,652.33

Other descriptions:

## 47. Long-term payables

Item	Closing balance	Opening balance
Long-term payables	26,994,520.77	48,544,431.64
Total	26,994,520.77	48,544,431.64

(1) Long-term payables by nature

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
Borrowings from third parties (Note 1)		27,669,539.31
Borrowings from related parties outside the scope of group consolidation (Note 2)	26,994,520.77	26,892,539.19
Current portion of long-term payables		-6,017,646.86
Total	26,994,520.77	48,544,431.64

Other descriptions:

Note 1: As of 2025, the Company has no third-party borrowings under long-term payables.

Note 2: It represents an interest-free loan from the controlling shareholder - Winner Group Limited to Pan-China (H.K.), with a principal amount of CAD6,000,000.00 (equivalent to RMB30,685,200.00). The loan term extends from 1 September 2024 to 31 August 2029. After accounting for discounting effects, the recognised loan amount is RMB26,994,520.77. The difference has been recorded as an equity transaction in other capital reserves. Further details are included in Note VII.54.

(2) Special payables

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Reason
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Other descriptions:

#### 48. Long-term employee benefits payable

##### (1) Table of long-term employee benefits payable

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
I. Post-employment benefits - Net defined benefit liability	8,676,000.00	9,623,000.00
Current portion of long-term employee benefits payable	-647,000.00	-589,000.00
Deferred compensation (Note)Note 1	5,242,993.56	4,213,971.34
Total	13,271,993.56	13,247,971.34

Note:

Note 1: Deferred compensation represents GRI's practice of deferring a specified percentage of certain employees' compensation for payment upon their retirement.

##### (2) Changes in defined benefit obligations

Changes in the present value of defined benefit obligations are as follows:

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
I. Opening balance	9,623,000.00	9,138,000.00
II. Defined benefit costs included in profit or loss	-149,000.00	243,000.00
1. Past service cost	-312,000.00	
2. Net interest	163,000.00	243,000.00
III. Defined benefit costs included in other comprehensive income	-154,000.00	849,000.00
1. Actuarial gain (Loss expressed with "-")	-154,000.00	849,000.00
IV. Other changes	-644,000.00	-607,000.00
1. Benefits paid	-644,000.00	-607,000.00
V. Closing balance	8,676,000.00	9,623,000.00

Plan assets:

Expressed in Renminbi Yuan

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

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
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Description of the content of defined benefit plan and its related risks, impact on the Company's future cash flow, time and uncertainty:

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

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

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

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

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

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

Item	2025	2024
Annual discount rates for post-retirement benefit plans for different personnel categories	2%	1.75%
Mortality	China's life insurance industry experience life table (2010-2013) for elderly care business, segmented into Men's and Women's tables	

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

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

Item	Increase %	Increase/(decrease) in defined benefit obligations	Decrease %	Increase/(decrease) in defined benefit obligations
Discount rate	2.25%	-217	1.75%	227

Other descriptions:

#### 49. Provisions

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance	Reason
Total	0.00		

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

## 50. Deferred income

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Government grants	157,154,401.72	66,679,977.51	12,671,996.10	211,162,383.13	Government grants related to assets
Total	157,154,401.72	66,679,977.51	12,671,996.10	211,162,383.13	

Other descriptions:

Further details are included in XI.2. Liability items relating to government grants.

## 51. Other non-current liabilities

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
GRI remaining equity forward purchase obligations (Note)	387,682,358.99	373,262,348.97
Total	387,682,358.99	373,262,348.97

Other descriptions:

Note: In September 2024, the Group acquired 75.2% equity interest in GRI. Pursuant to the share purchase agreement, the Group assumed a forward purchase obligation to acquire the remaining 24.8% minority interests. This obligation represents a non-discretionary repurchase liability that cannot be unconditionally avoided. Accordingly, the Group initially recognised this repurchase obligation as a financial liability at the present value of the required settlement amount, with subsequent measurement at fair value in accordance with applicable accounting standards.

## 52. Share capital

Expressed in Renminbi Yuan

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

Other descriptions:

## 53. Other equity instruments

- (1) Basic information of preference shares, perpetual bonds and other financial instruments issued at the end of the period
- (2) Changes in preference shares, perpetual bonds and other financial instruments issued at the end of the period

Expressed in Renminbi Yuan

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

Changes in other equity instruments in the current period, explanation of the reasons for the changes, and the basis for relevant accounting treatment:

Other descriptions:

#### 54. Capital reserves

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share premium)	3,247,712,887.01	3,076,026.50	14,420,010.02	3,236,368,903.49
Other capital reserves	130,827,227.99	26,442,529.79	3,901,107.68	153,368,650.10
Total	3,378,540,115.00	29,518,556.29	18,321,117.70	3,389,737,553.59

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

Note 1: The increase in capital premium during the current year was primarily attributable to the recognition of RMB3,076,026.50 capital premium resulting from the vesting and unlocking of the second-phase employee stock ownership plan. The decrease in capital premium was mainly due to the effect of the following aspect: In September 2024, the Company acquired 75.2% equity interest in GRI. Pursuant to the share purchase agreement, the Company assumed a forward purchase obligation for the remaining minority interests. This obligation represents a non-discretionary repurchase liability that cannot be unconditionally avoided in the consolidated financial statements. Accordingly, the Company recognised this repurchase obligation as a financial liability at the present value of the required settlement amount, and included it in capital premium. The change in this financial liability during the current year resulted in a decrease of RMB14,420,010.02 in capital reserve.

Note 2: The increase in other capital reserves during the current year was primarily due to the recognition of aggregate incentive expenses of RMB26,442,529.79 related to the implementation of the 2024 and 2025 employee stock ownership plans. The decrease in other capital reserves was mainly attributable to the reduction of RMB3,076,026.50 resulting from the vesting and unlocking of the second-phase employee stock ownership plan shares, and the discounting effect on the 5-year interest-free loan from the controlling shareholder - Winner Group Limited, which decreased other capital reserves by RMB841,768.90.

#### 55. Treasury shares

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Treasury shares	7,282,100.00		3,094,562.90	4,187,537.10
Total	7,282,100.00		3,094,562.90	4,187,537.10

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

The decrease in treasury shares was mainly due to the combined effect of the following aspects: 1) On 13 October 2025, the Fifth Meeting of the Management Committee for the Company's first-phase employee stock ownership plan and the fifth meeting of the Remuneration and Assessment Committee of the Fourth Board of Directors reviewed and approved the "Proposal on Fulfilment of Unlocking Conditions for the Second Lock-Up Period of the First-Phase Employee Stock Ownership Plan". The unlocking conditions had been met for 143,071 shares, resulting in a reduction of treasury shares by RMB2,847,112.90. 2) Pursuant to the resolution adopted at the 2024 annual shareholders' meeting held by the Group on 21 May 2025, with a total share capital of 582,329,808 shares as the base, cash dividends of RMB2.50 per 10 shares (inclusive of tax) were distributed to all shareholders, totaling RMB145,582,452.00 (tax inclusive). Dividends on restricted stock resulted in a reduction of treasury shares by RMB88,375.00. 3) At the Seventh Meeting of the Fourth Board of Directors and the Seventh Meeting of the Fourth Supervisory Board held on 20 August 2025, the "Proposal on the Interim Profit Distribution Plan for the First Half of 2025" was reviewed and approved. With a total share capital of 582,329,808 shares as the base, cash dividends of RMB4.50 per 10 shares (tax inclusive) were distributed to all shareholders. Dividends on restricted stock resulted in a reduction of treasury shares by RMB159,075.00.

## 56. Other comprehensive income

Expressed in Renminbi Yuan

Item	Opening balance	Amount for the current period					Attributable to parent company after tax	Attributable to non-controlling interests after tax	Closing balance
		Amount incurred before income tax in the current period	Less: Reclassification from other comprehensive income to profit or loss	Less: Reclassification from other comprehensive income to retained earnings	Less: Income tax expenses				
I. Other comprehensive income that will not be reclassified to profit or loss	-378,274.91	154,125.48				141,398.71	12,726.77	-236,876.20	
Including: Remeasurement of a defined benefit plan	-378,274.91	154,125.48				141,398.71	12,726.77	-236,876.20	
II. Other comprehensive income that may be reclassified to profit or loss	-2,259,552.19	-1,735,752.20				-9,338,610.60	7,602,858.40	-11,598,162.79	
Exchange differences on translation of foreign currency financial statements	-2,259,552.19	-1,735,752.20				-9,338,610.60	7,602,858.40	-11,598,162.79	
Total other comprehensive income	-2,637,827.10	-1,581,626.72				-9,197,211.89	7,615,585.17	-11,835,038.99	

Other descriptions, including the adjustment to the amount initially recognised when the effective portion of the profit or loss on the cash flow hedge is transferred to the hedged item:

## 57. Specialised reserves

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
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Other descriptions, including the changes in the current period and the reasons for the changes:

## 58. Surplus reserves

Expressed in Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	420,212,778.13			420,212,778.13
Total	420,212,778.13			420,212,778.13

Description of surplus reserves, including changes in the current period and reasons for changes:

## 59. Unappropriated profit

Expressed in Renminbi Yuan

Item	Current period	Last period
Unappropriated profit at the end of the previous period before adjustment	6,780,116,870.53	6,608,834,768.99
Unappropriated profit at the end of the previous period after adjustment	6,780,116,870.53	6,608,834,768.99
Add: Net profit attributable to owners of the parent company in the current period	767,967,461.87	695,378,928.72
Dividends payable on common stock	407,630,865.58	524,096,827.18
Undistributed profits at the end of the period	7,140,453,466.82	6,780,116,870.53

Details of undistributed profits at the beginning of the adjustment period:

- 1) Due to retrospective adjustment of Accounting Standards for Business Enterprises and related new regulations, the undistributed profit at the beginning of the period is RMB0.00.
- 2) Due to the change of accounting policy, the undistributed profit at the beginning of the period is RMB0.00.
- 3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period is affected by RMB0.00.
- 4) Changes in the scope of consolidation due to the same control affect the opening undistributed profit of RMB0.00.
- 5) The total impact of other adjustments on the opening undistributed profit is RMB0.00.

Detailed explanation on the use of capital reserve to offset losses:

## 60. Revenue and cost of sales

Expressed in Renminbi Yuan

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Primary business	10,863,279,634.96	5,671,374,128.16	8,896,470,309.08	4,681,905,777.13
Other businesses	86,210,332.05	62,088,901.37	81,383,322.65	47,656,341.10
Total	10,949,489,967.01	5,733,463,029.53	8,977,853,631.73	4,729,562,118.23

The lower of the Company's total audited profit, net profit and net profit after deducting non-recurring profit or loss during the reporting period is negative

Yes  No

Breakdown of revenue and cost of sales:

Expressed in Renminbi Yuan

Contract classification	Segment 1		Segment 2		Medical supplies		Consumer goods		Total	
	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost
Business type					5,200,668,053.16	3,279,239,784.61	5,748,821,913.85	2,454,223,244.92	10,949,489,967.01	5,733,463,029.53
Including:										
Primary business					5,114,457,721.11	3,217,150,883.24	5,748,821,913.85	2,454,223,244.92	10,863,279,634.96	5,671,374,128.16
Other businesses					86,210,332.05	62,088,901.37			86,210,332.05	62,088,901.37
Classification by region of operation										
Including:										
Market or customer type										
Including:										
Contract type										
Including:										
Classification by time of goods transfer										
Including:										
Classification by contract term										
Including:										
Classification by sales channel										
Including:										
Total										

Information relating to performance obligations:

Item	Time of fulfilling performance obligations	Significant payment terms	Nature of the goods that the entity has promised to transfer	Whether it is a principal	Returns, refunds and other similar obligations	Types of quality assurance provided by the Company and related obligations
Sales of goods		General domestic and overseas sales: The contract price is typically paid within the credit period after the goods have been inspected and accepted and the invoice has been received; E-commerce business (B2C): Goods will be shipped after the payment is made; E-commerce business (B2B): Payment shall be made within 30 to 60 days after delivery; Store sales model: Payment shall be made at the time of checkout upon the delivery of goods.	Goods	Yes	Certain sales contracts grant customers rights of return and sales discounts, which are estimated as variable consideration	Assurance-type warranty

Other descriptions

Item	Expressed in Renminbi Yuan	
	2025	2024
Revenue recognized in the current period that was included in the opening carrying amount of contract liabilities	169,648,680.74	193,262,892.15

The expected timing for recognizing revenue from performance obligations under contracts that have been signed but not yet fulfilled or are not yet fully fulfilled is within one year.

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

The revenue amount corresponding to performance obligations under contracts signed but not yet fulfilled or not yet fully fulfilled as of the end of this reporting period is RMB0.00. Among them, RMB0.00 is expected to be recognized as revenue in the year [], RMB[amount] is expected to be recognized as revenue in the year [], and RMB[amount] is expected to be recognized as revenue in the year [].

Information about variable consideration in the contract:

Significant contract changes or significant transaction price adjustments

Expressed in Renminbi Yuan

Item	Accounting treatment	Amount affected on revenue
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Other descriptions:

## 61. Taxes and surcharges

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Urban maintenance and construction tax	32,207,755.95	26,181,066.83
Education surcharge	14,682,820.43	18,239,245.28
Property tax	21,951,648.66	7,890,858.73
Land use tax	6,252,278.59	7,300,430.54
Stamp duty	7,067,495.20	8,080,711.05
Education surcharge	9,799,037.22	11,851,888.21
Others	1,737,743.52	361,065.01
Total	93,698,779.57	79,905,265.65

Other descriptions:

## 62. Administrative expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Employee benefits	508,475,692.97	373,522,613.27
Depreciation and amortisation expenses	172,675,394.57	151,453,865.79
Consulting and intermediary service fees	38,235,467.40	41,012,665.48
Maintenance and repair expenses	9,634,668.03	6,397,005.22
Depreciation of right-of-use assets	25,875,307.13	22,681,433.77
Information system expenses	32,560,195.37	20,895,255.38
Utility bills	13,493,549.57	11,346,170.45
Travel expenses	6,883,100.66	5,744,429.95
Office expenses	18,830,173.78	4,588,705.23
Others	28,783,852.21	36,095,022.29
Total	855,447,401.69	673,737,166.83

Other descriptions:

## 63. Selling expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Advertising and promotion expenses	1,092,915,264.91	816,381,913.54
Employee benefits	702,248,914.06	645,869,958.89
Sales commissions and charges by E-commerce platform	322,742,572.30	288,464,170.25
Depreciation of right-of-use assets	184,671,173.65	193,347,920.14
Lease and property management fees	141,740,595.40	139,382,565.32
Depreciation and amortisation	54,992,498.11	60,007,324.01
Travel expenses	35,991,126.08	27,862,714.05
Office communication expenses	21,365,227.08	19,943,206.56
Utility bills	13,054,619.71	13,337,799.99
Service charges	18,749,889.00	16,252,474.59
Insurance premium	15,676,508.42	5,368,181.67
Others	29,520,454.19	37,929,095.63
Total	2,633,668,842.91	2,264,147,324.64

Other descriptions:

## 64. Research and development expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Employee benefits	197,655,486.19	157,935,342.59
Materials	129,057,126.96	119,747,741.17
Depreciation and amortisation	22,676,284.70	20,781,848.78
Other miscellaneous expenses	61,488,668.39	49,698,993.47
Total	410,877,566.24	348,163,926.01

Other descriptions:

## 65. Finance expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Interest expenses	55,114,093.69	54,863,504.13
Including: Interest expense on lease liabilities	23,893,981.30	24,076,578.06
Less: Interest income	82,400,032.94	117,095,211.38
Exchange gains or losses	28,609,506.04	-40,189,278.02
Bank handling charges and others	5,329,147.43	3,209,724.85
Total	6,652,714.22	-99,211,260.42

Other descriptions:

## 66. Other income

Expressed in Renminbi Yuan

Sources of other income	Amount for the current period	Amount for the last period
Government grants	61,051,666.79	57,514,145.42
Tax credits and exemptions	23,192,729.85	34,123,791.45
Total	84,244,396.64	91,637,936.87

## 67. Net position hedging gains

Expressed in Renminbi Yuan

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

## 68. Fair value gains

Expressed in Renminbi Yuan

Source of fair value gains	Amount for the current period	Amount for the last period
Fund investments	-3,069,237.01	6,673,047.39
Convertible corporate bond investments	-4,174,505.48	-860,828.53
Bank WMPs and trust plans	-17,095,783.33	-2,949,999.83
Total	-24,339,525.82	2,862,219.03

Other descriptions:

## 69. Investment income

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Long-term equity investment income under the equity method	-27,220,472.60	-11,305,734.64
Income from debt restructuring		1,788,767.41
Investment income from financial assets held for trading	79,904,599.58	84,873,523.22
Others	407,448.80	31,274.94
Total	53,091,575.78	75,387,830.93

Other descriptions:

## 70. Credit impairment losses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Impairment loss for accounts receivable	-9,614,105.00	-1,569,289.32
Impairment loss for other receivables	-666,248.03	5,025,812.94
Impairment loss for long-term receivables	7,264.24	-3,011,897.37
Total	-10,273,088.79	444,626.25

Other descriptions:

## 71. Impairment losses of assets

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
I. Loss for write-down of inventories and impairment loss for costs to fulfil a contract	-66,060,695.91	-143,660,886.66
IV. Impairment loss for fixed assets	-9,605,779.91	-8,325,577.39
X. Impairment loss for goodwill	-179,042,411.72	-90,742,076.94
XII. Others	3,435,449.83	-167,220.35
Total	-251,273,437.71	-242,895,761.34

Other descriptions:

Other items are impairment losses on prepayments.

## 72. Gains on disposal of non-current assets

Expressed in Renminbi Yuan

Source of gains on disposal of non-current assets	Amount for the current period	Amount for the last period
Gains on disposal of non-current assets	2,701,490.07	6,293,210.08
Including: Gains on disposal of fixed assets	446,659.69	6,291,053.00
Gains on disposal of right-of-use assets	2,254,830.38	2,157.08
Losses on disposal of non-current assets	-2,154,943.51	-416,052.53
Including: Losses on disposal of fixed assets	-2,149,255.96	-416,052.53
Losses on disposal of right-of-use assets	-5,687.55	
Total	546,546.56	5,877,157.55

## 73. Non-operating income

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period	Included in the non-recurring profit or loss in the current period
Government grants	274,069.34	9,140.00	274,069.34
Gains on retirement of non-current assets	1,466,668.43	4,085,167.22	1,466,668.43
Income from compensation or fines	879,802.15	760,830.54	879,802.15
Others	5,585,890.24	7,070,984.86	5,585,890.24
Total	8,206,430.16	11,926,122.62	8,206,430.16

Other descriptions:

## 74. Non-operating expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period	Included in the non-recurring profit or loss in the current period
External donations	2,763,001.92	91,893.13	2,763,001.92
Losses on damage and retirement of non-current assets	14,572,679.35	12,045,702.87	14,572,679.35
Overdue fines	5,323,586.47	1,477,207.31	5,323,586.47
Liquidated damages	178,626.16	436,250.00	178,626.16
Others	5,225,785.59	4,389,856.72	5,225,785.59
Total	28,063,679.49	18,440,910.03	28,063,679.49

Other descriptions:

## 75. Income tax expenses

### (1) Table of income tax expenses

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Current tax	262,431,689.45	155,323,370.69
Deferred tax	-28,728,567.04	12,319,004.58
Total	233,703,122.41	167,642,375.27

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

Expressed in Renminbi Yuan

Item	Amount for the current period
Profit before income tax	1,047,820,850.18
Tax at the statutory/applicable tax rate	157,173,127.53
Effect of different tax rates for subsidiaries	18,743,443.74
Effect of adjustments in respect of tax of previous periods	13,845,689.57
Effect of Income not subject to tax	4,495,782.15
Effect of costs, expenses and losses not deductible for tax	55,618,300.00
Effect of tax losses for which deferred tax assets were not recognised in prior periods	-1,696,487.29
Effect of deductible temporary differences or tax losses for which deferred tax assets were not recognised in the current period	22,546,586.04
Effect of additional deductions for research and development expenses	-37,023,319.33
Income tax expenses	233,703,122.41

Other descriptions:

## 76. Other comprehensive income

Refer to Note 57. Other comprehensive income for details.

## 77. Items of the statement of cash flows

(1) Cash payments relating to operating activities

Other cash receipts relating to operating activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Guarantee deposit, deposit and quality guarantee deposit received	6,293,738.17	14,621,877.86
Interest income received	28,826,664.62	45,989,314.70
Government grants received	138,526,447.39	93,028,322.17
Others	9,950,334.94	44,472,682.78
Total	183,597,185.12	198,112,197.51

Descriptions of other cash receipts relating to operating activities:

Other cash payments relating to operating activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Management and R&D costs paid in cash	172,750,182.55	156,489,682.70
Selling expenses paid in cash	296,009,475.60	407,210,573.11
Deposit, guarantee deposit and quality guarantee deposit paid	17,038,867.02	297,880.24
Bank handling charge	5,321,282.98	3,209,724.85
Others	10,574,681.80	15,835,104.13
Total	501,694,489.95	583,042,965.03

Description of other cash payments relating to operating activities:

(2) Cash relating to investing activities

Other cash receipts relating to investing activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
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Cash receipts relating to significant investing activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
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Description of other cash received relating to investing activities:

Other cash payments relating to investing activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
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Significant cash payments relating to investing activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
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Description of other cash payments relating to investing activities:

(3) Cash related to financing activities

Other cash receipts relating to financing activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Guarantee deposit recovered	44,201,640.58	191,632,003.95
Loan from shareholders		32,094,498.00
Total	44,201,640.58	223,726,501.95

Description of other cash received relating to financing activities:

Other cash payments relating to financing activities

Expressed in Renminbi Yuan

Item	Amount for the current period	Amount for the last period
Principal and interest paid on lease liabilities	271,337,122.00	261,127,378.72
Treasury shares repurchase paid		194,981,835.21
Guarantee deposit paid on bills and letters of credit (for financing purposes)	6,587,796.29	44,202,960.58
Total	277,924,918.29	500,312,174.51

Description of other cash payments relating to financing activities:

## Changes in various liabilities arising from financing activities

√ Applicable □ Not applicable

Expressed in Renminbi Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	1,969,044,164.65		1,913,380.51	134,327,965.92	0.00	1,836,629,579.24
Dividends payable	164,868,250.80		411,350,668.20	576,218,919.00	0.00	0.00
Long-term payables	48,544,431.64		6,119,628.45	27,669,539.32	0.00	26,994,520.77
Current portion of non-current liabilities	396,768,243.67		185,546,235.07	396,768,243.67	0.00	185,546,235.07
Long-term borrowings	53,000,000.00		0.00	3,000,000.00		50,000,000.00
Lease liabilities	440,876,652.33		32,282,546.85	56,284,125.21	0.00	416,875,073.97
Total	3,073,101,743.09	0.00	637,212,459.08	1,194,268,793.12	0.00	2,516,045,409.05

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

Item	Relevant facts	Basis for presentation on a net basis	Financial impact
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(5) Significant activities and financial effects that do not involve current cash receipts and payments but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future

**78. Supplemental information for the statement of cash flows**

## (1) Supplemental information for the statement of cash flows

Expressed in Renminbi Yuan

Supplemental information	Current period amount	Last period amount
1. Reconciliation of profit to net cash flows from operating activities		
Net profit	814,117,727.77	740,705,937.40
Add: Provisions for asset impairment	261,546,526.50	242,451,135.09
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	337,911,079.51	285,005,497.76
Depreciation of right-of-use assets	231,742,958.90	221,882,741.03
Amortisation of intangible assets	93,586,462.24	71,318,426.36
Amortisation of long-term prepaid expenses	32,547,267.78	57,386,838.25
Losses on disposal of fixed assets, intangible assets and other long-term assets (Gains are indicated by "-")	-546,546.56	-5,877,157.55
Losses on retirement of fixed assets (Gains are indicated by "-")	13,106,010.92	7,960,535.65
Losses from changes in fair value (Gains are indicated by "-")	24,339,525.82	-2,862,219.03
Losses from changes in fair value (Gains are indicated by "-")	-2,886,854.89	-12,380,830.37

Supplemental information	Current period amount	Last period amount
Investment losses (Gains are indicated by “-”)	-53,091,575.78	-75,387,830.93
Decrease in deferred income tax assets (Increase is indicated by “-”)	-7,108,943.60	36,350,860.38
Increase in deferred income tax liabilities (Decrease is indicated by “-”)	-21,619,623.44	-32,532,070.71
Decrease in inventories (increase is indicated by “-”)	-137,294,427.44	-238,086,698.24
Decrease in operating receivables (increase is indicated by “-”)	178,143,738.84	-7,992,919.07
Increase in operating payables (Decrease is indicated by “-”)	-125,258,961.43	-36,982,614.19
Others	26,442,529.79	14,795,634.87
Net cash flows from operating activities	1,665,676,894.93	1,265,755,266.70
2. Significant investing and financing activities not involving cash receipts and payments		
Debts converted to capital		
Convertible corporate bonds due within one year		
Fixed assets under finance leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	1,560,722,108.58	1,357,097,385.35
Less: Opening balance of cash	1,357,097,385.35	4,677,340,782.45
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	203,624,723.23	-3,320,243,397.10

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

Expressed in Renminbi Yuan

Amount
Including:
Including:
Including:
Other descriptions:

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

Expressed in Renminbi Yuan

Amount
Including:
Including:
Including:
Other descriptions:

(4) Composition of cash and cash equivalents

Expressed in Renminbi Yuan

Item	Closing balance	Opening balance
I. Cash	1,560,722,108.58	1,357,097,385.35
Including: Cash on hand	98,223.24	152,838.15
Bank deposits on demand	1,541,265,623.54	1,348,440,889.85
Other currency funds on demand	19,358,261.80	8,503,657.35
II. Closing balance of cash and cash equivalents	1,560,722,108.58	1,357,097,385.35

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

Expressed in Renminbi Yuan

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

Expressed in Renminbi Yuan

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

(7) Description of other significant activities

79. Notes to items in the statement of changes in equity

Description of "Other" items and adjustment amount that adjust the ending balance of the previous year:

80. Monetary items measured in a foreign currency

(1) Monetary items measured in a foreign currency

Expressed in Renminbi Yuan

Item	Closing foreign currency balance	Translation exchange rate	Closing balance in RMB
Currency funds			924,627,612.93
Including: USD	126,457,385.62	7.0288	888,843,672.05
Euro	1,991,221.81	8.2355	16,398,707.22
HKD	16,721,097.48	0.90322	15,102,829.67
JPY	29,330,708.00	0.0448	1,313,927.73
GBP	304,346.89	9.4346	2,871,391.17
DOP	877,010.72	0.1107	97,085.09

Item	Closing foreign currency balance	Translation exchange rate	Closing balance in RMB
Accounts receivable			302,684,812.74
Including: USD	41,797,866.74	7.0288	293,788,845.74
Euro	656,948.44	8.2355	5,410,298.88
HKD			
GBP	88,229.23	9.4346	832,407.49
MYR	1,531,967.59	1.73193	2,653,260.63
Long-term borrowings			
Including: USD			
Euro			
HKD			
Other receivables			5,522,860.13
USD	785,747.23	7.0288	5,522,860.13
Accounts payable			11,587,416.98
USD	1,583,831.97	7.0288	11,132,438.15
Euro	15,573.13	8.2355	128,252.55
GBP	3,618.58	9.4346	34,139.87
MXN	750,452.48	0.38988	292,586.41
Other payables			3,560,677.55
USD	506,583.99	7.0288	3,560,677.55

Other descriptions:

(2) Description of overseas operating entities, including for important overseas operating entities, disclosure of their main overseas business locations, functional currency and selection basis, and disclosure of reasons for changes in functional currency.

Applicable  Not applicable

### 81. Leases

(1) The Company as lessee

Applicable  Not applicable

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

√ Applicable □ Not applicable

Item	2025	2024
Interest expense on lease liabilities	23,893,981.30	24,076,578.06
Expenses relating to short-term leases that are included in costs of related assets or profit or loss and accounted for applying practical expedients	29,373,096.82	35,562,765.73
Variable lease payments that are included in costs of related assets or profit or loss and not included in the measurement of lease liabilities	15,219,952.70	17,811,753.36
Cash outflow from fixed lease payments	271,337,122.00	261,127,378.72
Total cash outflow for leases	315,930,171.52	314,501,897.81

The Group has lease contracts for various items of houses and buildings, machinery and vehicles used in its operations. Leases of houses and buildings and machinery generally have lease terms of 1-20 years, while those of vehicles generally have lease terms of 6 years.

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

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

Variable lease payments

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

Other information relating to leases

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

Lease payments on short-term leases and leases of low-value assets applying practical expedients

√ Applicable □ Not applicable

Please refer to the table above for details

Leases involving sale and leaseback transactions

(2) The Company as lessor

Operating leases - the Company as lessor

√ Applicable □ Not applicable

Currency: Renminbi Yuan

Item	Rental income	Including: Income relating to variable lease payments not included in the lease receivables
Rental income Note 1	455,045.87	0.00
Total	455,045.87	0.00

Note:

Note 1: The Group has entered into operating leases on the fourth floor of Building No. 8 located in Deqing County, Zhejiang Province, and the lease term is from May 2026 to April 2027. Additionally, the Company has entered into operating leases on the No. 8 factory building (with a total of six rooms) in Lixian County, Hunan Province, and the lease term for this property is from January 2021 to December 2025.

Finance leases - the Company as lessor

√Applicable □Not applicable

Currency: Renminbi Yuan

Item	Selling profit or loss	Finance income	Income relating to variable lease payments not included in the measurement of the net investment in the leases
Finance income from net investment in leases		1,834,273.00	
Total		1,834,273.00	

Annual undiscounted lease receivables for the next five years

□Applicable √Not applicable

Reconciliation between undiscounted lease receivables and net investment in the lease

The undiscounted minimum lease payments based on the lease agreements entered into with lessees are as follows:

Item	2025	2024
Within 1 year, inclusive	6,289,948.26	6,313,958.29
1 to 2 years, inclusive	6,145,575.48	6,289,948.26
2 to 3 years, inclusive	6,126,136.18	6,145,575.48
3 to 4 years, inclusive	5,981,763.41	6,126,136.18
4 to 5 years, inclusive	5,966,894.84	5,981,763.41
Over 5 years	6,106,771.89	12,073,666.73
Subtotal	36,617,090.06	42,931,048.35
Less: Unearned finance income	5,407,510.69	7,241,784.14
Net investment in the leases	31,209,579.37	35,689,264.21

(3) Selling profit or loss recognised by the Company on finance leases as a manufacturer or dealer

√ Applicable □ Not applicable

## 82. Data resources

## 83. Others

## VIII. Research and development expenditure

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Employee benefits	197,655,486.19	157,935,342.59
Materials	129,057,126.96	119,747,741.17
Depreciation and amortisation	22,676,284.70	20,781,848.78
Other miscellaneous expenses	61,488,668.39	49,698,993.47
Total	410,877,566.24	348,163,926.01
Including: Research and development expenditure expensed as incurred	410,877,566.24	348,163,926.01

### 1. Research and development items eligible for capitalisation

Currency: Renminbi Yuan

Item	Opening balance	Additions during the period		Reductions during the period		Closing balance
		Internal development expenditures	Others	Recognised as intangible assets	Transferred to profit or loss	

Total

Significant capitalised research and development items

Item	Research and development progress	Estimated completion date	How economic benefits is expected to be generated	Commencement date of capitalisation	Specific basis for commencement of capitalisation
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Provision for impairment of development expenditures

Currency: Renminbi Yuan

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Impairment test
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## 2. Important outsourced research projects

Project name	How economic benefits are expected to be generated	Judgment criteria and specific basis for capitalisation or being expensed
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Other descriptions:

## IX. Changes in the scope of consolidation

### 1. Business combination not involving entities under common control

(1) Business combination not involving entities under common control for the period

Currency: Renminbi Yuan

Name of the acquiree	Time of equity acquisition	Cost of equity acquisition	Equity acquisition ratio (%)	Method of equity acquisition	Acquisition date	Basis for determination of acquisition date	Revenue of the acquiree from the acquisition date to the end of the period	Profit of the acquiree from the acquisition date to the end of the period	Cash flows of the acquiree from the acquisition date to the end of the period
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Other descriptions:

(2) Cost of the combination and goodwill

Currency: Renminbi Yuan

Cost of the combination
- Cash
- Fair value of non-cash assets
- Fair value of debt issued or assumed
- Fair value of equity securities issued
- Fair value of the contingent consideration
- Fair value of equity interest held before the acquisition date
- Others
Total cost of the combination
Less: Interest in the fair value of the net identifiable assets acquired
Excess of interest in the fair value of the net identifiable assets acquired over goodwill/cost of the combination

Basis for determining the fair value of the cost of the combination:

Disclosure of contingent consideration and the related changes

Main reasons for the formation of large goodwill:

Other descriptions:

(3) Identifiable assets and liabilities of the acquiree at the acquisition date

Currency: Renminbi Yuan

	Fair value at the acquisition date	Carrying amount at the acquisition date
Assets:		
Currency funds		
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Borrowings		
Accounts payable		
Deferred tax liabilities		
Net assets		
Less: Non-controlling interests		
Net assets acquired		

Methods for determining the fair values of identifiable assets and liabilities:

Contingent liabilities of the acquiree assumed in a business combination:

Other descriptions:

(4) Gains or losses recognised as a result of remeasuring to fair value the equity interest held before the business combination

Whether there are cases where business combinations are achieved in stages with the control being obtained during the reporting period

Yes  No

(5) Description regarding the combination consideration or fair value of the acquiree's identifiable assets and liabilities that cannot be reasonably determined at the acquisition date or at the end of the current period

(6) Other disclosure

## 2. Business combination involving entities under common control

### (1) Business combination involving entities under common control during the period

Currency: Renminbi Yuan

Name of the entity being absorbed	Proportion of interest acquired in a business combination(%)	Basis for constituting a business combination involving entities under common control	Combination date	Basis for determining the combination date	Revenue of the entity being absorbed from the beginning of the period in which the combination occurs to the combination date	Profit of the entity being absorbed from the beginning of the period in which the combination occurs to the combination date	Revenue of the entity being absorbed during the comparative accounting period	Profit of the entity being absorbed during the comparative accounting period
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Other descriptions:

### (2) Cost of the combination

Currency: Renminbi Yuan

Cost of the combination
- Cash
- Carrying amount of non-cash assets
- Carrying amount of debt issued or assumed
- Face value of equity securities issued
- Contingent consideration

Disclosure of contingent consideration and the related changes:

Other descriptions:

### (3) Carrying amount of assets and liabilities of the entity being absorbed on the combination date

Currency: Renminbi Yuan

	Combination date	At end of the prior period
Assets:		
Currency funds		
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Borrowings		
Accounts payable		
Net assets		
Less: Non-controlling interests		
Net assets acquired		

Contingent liabilities of the entity being absorbed assumed in a business combination:

Other descriptions:

### 3. Reverse acquisitions

Basic information of the transaction, the basis for the transaction to constitute a reverse acquisition, whether the assets and liabilities retained by the listed company constitute a business and the related basis, the determination of the cost of the combination, the amount of equity adjustment when accounted for as an equity transaction and the related calculation:

### 4. Disposal of a subsidiary

Whether there are transactions or events that result in the loss of control over subsidiaries in the current period

Yes  No

Whether there is disposal of a subsidiary in stages in a bundled transaction with a loss of control in the current period

Yes  No

### 5. Changes in scope of consolidation for other reasons

Disclose the changes in the scope of consolidation (e.g., new subsidiaries, liquidation of subsidiaries) due to other reasons and the relevant information:

Due to the business needs of the Company, a wholly-owned subsidiary, Purcotton (Vietnam) Co., Ltd., was established by Shenzhen Purcotton, a subsidiary of the Company, on 25 July 2025. Additionally, Nature Health Trading (Hong Kong) Co., Ltd., a wholly-owned subsidiary, was established by Nature Health Development, another subsidiary of the Company, on 11 August 2025.

### 6. Others

## X. Interests in other entities

### 1. Interests in a subsidiary

#### (1) Composition of enterprise group

Currency: Renminbi Yuan

Name of the subsidiary	Registered capital	Place of business	Registered address	Nature of business	Proportion of ownership interest (%)		Method of acquisition
					Direct	Indirect	
Shenzhen Purcotton	130,000,000.00	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Sale of Purcotton products	100.00%	0.00%	Establishment
Beijing Purcotton	3,000,000.00	Beijing	Beijing	Sale of Purcotton products	0.00%	100.00%	Establishment
Guangzhou Purcotton	1,000,000.00	Guangzhou City, Guangdong Province	Guangzhou City, Guangdong Province	Sale of Purcotton products	0.00%	100.00%	Establishment
Shanghai Purcotton	3,000,000.00	Shanghai	Shanghai	Sale of Purcotton products	0.00%	100.00%	Establishment
Qianhai Purcotton	10,000,000.00	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Sale of Purcotton products	0.00%	100.00%	Establishment

Name of the subsidiary	Registered capital	Place of business	Registered address	Nature of business	Proportion of ownership interest (%)		Method of acquisition
					Direct	Indirect	
Winner Medical (Huanggang)	259,459,200.00	Huanggang City, Hubei Province	Huanggang City, Hubei Province	Production and sales of pure cotton spunlace non-woven fabric, medical consumables and Purcotton products	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Jingmen)	23,000,000.00	Jingmen City, Hubei Province	Jingmen City, Hubei Province	Production and sales of medical consumables and Purcotton products	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Chongyang)	28,550,000.00	Chongyang County, Hubei Province	Chongyang County, Hubei Province	Production and sales of medical consumables	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Jiayu)	333,040,000.00	Jiayu County, Hubei Province	Jiayu County, Hubei Province	Production and sales of medical consumables and Purcotton products	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Yichang)	12,413,669.00	Zhijiang City, Hubei Province	Zhijiang City, Hubei Province	Production and sales of medical gray cloth	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Tianmen)	37,670,000.00	Tianmen City, Hubei Province	Tianmen City, Hubei Province	Production and sales of pure cotton spunlace non-woven fabric, medical consumables and Purcotton products	100.00%	0.00%	Business combination involving entities under common control
Winner Medical (Hong Kong)	897,570.00	Hong Kong	Hong Kong	Sales of medical consumables and healthy consumer goods	60.00%	0.00%	Business combination involving entities under common control
Winner Medical Malaysia	4,943,266.40	Malaysia	Malaysia	No actual business operation	100.00%	0.00%	Business combination not involving entities under common control
Winner Medical (Heyuan)	100,000,000.00	Heyuan City, Guangdong Province	Heyuan City, Guangdong Province	No actual business operation	100.00%	0.00%	Establishment
Winner Medical (Wuhan)	800,000,000.00	Wuhan City, Hubei Province	Wuhan City, Hubei Province	Production and sterilization of pure cotton spunlace non-woven fabric and Purcotton products	100.00%	0.00%	Establishment
PureH2B	150,000,000.00	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Sales of personal care products and other products	100.00%	0.00%	Establishment
Purunderwear	5,000,000.00	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Sales of cotton lining products	0.00%	100.00%	Establishment
Huanggang Purcotton	10,000,000.00	Huanggang City, Hubei Province	Huanggang City, Hubei Province	Sale of Purcotton products	0.00%	100.00%	Establishment

Name of the subsidiary	Registered capital	Place of business	Registered address	Nature of business	Proportion of ownership interest (%)		Method of acquisition
					Direct	Indirect	
Longterm Medical	50,000,000.00	Huzhou City, Zhejiang Province	Huzhou City, Zhejiang Province	Production and sales of medical consumables	55.00%	0.00%	Business combination not involving entities under common control
Hangzhou Shengyi	5,000,000.00	Hangzhou City, Zhejiang Province	Hangzhou City, Zhejiang Province	Other technology promotion services	0.00%	55.00%	Business combination not involving entities under common control
Xi'an Longtemu	5,000,000.00	Xi'an City, Shaanxi Province	Xi'an City, Shaanxi Province	Engineering technical research and experimental development	0.00%	55.00%	Business combination not involving entities under common control
Deqing Longterm	2,000,000.00	Huzhou City, Zhejiang Province	Huzhou City, Zhejiang Province	Manufacturing of medical instruments, equipment and device	0.00%	55.00%	Business combination not involving entities under common control
US Longterm		the United States	the United States	Manufacturing of medical instruments, equipment and device	0.00%	55.00%	Business combination not involving entities under common control
Zhejiang Honglan	10,651,163.00	Wenzhou City, Zhejiang Province	Wenzhou City, Zhejiang Province	Software and information technology services	0.00%	31.35%	Business combination not involving entities under common control
Winner Guilin	86,600,997.00	Xiufeng District, Guilin City, Guangxi Zhuang Autonomous Region	Xiufeng District, Guilin City, Guangxi Zhuang Autonomous Region	Rubber products	91.74%	0.00%	Business combination not involving entities under common control
Winner Medical (Hunan)	44,000,111.00	Changde City, Hunan Province	Changde City, Hunan Province	Production and sales of medical consumables	68.70%	0.00%	Business combination not involving entities under common control
Ruian Medical Device	2,000,000.00	Changde City, Hunan Province	Changde City, Hunan Province	Engineering technical research and experimental development	0.00%	68.70%	Business combination not involving entities under common control
Junjian Medical	20,120,000.00	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Sales of medical consumables	100.00%	0.00%	Business combination not involving entities under common control
Mexico Longterm	138,467,940.00	Mexico	Mexico	Production and sales of medical consumables	0.00%	55.00%	Establishment
Shanghai Hongsong	2,000,000.00	Shanghai	Shanghai	Sales of medical consumables	60.00%	0.00%	Business combination not involving entities under common control
Winner Jinzhou	87,500,000.00	Jingzhou City, Hubei Province	Jingzhou City, Hubei Province	Production and sale of rubber products	0.00%	91.74%	Business combination not involving entities under common control

Name of the subsidiary	Registered capital	Place of business	Registered address	Nature of business	Proportion of ownership interest (%)		Method of acquisition
					Direct	Indirect	
Purcotton Wuhan	20,000,000.00	Wuhan City, Hubei Province	Wuhan City, Hubei Province	Sale of Purcotton products	0.00%	100.00%	Establishment
Hong Kong Purcotton	2,768,100.00	Hong Kong	Hong Kong	Sale of Purcotton products	0.00%	100.00%	Establishment
Pan-China (H.K.)	1,285,531,260.00	Hong Kong	Hong Kong	Trade and consultancy services	100.00%	0.00%	Establishment
Winner Biomedical	5,000,000.00	Wuhan City, Hubei Province	Wuhan City, Hubei Province	Research and experimental development	0.00%	67.00%	Establishment
Purcotton Agricultural	5,000,000.00	Wuhan City, Hubei Province	Wuhan City, Hubei Province	Research and experimental development	0.00%	58.00%	Establishment
Hubei Zhongfu	10,000,000.00	Wuhan City, Hubei Province	Wuhan City, Hubei Province	Manufacturing of chemical raw materials and chemical products	0.00%	67.00%	Business combination not involving entities under common control
GRI METC	Note1	Jiaxing City, Zhejiang Province	Jiaxing City, Zhejiang Province	Medical devices and special industrial protective products		75.20%	Business combination not involving entities under common control
GRI Alleset	Note2	Hong Kong	Hong Kong	Sales of medical products		75.20%	Business combination not involving entities under common control
Alleset Inc	Note3	the United States	the United States	Sales of medical products		75.20%	Business combination not involving entities under common control

Note:

Note 1 The registered capital of GRI METC is USD6.6 million

Note 2 The registered capital of GRI Alleset is HKD1 million

Note 3 The registered capital of Alleset Inc is USD500

Currency: Renminbi Yuan

Description of the difference between the percentage of equity interest and the proportion of voting rights held in subsidiaries:

Basis for holding half or less than half of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

For the important structured entity included in the scope of consolidation, the control basis is as follows:

Basis for determining whether the company is an agent or a principal:

Other descriptions:

(

2) Material non-wholly owned subsidiary

Currency: Renminbi Yuan

Name of the subsidiary	Percentage of equity interests held by non-controlling interests	Profit or loss for the period allocated to non-controlling interests	Dividends paid to non-controlling interests	Closing balance of non-controlling interests
Longterm Medical	45.00%	52,721,061.93		421,845,594.20

Description of the difference between the percentage of equity interest held by non-controlling interests and the proportion of voting rights held in subsidiaries:

Other descriptions:

(3) Summarised financial information of material non-wholly owned subsidiaries

Currency: Renminbi Yuan

Name of the subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Longterm Medical	380,855,609.68	732,692,154.61	1,113,547,764.29	137,935,985.28	37,325,234.91	175,261,220.19	260,695,340.14	730,160,168.87	990,855,509.01	141,735,028.57	44,087,161.99	185,822,190.56

Currency: Renminbi Yuan

Name of the subsidiary	Amount for the current period				Amount for the prior period			
	Revenue for the year	Profit for the year	Total comprehensive income for the year	Net cash flows from operating activities	Revenue	Profit	Total comprehensive income	Net cash flows from operating activities
Longterm Medical	520,456,663.03	118,873,163.64	118,873,163.64		507,708,291.13	84,011,514.32	84,011,514.32	

Other descriptions:

(4) Significant restrictions on the Company's ability to use the assets and settle the liabilities of the Group

(5) Financial or other support provided to structured entities included in the scope of consolidated financial statements

Other descriptions:

## 2. Transactions in which the share of equity in subsidiaries changes and the control is not affected

- (1) Description of changes in the share of equity in subsidiaries
- (2) Effect of the transaction on non-controlling interests and equity attributable to owners of the parent

Currency: Renminbi Yuan

Purchase cost/consideration for the disposal
- Cash
- Fair value of non-cash assets
Total purchase cost/consideration for the disposal
Less: share of net assets of the subsidiary calculated at the proportion of equity acquired/disposed
Differences
Including: Adjustment to capital reserves
Adjustment to surplus reserve
Adjustment to retained earnings

Other descriptions:

## 3. Equity in joint ventures and associates

- (1) Material joint ventures or associates:

Name of joint ventures and associates	Principal place of business	Registered address	Nature of business	Proportion of ownership interest (%)		Accounting for joint ventures and associates
				Direct	Indirect	
Company S	the United States	Cayman Islands	Sales of medical products		38.82%	Accounted for as long-term equity investments

Description of the difference between the percentage of equity interest and the proportion of voting rights held in joint ventures or associates:

Basis for having significant influence even though holding less than 20% of the voting rights, or not having significant influence even though holding 20% or more of the voting rights:

(2) Summarised financial information of material joint ventures:

Currency: Renminbi Yuan

	Closing balance/amount for the current period	Opening balance/amount for the prior period
Current assets		
Including: Cash and cash equivalents		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Non-controlling interests		
Equity attributable to shareholders of the parent		
Net assets calculated by the proportion of ownership interests		
Adjustments		
- Goodwill		
- Unrealised profit on inter-company transactions		
- Others		
Carrying amount of investments in joint ventures		
Fair value of the equity investment in joint ventures at quoted market price		
Revenue		
Finance expenses		
Income tax expenses		
Profit		
Profit from a discontinued operation		
Other comprehensive income		
Total comprehensive income		
Dividends received from joint ventures during the year		

Other descriptions:

## (3) Summarised financial information of material associates:

Currency: Renminbi Yuan

	Closing balance/amount for the current period	Opening balance/amount for the prior period
Company S		
Current assets	357,114,141.83	
Non-current assets	233,580,447.87	
Total assets	590,694,589.70	
Current liabilities	244,085,702.39	
Non-current liabilities	22,927,826.20	
Total liabilities	267,013,528.59	
Net assets	323,681,061.11	
Non-controlling interests		
Equity attributable to shareholders of the parent		
Net assets calculated by the proportion of ownership interests	125,659,137.86	
Adjustments	330,925,981.63	
- Goodwill		
- Unrealised profit on inter-company transactions		
- Others		
Carrying amount of equity investments in associates	456,585,119.49	
Fair value of equity investments in associates at quoted market price		
Revenue	533,670,486.72	
Profit	-56,900,089.96	
Profit from a discontinued operation		
Other comprehensive income		
Total comprehensive income	-56,900,089.96	
Finance expenses	-784,824.27	
Income tax expenses	-6,965,282.10	
Dividends received from associates during the year		

Other descriptions:

(4) Aggregate financial information of individually immaterial joint ventures and associates:

Currency: Renminbi Yuan

	Closing balance/amount for the current period	Opening balance/amount for the prior period
Joint ventures:		
Total based on shareholding ratios		
Associates:		
Total carrying amount of the investment	22,404,695.19	22,207,128.31
Total based on shareholding ratios		
- Profit	218,658.25	74,946.72
- Total comprehensive income	218,658.25	74,946.72

Other descriptions:

(5) Description of significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

(6) Excess losses incurred by joint ventures or associates:

Currency: Renminbi Yuan

Name of joint ventures and associates	Cumulative unrecognised losses at prior period	Unrecognised losses (or net profit) for the current period	Cumulative unrecognised losses at end of the current period
Other descriptions:			

Other descriptions:

(7) Unrecognised commitments related to investments in joint ventures

(8) Contingent liabilities related to the investments in joint ventures or associates

#### 4. Material joint operation

Name of the joint operation	Principal place of business	Registered address	Nature of business	Percentage of ownership interest/ equity interest	
				Direct	Indirect
Description of the difference between the percentage of ownership interest or equity interest and the proportion of voting right held in the joint operation:					

Description of the difference between the percentage of ownership interest or equity interest and the proportion of voting right held in the joint operation:

When the joint operation is a separate entity, the basis for classifying it as a joint operation is as below:

Other descriptions:

#### 5. Interests in structured entities not included in the scope of consolidated financial statements

Description of structured entities not included in the scope of consolidated financial statements:

#### 6. Others

## XI. Government grants

### 1. Government grants recognised at the amount receivable at the end of the reporting period

Applicable  Not applicable

Reasons for failing to receive the estimated amount of government grants at the estimated time point

Applicable  Not applicable

### 2. Liability items relating to government grants

Applicable  Not applicable

Currency: Renminbi Yuan

Item	Opening balance	Addition of grants in the current period	Amounts recognised as non-operating income in the current period	Amounts transferred in other income in the current period	Others changes in the current period	Closing balance	Related to assets/ income
Deferred income	157,154,401.72	66,679,977.51		12,671,996.10		211,162,383.13	Related to assets

### 3. Government grants included in profit or loss

Applicable  Not applicable

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Government grants related to assets		
Recognised as other income	12,671,996.10	15,276,248.63
Government grants related to income		
Recognised as other income	48,379,670.69	42,237,896.79
Recognised as non-operating income	274,069.34	9,140.00
Total	61,325,736.13	57,523,285.42

Other descriptions:

## XII. Risks related to financial instruments

### 1. Risks arising from financial instruments

#### (1) Risks of financial instruments

The Group's daily activities expose it to risks arising from various financial instruments, mainly including credit risk, liquidity risk and market risk. The Group's risk management policy to address these risks are described as follows:

The Board of Director is responsible for planning and establishing the Group's risk management framework, formulating risk

management policies and relevant guidelines, and supervising the implementation of risk management measures. The Group has risk management policies to identify and analyse risks faced by the Group, which set rules for specific risks, covering market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and its operating activities to determine whether to update risk management policies and systems. The Group's risk management is carried out by the Group's Risk Control Department in accordance with the policies approved by the Board of Directors. The department identifies, evaluates and mitigates risks through close cooperation with other business units of the Group. The Internal Audit Department of the Group reviews risk management control and procedures on a regular basis and reports the results to the Audit Committee of the Group.

The Group diversifies the risk of financial instruments through various appropriate investment and business portfolios and mitigates the risk of concentration in a single industry, specific region or specific counterparty by formulating corresponding risk management policies.

#### · Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation.

The Group's credit risk mainly arises from currency funds, notes receivable, accounts receivable, receivables financing and other receivables, as well as debt investments at fair value through profit or loss that are not included in the scope of impairment assessment, etc. At the balance sheet date, the carrying amount of the Group's financial assets is equal to its maximum credit exposure.

The Group believes that there is no significant credit risk associated with currency funds as they are deposited with well-established state-owned banks and other large and medium-sized commercial banks with high credit rating. Management does not expect that there will be any significant credit losses from non-performance by these counterparties.

In addition, the Group has policies to limit the credit exposure on notes receivable, accounts receivable, receivables financing, contract assets and other receivables. The Group assesses the credit quality of and sets credit periods for its customers based on their financial position and credit records, the availability of third-party guarantees, and other factors such as current market conditions. The credit records of customers are regularly monitored by the Group. For customers with poor credit records, the Group uses written payment reminders, or shortens or cancels credit periods, to ensure that the Group's credit risk is overall controllable.

The Group does not require collateral as it only trades with recognised and creditworthy third parties. Credit risk concentration is managed according to customers/counterparties, geographic regions and industries. Since the customer base of the Group's accounts receivable is widely dispersed, the Group has no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements on the balance of accounts receivable

#### Criteria for determining significant increase in credit risk

At each balance sheet date, the Group assesses whether the credit risk on financial instruments has increased significantly since initial recognition. The principal criteria adopted by the Group in determining a significant increase in credit risk are more than 30 days overdue, or significant changes in one or more of the following indicators: material adverse changes in the debtor's operating environment, internal/external credit ratings, actual or expected operating results.

- Credit-related risk

#### Definition of credit-impaired assets

The main criterion adopted by the Group in determining credit impairment is more than 90 days overdue. However, in certain cases where internal or external information indicates that it may not be able to collect a contract amount in full before considering any credit enhancements held, the Group will also consider that credit impairment has occurred. It may not be possible to identify a single discrete event - instead, the combined effect of several events may have caused financial assets to become credit-impaired.

- Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Group's policy is designed to ensure that sufficient cash is available to repay debts as they fall due. Liquidity risk is managed centrally by the Group's Finance Department. The department monitors rolling forecasts of cash balances, readily realisable securities and cash flows over the next 12 months, to ensure that the Group has sufficient funds to repay its debts under all reasonable forecasts. The department also continuously monitors whether the Group complies with the provisions of borrowing agreements and obtains commitments from major financial institutions to provide sufficient reserve funds to meet short-term and long-term liquidity requirements.

The maturity profile of financial liabilities based on undiscounted contractual cash flow is summarised as follows:

2025

Items	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	1,839,923,994.52	-	-	-	1,839,923,994.52
Notes payable	381,818,750.95	-	-	-	381,818,750.95
Accounts payable	1,280,618,737.32	-	-	-	1,280,618,737.32
Other payables	529,651,533.30	-	-	-	529,651,533.30
Current portion of non-current liabilities	186,876,235.07	-	-	-	186,876,235.07
Long-term borrowings	-	1,330,000.00	3,990,000.00	52,482,666.67	57,802,666.67
Long-term payables	-	-	30,685,200.00	-	30,685,200.00
Lease liabilities	-	152,753,817.53	196,567,725.23	104,678,613.82	454,000,156.58
Total	4,218,889,251.16	154,083,817.53	231,242,925.23	157,161,280.49	4,761,377,274.41

2024

Items	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	1,972,918,549.76	-	-	-	1,972,918,549.76
Notes payable	431,873,210.11	-	-	-	431,873,210.11
Accounts payable	1,155,930,554.98	-	-	-	1,155,930,554.98
Other payables	516,522,493.00	-	-	-	516,522,493.00
Current portion of non-current liabilities	399,167,353.26	-	-	-	399,167,353.26
Long-term borrowings	-	4,346,397.26	3,990,000.00	53,869,753.42	62,206,150.68
Long-term payables	-	-	59,764,037.31	-	59,764,037.31
Lease liabilities	-	165,961,149.99	209,931,591.41	107,766,498.95	483,659,240.35
Total	4,476,412,161.11	170,307,547.25	273,685,628.72	161,636,252.37	5,082,041,589.45

· Market risk

Market risk of a financial instrument is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, currency risk and price risk.

(1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest-bearing financial instruments with fixed and floating interest rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. The Group determines the relative proportions of its instruments issued at fixed and floating interest rate based on market conditions and maintains an appropriate mix of such instruments through regular review and monitoring. The Group uses interest rate swaps to hedge interest rate risk, if necessary.

As at 31 December 2025, with other variables held unchanged, had the borrowing rate calculated at the floating interest rate risen or fallen by 100 basis points (The Group had no borrowings with no floating interest rates in 2025), the Group's profit would have decreased or increased by RMB0.00 (31 December 2024: RMB3,257,632.71). Management believes that 100 basis points reflect a reasonable range of possible changes in interest rates for the next year.

(2) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group continuously monitors transactions denominated in foreign currencies and the scale of foreign currency assets and liabilities to minimise the currency risk. The Group may also enter into forward foreign exchange contracts or currency swap contracts to avoid the currency risk. In the current and prior periods, the Group did not enter into any forward foreign exchange contracts or currency swap contracts.

The currency risk faced by the Group mainly comes from financial assets and liabilities denominated in USD. The amount of foreign currency financial assets and liabilities converted into RMB is as follows:

2025

Items	Increase/ (decrease) in exchange rates (%)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in other comprehensive income, net of tax	Increase/ (decrease) in total equity
Weaker RMB against USD	5%	42,029,257.12	11,449,078.16	53,478,335.28
Stronger RMB against USD	-5%	-42,029,257.12	-11,449,078.16	-53,478,335.28
Weaker RMB against EUR	5%	828,850.62	802,122.99	1,630,973.61
Stronger RMB against EUR	-5%	-828,850.62	-802,122.99	-1,630,973.61

2024

Items	Increase/ (decrease) in exchange rates (%)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in other comprehensive income, net of tax	Increase/ (decrease) in total equity
Weaker RMB against USD	5%	24,387,578.87	-	24,387,578.87
Stronger RMB against USD	-5%	-24,387,578.87	-	-24,387,578.87
Weaker RMB against EUR	5%	867,409.48	-	867,409.48
Stronger RMB against EUR	-5%	-867,409.48	-	-867,409.48

## (3) Price risk

The Group's exposure to price risk is the risk arising from changes in the fair value of financial assets and liabilities held for trading classified as financial assets and liabilities at fair value through profit or loss. The Group manages this exposure by maintaining a portfolio of investments with different risks.

The table below illustrates the sensitivity of the Group's net profit or loss and other comprehensive income net of tax to every 5% change in the fair value of financial assets held for trading, based on the carrying amounts as at the balance sheet date, with all other variables held constant.

2025

Items	Carrying amount of financial assets held for trading	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total equity	Increase/ (decrease) in total equity
Financial assets held for trading				
Financial assets and liabilities at fair value through profit or loss	2,825,378,695.56	116,209,580.82	-	116,209,580.82

2024

Items	Carrying amount of financial assets held for trading	Increase/(decrease) in net profit or loss	Increase/(decrease) in total equity	Increase/(decrease) in total equity
Financial assets held for trading				
Financial assets and liabilities at fair value through profit or loss	2,921,341,484.39	123,525,008.09	-	123,525,008.09

## 2. Capital management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern and to maintain healthy capital ratios to support its business development and maximise shareholders' value.

The Group manages and adjusts its capital structure in light of economic dynamics and changes in risk characteristics of relevant assets. To maintain or adjust the capital structure, the Group may adjust dividend payments, return capital or issue new shares to shareholders. The Group is not subject to external mandatory capital requirements. No changes in the objectives, policies or processes for managing capital were made in 2025 and 2024.

The Group monitors capital using an asset-liability ratio, which is calculated by dividing total liabilities by total assets. The Group's policies are designed to maintain the ratio at a reasonable level. The asset-liability ratio of the Group as at the balance sheet date is as follows:

Items	2025	2024
Total assets	18,404,858,027.22	18,391,855,961.52
Total liabilities	6,112,276,598.33	6,516,184,758.78
Asset-liability ratio	33.21%	35.43%

## 2. Hedge

(1) The Company carries out hedging business for risk management

Applicable  Not applicable

(2) The Company carries out qualified hedging business and applies hedging accounting

Unit: RMB Yuan

Items	Book value related to hedged items and hedging instruments	Cumulative fair value hedging adjustments of hedged items included in recognised carrying amounts	Some sources of hedging effectiveness and ineffectiveness	The impact of hedge accounting on a Company's financial statements
Hedging risk type				
Hedge type				

Other description

(3) The Company engages in hedging activities for risk management purposes and anticipates achieving risk management objectives but does not apply hedge accounting

Applicable  Not applicable

### 3. Financial assets

(1) Transfer method classification

Applicable Not applicable

Unit: RMB Yuan

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for derecognition
Endorsed bills	Notes receivable	17,525,376.84	Not derecognised	It has retained substantially all the risks and rewards, including related default risks
Endorsed bills	Receivables financing	75,425,011.30	Derecognition	It has transferred substantially all the risks and rewards
Factoring	Accounts receivable	128,072,545.59	Derecognition	It has transferred substantially all the risks and rewards
Total		221,022,933.73		

(2) Financial assets derecognised due to transfers

Applicable Not applicable

Unit: RMB Yuan

Items	Transfer method	Amount of financial assets derecognised	Gains or losses related to derecognition
Receivables financing	Endorsed bills	183,624,819.37	
Accounts receivable	Factoring	128,072,545.59	59,954.82
Total		311,697,364.96	59,954.82

(3) Asset transfer financial assets that continue to be involved

Applicable  Not applicable

Other description

### XIII. Fair value disclosure

#### 1. Closing fair value of assets and liabilities measured with fair value

Unit: RMB Yuan

Items	Closing fair value			Total
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	
I. Recurring fair value measurements	--	--	--	--
1. Financial assets held for trading		2,825,378,695.56		2,825,378,695.56
(1) Financial assets at fair value through profit or loss		2,825,378,695.56		2,825,378,695.56
Receivables financing		48,201,306.98		48,201,306.98
Other non-current financial assets		26,277,261.16	73,603,810.38	99,881,071.54
Total assets continuously measured at fair value		2,899,857,263.70	73,603,810.38	2,973,461,074.08
II. Non-recurring fair value measurements	--	--	--	--

#### 2. Basis of determining the market prices or recurring and non-recurring Level 1 fair value measurements

#### 3. Valuation techniques and qualitative and quantitative information of key parameters adopted for recurring and non-recurring Level 2 fair value measurements

The Group enters into wealth management product contracts with various counterparties, principally financial institutions with high credit ratings. These financial instruments are not traded in active markets, but there are active market quotes for similar financial instruments. For wealth management products measured at fair value through profit or loss, the expected rate of return available in the market is used to estimate the future cash flows, and the fair value is determined by discounting the future cash flows at the interest rate determined based on the best estimates of the expected risk levels.

Convertible corporate bond investments measured at fair value through profit or loss are measured using the valuation technique of the binomial tree model. The model covers a number of market-observable inputs, including the underlying stock prices, exercise prices and maturities.

The fair value of receivables financing is measured at their par value.

In identifying similar financial instruments, the Group considers factors such as characteristics of assets or liabilities, contract terms and risks, to ensure that the selected instruments are highly similar to the valued instruments in key aspects. The Group regularly evaluates the effectiveness of the selected valuation model and adjusts model parameters in a timely manner in response to market changes to ensure the accuracy of fair value.

#### 4. Valuation techniques and qualitative and quantitative information of key parameters adopted for recurring and non-recurring Level 3 fair value measurements

The Group's Finance Department headed by the finance controller is responsible for formulating policies and procedures for the fair value measurement of financial instruments. At each reporting date, the Finance Department analyses movements in the value of financial instruments and identifies the major inputs applied in the valuation. The valuation is reviewed and approved by the finance controller.

The fair value of the Group's unlisted fund investments using fair value measurement within Level 3 is determined based on the net asset value provided by the manager. This net asset value is determined based on the data of comparable companies and taking into account market multipliers such as the price-to-earnings (P/E) ratio and the price-to-book (P/B) ratio, or referring to the market value of comparable companies. The Group believes that the fair value estimated using the valuation technique and its changes are reasonable. It is the most appropriate value as at the balance sheet date.

#### 5. Reconciliation between opening and closing carrying amounts, and sensitivity analysis of unobservable parameters for recurring Level 3 fair value measurements

#### 6. Transfers between fair value levels for recurring fair value measurements: reasons and the policies for identifying the time of transfer

#### 7. Changes in valuation techniques during the Period and reasons for changes

#### 8. Fair value information of financial assets and liabilities not measured at fair value

#### 9. Other information

### XIV. Related parties and transactions

#### 1. Parent

Name	Registered address	Nature of business	Registered capital	Proportion of ownership interest in the Company (%)	Proportion of voting power in the Company (%)
Winner Group Limited	Cayman Islands	Equity investment and management	HKD1,143,000.00	69.83%	69.83%

Information about the parent

The ultimate controlling party of the Company Li Jianquan.

Other description:

#### 2. Subsidiaries

Information about the subsidiaries of the Company is disclosed in "Note X. Interests in other entities".

### 3. Joint ventures or associates

Details of the major joint ventures or associates of the Company are set out in “Note X. Interests in other entities”.

The details of other joint ventures or associates that had related party transactions with the Company during the current period, or had outstanding balances arising from related party transactions with the Company in prior periods, are as follows:

Name	Related party relationships
Company S	Associate
Chengdu Winner Likang Medical Products Co., Ltd.	Associate
Hubei Xianchuang Technology Co., Ltd.	Associate
Zhejiang Shiyou Medical Materials Co., Ltd.	Associate

Other description:

### 4. Other related parties

Name	Related party relationships
Glory Ray Holdings Limited	Controlled by the actual controller
Glory Ray Limited	Controlled by the actual controller through Glory Ray Holdings
Beijing Sequoia Xinyuan Equity Investment Center (limited partnership)	Shareholder of the Company
Xiamen Leyuan Investment Partnership (Limited Partnership)	Shareholder of the Company
Xiamen Yutong Investment Partnership (Limited Partnership)	Shareholder of the Company
Xiamen Huikang Investment Partnership (Limited Partnership)	Shareholder of the Company
Shenzhen Capital Group Co., Ltd.	Shareholder of the Company
Xiamen Zepeng Investment Partnership (Limited Partnership)	Shareholder of the Company
Chengdu Winner Likang Medical Products Co., Ltd.	Associate, with 49% of its equity hold by the Company
GRI-Alleset India Pvt Ltd.	Controlled by minority shareholders of GRI
Wuhan Zhuoling Packaging Co., Ltd.	Controlled by close family members of the Company’s key management personnel
Hubei Zhuoling Packaging Co., Ltd.	Controlled by close family members of the Company’s key management personnel
Glory Ray Holdings Limited	Controlled by the actual controller
Company S	Associate
Huang Jun	Original shareholder and original director of Winner Medical (Hunan)

Name	Related party relationships
Lixian SHRCB Rural Bank Co., Ltd.	Company in which Zheng Datian, Vice Chairman of Winner Medical (Hunan), serves as a director
Jingyun Biotechnology (Shanghai) Co., Ltd.	Actually controlled by Wu Kangping, a shareholder of Longterm Medical
Shenzhen Nine Stars Printing and Packaging Group Co., Ltd.	Controlled by the ultimate controller of Winner Guilin before merger
Shenzhen Junhesheng Technology Co., Ltd.	Controlled by the actual controller of Junjian Medical before merger
Shenzhen Shengtianning Medical Device Co., Ltd.	Controlled by the actual controller of Junjian Medical before merger
Shenzhen Zhengjun Medical Device Co., Ltd.	Controlled by the actual controller of Junjian Medical before merger
Zhejiang Kanglidi Medical Articles Co., Ltd.	Actually controlled by Wu Di, a shareholder of Longterm Medical
ZheJiang Longmed Medical Technology Co., Ltd.	Actually controlled by Wu Di, a shareholder of Longterm Medical
ZheJiang Longrising Medical New Materials Co., Ltd.	Actually controlled by Wu Kangping, a shareholder of Longterm Medical
Zheng Junhui	Controlling shareholder and actual controller of Junjian Medical before merger
Wu Kangping, Huang Lepei, Wu Di	Controlling shareholder of Longterm Medical before merger and its current minority shareholders
Cao Wensong, Zhang Yuqing	Controlling shareholders of Shanghai Hongsong before merger and its current minority shareholders
Guilin Golden Eagle Latex Technology Co., Ltd.	Minority shareholder of Winner Guilin, former shareholder of Winner Jingzhou
James Michael Mabry	Shareholder of GRI before merger and its current minority shareholder
Min Tang	Shareholder of GRI before merger and its current minority shareholder
Martin Dean Paugh	Shareholder of GRI before merger and its current minority shareholder
John Brian Steward	Shareholder of GRI before merger and its current minority shareholder
Mark Steven Fellows	Shareholder of GRI before merger and its current minority shareholder

Other description:

## 5. Related party transactions

(1) Related party transactions of sales and purchases of goods and provision and receipts of services

Purchases of goods / receipts of services from related parties

Unit: RMB Yuan

Related parties	Transactions	2025	Approved transaction quota	Whether the transaction quota is exceeded?	2024
Hubei Zhuoling Packaging Co., Ltd.	Purchasing goods or services	18,321,201.55			18,540,650.80
Chengdu Winner Likang Medical Products Co., Ltd.	Purchasing goods or services	34,776.32			47,928.39
Shenzhen Nine Stars Printing and Packaging Group Co., Ltd.	Purchasing goods or services	1,546,541.08			1,392,814.81
ZheJiang Longmed Medical Technology Co., Ltd.	Purchasing goods or services	468,120.17			
Guilin Golden Eagle Latex Technology Co., Ltd.	Purchasing goods or services				5,242,433.42

Sales of goods / provision of services to related parties

Unit: RMB Yuan

Related parties	Transactions	2025	2024
Zhejiang Kangleidi Medical Articles Co., Ltd.	Selling goods or services	3,689,899.59	5,596,407.11
Chengdu Winner Likang Medical Products Co., Ltd.	Selling goods or services	2,285,971.47	1,390,142.67
ZheJiang Longmed Medical Technology Co., Ltd.	Selling goods or services	336,498.15	673,072.48
GRI-Alleaset India Pvt Ltd	Selling goods or services	726,490.15	146,735.86
Company S	Selling goods or services	10,058,259.98	113,424.99
Shenzhen Shengtianning Medical Device Co., Ltd.	Selling goods or services		30,889.38

Description of related party transactions of sales and purchases of goods and provision and receipts of services

During the current year, the Group engaged in transactions for goods and services with related parties based on market prices.

(2) Entrusted/contracted activities and delegated/outsourced activities with related party

Entrusted/contracted activities:

Unit: RMB Yuan

Entrusting / outsourcing party	Trustee/ contractor	Type of entrusted/ contracted assets	Commencement date	Termination date	Pricing basis for trusteeship/ contracting fees	Trusteeship/contracting income recognised during the period
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Description of related party entrusted/contracted activities

Delegated/outsourced activities:

Unit: RMB Yuan

Entrusting / outsourcing party	Trustee/ contractor	Type of delegated/ outsourced assets	Commencement date	Termination date	Pricing basis for trusteeship/ outsourcing fees	Trusteeship/ outsourcing income recognised during the period
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Description of related party delegated/outsourced activities

(3) Related party leases

The Company as lessor:

Unit: RMB Yuan

Lessees	Type of leased assets	Rental income in 2025	Rental income in 2024
Chengdu Winner Likang Medical Products Co., Ltd. (Note)Note 1	Plant	1,834,273.44	2,079,022.91
ZheJiang Longmed Medical Technology Co., Ltd.	Plant	363,302.75	363,302.75

Note:

Note 1: This rental income represents the unrealised financing income of the year.

The Company as lessee:

Unit: RMB Yuan

Lessor	Type of leased assets	Lease payments for short-term leases and leases of low-value assets accounted for under the simplified approach (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Lease payments		Interest expense on lease liabilities		Additions to right-of- use assets	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024

Description of related party leases

(4) Related party guarantees

The Company as guarantor

Guaranteed party	Guarantee amount	Commencement date	Expiry date	Whether guarantee has been fulfilled
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The Company as guaranteed party

Unit: RMB Yuan

Guaranteed party	Guarantee amount	Commencement date	Expiry date	Whether guarantee has been fulfilled
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Description of related party guarantees

(5) Related party fund lending

Unit: RMB Yuan

Related party	Loan amount	Commencement date	Expiry date	Remarks
Funds borrowed				
Funds lent				

(6) Related party asset transfers and debt restructuring

Unit: RMB Yuan

Related parties	Transactions	2025	2024
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(7) Compensation of key management personnel

Unit: RMB Yuan

Items	2025	2024
Compensation of key management personnel	20,904,823.67	18,245,607.48
Including: Share-based payments	2,151,481.79	2,020,576.80

(8) Other related party transactions

Related party borrowings

Item	2025	2024
Related party borrowings (Note)	30,685,200.00	32,094,498.00

Note: The borrowings refer to the interest-free borrowings from Pan-China (H.K.) to the controlling shareholder Winner Group Limited. See Note VII.47 for details.

## 6. Amounts due from/to related parties

(1) Receivables

Unit: RMB Yuan

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	GRI-Alleset India Pvt Ltd	12,910,902.74	8,620,320.59	13,056,602.47	6,955,786.99
Accounts receivable	Zhejiang Kanglidi Medical Articles Co., Ltd.	1,906,824.00	95,341.20	1,870,228.80	93,511.44
Accounts receivable	Chengdu Winner Likang Medical Products Co., Ltd.	839,283.13	41,964.16	538,133.25	26,906.66
Accounts receivable	ZheJiang Longmed Medical Technology Co., Ltd.			37,705.56	1,885.28
Accounts receivable	Company S	4,199,677.24	209,983.86		
Other receivables	GRI-Alleset India Pvt Ltd	5,075,034.33	5,058,092.23	5,186,667.64	5,150,927.49

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	Company S	4,010,984.13	200,549.21		
Current portion of non-current assets	Chengdu Winner Likang Medical Products Co., Ltd.	4,707,526.63		4,479,684.84	
Long-term receivables	Chengdu Winner Likang Medical Products Co., Ltd.	26,502,052.74		31,209,579.38	
Other non-current assets	Guilin Golden Eagle Latex Technology Co., Ltd.	96,100.00			
Other non-current assets	Company S	323,704.00			

## (2) Payables

Unit: RMB Yuan

Items	Related parties	Closing book value	Opening book value
Accounts payable	Chengdu Winner Likang Medical Products Co., Ltd.	9,987.27	11,417.02
Accounts payable	Hubei Zhuoling Packaging Co., Ltd.	7,153,560.05	5,962,746.26
Accounts payable	Shenzhen Nine Stars Printing and Packaging Group Co., Ltd.	325,353.96	846,592.73
Accounts payable	Zhejiang Kanglidi Medical Articles Co., Ltd.	14,557.20	
Accounts payable	ZheJiang Longmed Medical Technology Co., Ltd.	46,346.46	
Accounts payable	ZheJiang Longrising Medical New Materials Co., Ltd.		5,229.00
Accounts payable	Guilin Golden Eagle Latex Technology Co., Ltd.	455,825.00	623,503.50
Accounts payable	Company S	5,717,843.05	
Contract liabilities	Company S	21,526.40	150,714.54
Contract liabilities	ZheJiang Longmed Medical Technology Co., Ltd.	43,043.81	
Contract liabilities	Shenzhen Capital Group Co., Ltd.		11,946.90
Contract liabilities	Shenzhen Shengtianning Medical Device Co., Ltd.		1,165.93
Long-term payables	Winner Group Limited	26,994,520.77	26,892,539.19
Other payables	Zhejiang Shiyou Medical Materials Co., Ltd.	10.23	
Other payables	Company S	281,234.11	
Other non-current liabilities	Minority shareholders of GRI	387,682,358.99	373,262,348.97
Dividends payable	Winner Group Limited		162,645,754.80

## 7. Commitments with related parties

## 8. Other information

Except for long-term receivables, all other receivables and payables with related parties are interest-free and unsecured.

## XV. Share-based payments

### 1. Share-based payments

Applicable  Not applicable

Unit: RMB Yuan

Categories of grantees	Granted in the current year		Exercised in the current year		Unlocked in the current year		Expired in the current year	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management personnel	424,000.00	6,228,560.00			143,071.00	3,076,026.50		
Sales personnel	38,000.00	558,220.00						
R&D personnel	38,000.00	558,220.00						
Total	500,000.00	7,345,000.00	0.00	0.00	143,071.00	3,076,026.50		

Share options or other equity instruments outstanding at period end

Applicable  Not applicable

Categories of grantees	Stock options outstanding at the end of the period		Other equity instruments outstanding at the end of the period	
	Scope of exercise price	Remaining contractual term	Scope of exercise price	Remaining contractual term
Management personnel	RMB21.5/share	9 months	RMB14.69/share	40.5 months
Salesperson	RMB21.5/share	9 months	RMB14.69/share	40.5 months
R&D personnel	RMB21.5/share	9 months	RMB14.69/share	40.5 months

Other description:

## 2. Equity-settled share-based payments

√ Applicable □ Not applicable

Unit: RMB Yuan

Method for determining the fair value of equity instruments on the grant date	Calculated according to stock price agreement and B-S model	
Significant parameters of determining the fair value of equity instruments on the grant date	Dividend yield ratio, expected and historical volatility, risk-free interest rate, expected term of share options, weighted average share price	
Basis for the determination of the number of viable equity instruments	It is expected to meet the vesting conditions	
Reasons for material differences between current and prior period estimates	None	
Accumulated amount of equity-settled share-based payments recorded in capital reserves		132,874,312.08
Total expense recognised for equity-settled share-based payments during the period		26,442,529.79

Other description:

### (1) 2023 Employee Stock Ownership Plan (ESOP)

The Company held the 16th meeting of the third Board of Directors and the 11th meeting of the third Board of Supervisors on 15 August 2023, and held the 2nd Extraordinary General Meeting of Shareholders of 2023 on 5 September 2023, which reviewed and approved the Proposal on the First Grant of the Employee Stock Ownership Plan (Draft), the Proposal on the Management Measures for the First Grant of the Employee Stock Ownership Plan, and other related proposals.

The purchase price of the ESOP is RMB43.00 per share. The actual subscription funds totaled RMB21,715,000 (excluding reserved shares), and the actual number of shares subscribed were 21,715,000. The ratio of employee self-raised funds to incentive funds set aside by the Company is 1:1. The source of share is the Company's A-share ordinary shares repurchased in its special repurchase account. The Company completed the non-trading transfer of the 2023 ESOP on 11 October 2023.

The ESOP is valid for 60 months, calculated from the date when the plan is approved at the shareholders' meeting and the Company announces the transfer of the underlying shares to the ESOP. The corresponding equity interests will vest in three tranches to respective ESOP participants, contingent upon the performance assessment during the vesting period, namely, 12 months, 24 months, and 36 months from the date when the underlying shares are transferred to the ESOP. The vesting proportions will be 30%, 30%, and 40% of the total number of shares under the ESOP, respectively.

### (2) 2024 Class II Restricted Share Incentive Scheme

On 20 August 2025, the Company held the 7th meeting of the fourth Board of Directors and the 7th meeting of the fourth Board of Supervisors, which reviewed and approved the Proposal on Adjusting the Grant Price of the 2024 Restricted Share Incentive Plan. The grant price of this incentive plan was adjusted due to equity distribution implemented by the Company. Upon completion of this adjustment, the grant price for both the initial and reserved restricted shares under this incentive plan was adjusted from RMB15.39 per share to RMB14.69 per share.

On 12 November 2025, the Company held the 9th meeting of the fourth Board of Directors, which reviewed and approved the Proposal on the Grant of Restricted Shares to Participants of 2024 Restricted Share Incentive Scheme, granting 500,000 reserved restricted shares to 13 participants.

This scheme is valid from the date of initial grant to the date when all restricted shares granted to participants are vested or cancelled. The maximum period shall not exceed 60 months. The initial grant portion shall be vested in three tranches to respective participants upon the performance assessment during the vesting period. The reserved grant portion shall be vested in two tranches to respective participants upon the performance assessment during the vesting period. Specific vesting arrangements are detailed in the relevant announcements disclosed by the Company on the CNINFO website.

### 3. Cash-settled share-based payments

Applicable  Not applicable

### 4. Share-based payments in current period

Applicable  Not applicable

Unit: RMB Yuan

Categories of grantees	Equity-settled share-based payments	Cash-settled share-based payments
Management personnel	16,545,054.82	
Salesperson	7,236,581.02	
R&D personnel	2,660,893.95	
Total	26,442,529.79	

Other description:

### 5. Modifications and terminations of share-based payments

None

### 6. Other information

## XVI. Commitments and contingencies

### 1. Significant commitments

Significant commitments existing at the balance sheet date

Items	2025	2024
Capital commitments	176,386,066.44	109,806,872.21
Total	176,386,066.44	109,806,872.21

## 2. Contingencies

(1) Significant contingencies existing at the balance sheet date

As at 31 December 2025, the Company had no significant contingencies to be disclosed.

(2) In cases where the Company has no significant contingencies requiring disclosure, this fact should also be disclosed.

The Company confirms that there are no significant contingencies that require disclosure.

## 3. Other information

## XVII. Events after the balance sheet date

### 1. Significant non-adjusting events

Unit: RMB Yuan

Items	Events	Impact on financial position and operating results	Reasons for the inability to estimate the impact
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### 2. Profit distribution

Dividend to be distributed per 10 shares (RMB Yuan)			3
Bonus shares to be distributed per 10 shares (shares)			0
Capitalisation shares per 10 shares (shares)			0
Declared dividend per 10 shares after approval (RMB Yuan)			3
Declared bonus shares per 10 shares after approval (shares)			0
Declared capitalisation shares per 10 shares after approval (shares)			0

Profit distribution plan

On April 20, 2026, the Group convened the 10th meeting of the fourth Board of Directors to review and approve the Proposal on the Profit Distribution Plan for 2025 and the Authorisation of Interim Profit Distribution for 2026. Regarding the profit distribution plan for the year 2025: Based on the Company's existing total share capital of 582,329,808 shares, a cash dividend of RMB3.00 per 10 shares (inclusive of tax) shall be distributed to all shareholders, totaling RMB174,698,942.40 (inclusive of tax). No capitalization of reserves into share capital or bonus shares shall be issued, and the remaining undistributed profits shall be carried forward to the next fiscal year. During the period from the disclosure of the profit distribution plan to its implementation, if the total number of shares entitled to profit distribution changes, the Company shall make corresponding adjustments in accordance with the principle that the cash dividend ratio remains unchanged while the total amount of cash dividends varies.

Regarding the authorization for interim profit distribution for the year 2026: To further enhance returns to investors and improve decision-making efficiency, the Company proposes to request the Shareholders' General Meeting to authorize the Board of Directors to formulate specific interim dividend plans, subject to compliance with profit distribution conditions, by comprehensively considering the Company's operating status and reasonable returns to shareholders. Such authorization includes, but is not limited to, determining whether to distribute profits and formulating profit distribution plans. The term of such authorization shall commence from the date the annual Shareholders' General Meeting for the year 2025 approves this resolution and shall expire upon the completion of the aforementioned authorized matters.

3. Sales return

4. Explanation for other events after the balance sheet date

**XVIII. Other significant events**

1. Correction of accounts prior period errors

(1) Retrospective restatement

Unit: RMB Yuan

Correction of errors	Processing procedures	Line items of the statements in the affected comparative period	Cumulative impact
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(2) Prospective application

Correction of errors	Approval procedures	Reasons for prospective application
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2. Debt restructuring

3. Asset replacement

(1) Exchange of non-monetary assets

(2) Other asset replacement

4. Annuity plan

5. Discontinued operation

Unit: RMB Yuan

Items	Revenue	Expenses	Profit before income tax	Income tax expenses	Profit	Attributable to owners of the parent
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Other description:

6. Segment information

(1) Basis for determining reportable segments and accounting policies

According to its internal organisational structure, management requirements and internal reporting system, the Company has two reportable segments: medical consumables and consumer goods. Reportable segments of the Company offer different products or services or operate in different regions. Since both segments require different techniques or marketing strategies, management of the Company manages operating activities of each reportable segment separately and regularly evaluates their operating results to determine the allocation of resources to them and evaluate their performance.

The inter-segment transfer price is determined on the basis of the actual transaction price, and the expenses indirectly attributable to each segment are distributed in proportion to the revenue (depending on specific facts and circumstances).

Assets are allocated based on the performance of a segment and the location of the assets. Liabilities of a segment include liabilities attributable to that segment arising from its business operations. If expenses related to liabilities shared by multiple operating segments are allocated to those operating segments, the underlying liabilities are also allocated to those operating segments.

(2) Financial information of reporting segments

Unit: RMB Yuan

Items	Medical consumables	Consumer goods	Unallocated	Offset between segments	Total
Revenue	5,200,668,052.82	5,748,821,914.19			10,949,489,967.01
Cost of sales	3,279,239,784.60	2,454,223,244.93			5,733,463,029.53
Impairment losses of assets and credit impairment losses	235,515,182.76	26,031,343.74			261,546,526.50
Depreciation and amortisation	198,808,267.19	262,082,390.97			460,890,658.16
Operating profit	307,283,391.09	759,848,161.86	546,546.56		1,067,678,099.51
Non-operating income and expenses			-19,857,249.33		-19,857,249.33
Assets and liabilities					
Total assets	8,601,008,071.02	4,532,504,125.89	5,271,345,830.31		18,404,858,027.22
Total liabilities	1,707,170,901.34	1,651,798,541.04	2,753,307,155.95		6,112,276,598.33

(3) In cases where the Company has no reporting segments, or if it cannot disclose the total assets and total liabilities of each reporting segment, the reasons should be explained

(4) Other description

## 7. Other important transactions and matters affecting the decision of investors

### 7.1 Urban Renewal Project of Winner Industrial Park

#### (1) Overview

On 6 April 2017, the Group and Shenzhen Galaxy Real Estate Development Co., Ltd. (hereinafter referred to as “Galaxy Real Estate”) signed the Cooperation Agreement on Urban Renewal Project of Winner Industrial Park to apply for and implement the demolition and reconstruction of urban renewal and reconstruction of Winner Industrial Park in Longhua District, Shenzhen City (hereinafter referred to as “the Project”). The scope of land to be demolished for the Project is a state-owned land that has been transferred. The plot No. of the land is A819-0123, with a site area of 29,064.49 square metres, and the current use is industrial land. According to the statutory plan of [Pinus tabulaeformis area] of No.402-19&20&21, Bao’an District, Shenzhen City, the planned use of this plot is second-class residential land. The plot has been registered for title with a construction area of 36,625.89 square metres, used for office, plant and dormitory. The Group shall be the sole subject of rights to the said plot and all the buildings (structures) and appendages thereon. The first to sixth floors of the 2nd office

building, the first to sixth floors of the 3rd dormitory building, and the first to sixth floors of the 4th dormitory building have been mortgaged at present.

## (2) Cooperation methods

The Group agrees to entrust the underlying plot and buildings to Galaxy Real Estate for application for approval of the urban renewal unit plan, and accepts the relocation compensation provided by Galaxy Real Estate according to the conditions agreed in the agreement. Galaxy Real Estate is responsible for all the work related to the declaration of renewal unit plan of the underlying plot and buildings and implementation of urban renewal, as well as the relocation compensation and demolition and reconstruction funds, and enjoys the interest in the renewal project as the single market implementer. After the renewal and reconstruction of the underlying plot and buildings is approved as an urban renewal unit plan, Galaxy Real Estate shall discuss with the Group, among others, the specific transformation and development intensity, planned purposes and indicators in advance of the formal application for construction, but the final details shall be subject to the approval of relevant government departments.

Considerations for the cooperation will be paid by Galaxy Real Estate to the Group through relocation compensations payment. The Group voluntarily chooses a relocation compensation method that combines monetary compensation and title exchange (relocation). Specifically: 1) the monetary compensations amount to RMB415 million; 2) the area of title exchange (relocation) attributable to Party B shall be determined at 40% of the gross floor area for sale based on the area determined in the final approval of the special planning of the renewal unit of the Project.

## (3) Progress

The Company held the 14th meeting of the third session of Board of Directors on 12 June 2023, and the first Extraordinary General Meeting of Shareholders in 2023 on 7 July 2023, to review and approve the Proposal on Executing Relevant Agreements on Relocation Compensation and Resettlement for the Urban Renewal Units of the Winner Industrial Park. The Company cooperated with Shenzhen Xingda Real Estate Development Co., Ltd. (hereinafter referred to as “Xingda”) and signed the Agreement on Relocation Compensation and Resettlement for Urban Renewal Units of the Winner Industrial Park in Longhua District in Shenzhen, the Relinquishment of Real Estate Rights Statement and other relevant documents with Xingda on the plot and above-ground buildings of the Winner Industrial Park in Longhua District of Shenzhen City.

Upon signing the above documents, the Company and Xingda actively advanced the transaction. The Project received the Reply Letter from the Shenzhen Longhua District Urban Renewal and Land Preparation Bureau on the Approval Status of the “Urban Renewal Unit Planning of Winner Industrial Park in Longhua Street, Longhua District” (Shenhua Renewal Letter [2023] No. 25). According to the letter, the approval status indicates that the use of land in the Winner Industrial Park has been changed from current Class I industrial land to planned Class II residential land + commercial land. The Company vacated the industrial park and handed it over to Xingda on 17 July 2023. The two parties signed the Transfer Confirmation Letter and settled utility fees. Then Xingda began to demolish old buildings.

In light of the significant changes in the real estate market, following an amicable negotiation, the Company and Xingda signed the Confirmation Letter on the Revocation of the “Relinquishment of Real Estate Rights Statement” on 29 January 2024, which sets forth that: the Project will be temporarily halted, and the Company retrieved all Relinquishment of Real Estate Rights Statement according to the agreement, and rescinded all the statements therein.

The Company held the 23rd meeting of the third session of Board of Directors on 26 July 2024, and the second Extraordinary General Meeting of Shareholders in 2024 on 12 August 2024, to review and approve the Proposal on Executing Relevant Supplementary Agreements on Relocation Compensation and Resettlement for the Urban Renewal Units of the Winner Industrial Park. On 19 August 2024, the Company and Xingda and its subsidiary Galaxy Real Estate signed the Supplementary Agreement I and II to the Relocation Compensation and Resettlement Agreement and the

Supplementary Agreement I to the Agreement (collectively referred to as the “Supplementary Agreements”). According to the Supplementary Agreements, the principles for distribution of compensations and titles of relocation properties had changed. The area of office properties and commercial properties attributable to the Company remains unchanged (39,240 square meters and 200 square meters, respectively), while the area of residential properties and the amount of compensations attributable to the Company are linked to the actual average transaction price of commercial housing obtained by Xingda. The Supplementary Agreements also stipulate that the office property, commercial property and residential property attributable to the Company shall be delivered within four years after the construction license is obtained for the plot, but the delivery date shall be postponed accordingly in case of force majeure or delay caused by changes in government policies and approvals during the above period.

Currently, the Company and Xingda have signed the “Land Acquisition Agreement” with the relevant local government authorities. Xingda is currently applying for procedures regarding the contractual allocation of land to obtain a contract for the grant of state-owned construction land use rights. Subsequently, Xingda will advance land development and construction work in accordance with the relevant processes prescribed by the government.

As at 31 December 2025, the Company received a total of RMB250 million in cash, including: a deposit of RMB50 million in April 2017, a prepaid relocation compensation of RMB100 million in February 2020, and monetary compensation of RMB100 million in July 2023, as agreed upon in the Relocation Compensation and Resettlement Agreement, all of which were included into other payables at the end of year. As at 31 December 2025, the land was not transferred and was recorded in other non-current assets.

## 7.2 Heyuan Investment and Construction Project (Heyuan Project)

### (1) Background

In 2016, as guided and encouraged by the Shenzhen Longhua District Committee and District Government, the Group plans to move part of the production and logistics functions to Heyuan Zijin Linjiang Industrial Park in response to the policy of pairing assistance between Heyuan City and Shenzhen City. In May 2016, the Group and the People’s Government of Zijin County of Heyuan City signed the Agreement on Investment in the Construction of Medical Package and Cotton Household Goods Production Project (hereinafter referred to as the “Investment Agreement”), with a construction area of 200,000 square metres.

After the agreement was signed and the project started construction, the government required all construction in Zijin Linjiang Industrial Park to suspend due to conflicts between the project site and the planned Heyuan East Station of Jiangxi-Shenzhen High-speed Railway and the High-speed Railway New Town. Meanwhile, the relevant land use procedures were suspended.

### (2) Progress

In June 2019, the Detailed Regulatory Planning and Detailed Constructional Urban Design of the Core Area of Heyuan High-speed Railway New Town was published for public notification from 22 June 2019 to 22 July 2019. According to the final public notification, it is determined that the square in front of Heyuan East Station of High-speed Railway, National Highway 205 and the High-speed Railway New Town overlaps with the land of Heyuan Project.

In October 2019, the Company signed a tripartite agreement with the People’s Government of Zijin County and the Management Committee of Heyuan Jiangdong New District to clarify the overall resolution plan. The land used for Heyuan Project and its above-ground buildings will be reclaimed by the People’s Government of Zijin County, and the three parties agreed to determine the amount of compensation through arbitration. The People’s Government of Zijin County paid RMB30 million to the Company as the performance bond.

In November 2019, International Arbitration Court of Ganjiang New District issued the Award ((2019) G.G.Z.Zi No.095), which confirmed the termination of the original Investment Agreement, and the People's Government of Zijin County shall bear attorney fees, legal costs and other expenses totaling RMB2,655,320.00, return the guarantee deposits for land transfer of RMB3 million to the Company and compensate for the Company's economic loss of RMB550 million. The People's Government of Zijin County shall pay 50% of the amount before 31 December 2019 and 50% before 29 February 2020.

As at December 2025, the Company received the guarantee deposits for land transfer of RMB3 million returned by the People's Government of Zijin County and the compensation of RMB334.5 million. The Company also handed over the project land, above-ground buildings, equipment and facilities and relevant supporting materials to the People's Government of Zijin County. Outstanding compensations of RMB215 million were included into other receivables at the end of the year.

## 8. Other information

# XIX. Notes to key items of the Parent's financial statements

## 1. Accounts receivable

### (1) Disclosure by aging

Currency: Renminbi Yuan

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	455,408,160.41	360,752,595.26
1 to 2 years	14,675,943.73	3,165,440.79
2 to 3 years	575,226.99	967,899.68
Over 3 years	3,305,977.97	2,490,041.24
3 to 4 years	815,936.73	171,106.91
4 to 5 years	171,106.91	57,900.37
Over 5 years	2,318,934.33	2,261,033.96
Total	473,965,309.10	367,375,976.97

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

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts made on an individual basis	121,702.53	0.03%	121,702.53	100.00%	0.00					
Including:										
Accounts receivable with provision for bad debts made on a collective basis	473,843,606.57	99.97%	20,539,154.07	4.33%	453,304,452.50	367,375,976.97	100.00%	17,767,875.15	4.84%	349,608,101.82
Including:										
Aging group	396,227,276.37	83.59%	20,539,154.07	5.18%	375,688,122.30	344,944,096.15	93.89%	17,767,875.15	5.15%	327,176,221.00
No credit risk group	77,616,330.20	16.38%	0.00	0.00%	77,616,330.20	22,431,880.82	6.11%	0.00		22,431,880.82
Total	473,965,309.10	100.00%	20,660,856.60	4.36%	453,304,452.50	367,375,976.97	100.00%	17,767,875.15	4.84%	349,608,101.82

Provision for bad debts is made based on the general expected credit loss (ECL) model:

 Applicable  Not applicable

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

Changes in provision for bad debts are as follows:

Currency: Renminbi Yuan

Category	Opening balance	Changes			Closing balance
		Accrual	Recovery or reversal	Write-off Others	
Provision for bad debts made on an individual basis		121,702.53			121,702.53
Provision for bad debts made on a collective basis by credit risk characteristics	17,767,875.15	8,840,848.32	6,069,569.40		20,539,154.07
Total	17,767,875.15	8,962,550.85	6,069,569.40		20,660,856.60

Significant recovery or reversal of provision for bad debts:

Currency: Renminbi Yuan

Unit name	Amount recovered or reversed	Reasons for reversal	Method of recovery	Basis and rationale for proportion of original provision for bad debts accrued
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(4) Accounts receivable actually written off

Currency: Renminbi Yuan

Item	Amount written off
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Significant write-off of accounts receivable:

Currency: Renminbi Yuan

Unit name	Nature of accounts receivable	Amount written off	Reasons for write-off	Write-off procedures performed	Whether caused by related-party transactions
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Notes on the write-off of accounts receivable:

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

Currency: Renminbi Yuan

Unit name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable and contract assets	Closing balance of bad debt provision for accounts receivable and impairment allowances for contract assets
Customer I	36,242,452.82		36,242,452.82	7.65%	1,813,476.31
Customer II	30,515,379.09		30,515,379.09	6.44%	
Customer III	25,582,173.45		25,582,173.45	5.40%	1,336,235.66
Customer IV	17,332,908.55		17,332,908.55	3.66%	
Customer V	15,517,535.51		15,517,535.51	3.27%	775,876.78
Total	125,190,449.42		125,190,449.42	26.42%	3,925,588.75

## 2 Other receivables

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Interest receivable		9,404,946.00
Dividends receivable	250,844,030.72	157,621,914.96
Other receivables	250,844,030.72	167,026,860.96
Total		9,404,946.00

## (1) Interest receivable

## 1) Classification of interest receivable

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
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## 2) Significant overdue interest

Currency: Renminbi Yuan

Borrower	Closing balance	Overdue time	Overdue reasons	Impairment determination basis
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Other disclosures:

## 3) Disclosure by bad debt provision accrual method

 Applicable  Not applicable

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

Currency: Renminbi Yuan

Category	Opening balance	Changes				Closing balance
		Accrual	Recovery or reversal	Disposal or write-off	Other changes	

Significant recovery or reversal of provision for bad debts:

Currency: Renminbi Yuan

Unit name	Amount recovered or reversed	Reasons for reversal	Method of recovery	Basis and rationale for original bad debt provision ratio
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Other disclosures:

## 5) Interest receivable actually written off

Currency: Renminbi Yuan

Item	Amount written-off
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Significant write-off of interest receivable:

Currency: Renminbi Yuan

Unit name	Nature of interest receivable	Amount written-off	Reasons for write-off	Write-off procedures performed	Whether caused by related party transactions
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Notes on write-off of interest receivable:

Other disclosures:

(2) Dividends receivable

1) Classification of dividends receivable

Currency: Renminbi Yuan

Item (Investee)	Closing balance	Opening balance
Longterm Medical		6,071,202.00
Hong Kong Winner		3,333,744.00
Total		9,404,946.00

2) Significant dividends receivable aged over 1 year

Currency: Renminbi Yuan

Item (Investee)	Closing balance	Aging	Reasons for non-recovery	Impairment determination basis
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3) Disclosure by bad debt provision accrual method

Applicable Not applicable

4) Provision for bad debts accrued, reversed or recovered

Currency: Renminbi Yuan

Category	Opening balance	Changes			Closing balance
		Accrual	Recovery or reversal	Disposal or write-off	

Significant recovery or reversal of provision for bad debts:

Currency: Renminbi Yuan

Unit name	Amount recovered or reversed	Reasons for reversal	Method of recovery	Basis and rationale for original bad debt provision ratio
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Other disclosures:

5) Dividends receivable actually written off

Currency: Renminbi Yuan

Item	Amount written off
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## Significant write-off of dividends receivable

Currency: Renminbi Yuan

Unit name	Nature of dividends receivable	Amount written off	Reasons for write-off	Write-off procedures performed	Whether caused by related-party transactions
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Notes on write-off of dividends receivable:

Other disclosures:

(3) Other receivables

1) Classification by nature

Currency: Renminbi Yuan

Nature of other receivables	Closing balance	Opening balance
Compensation for investment and construction project of Winner Medical (Heyuan)	215,155,320.00	217,155,320.00
Amounts due from/to related parties	122,793,979.20	43,000,000.00
Deposits and guarantee deposits	19,414,485.78	3,765,362.49
Employee pretty cash	207,660.62	340,211.01
Others	2,539,999.13	2,256,800.14
Total	360,111,444.73	266,517,693.64

2) Disclosure by aging

Currency: Renminbi Yuan

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	98,493,242.48	49,362,373.64
1 to 2 years	46,462,882.25	
2 to 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years	215,155,320.00	217,155,320.00
Total	360,111,444.73	266,517,693.64

3) Disclosure by bad debt provision accrual method

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Book balance		Impairment allowance		Carrying amount	Book balance		Impairment allowance		Carrying amount
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Other receivables										
with provision for bad debts made on an individual basis	215,554,919.00	59.86%	107,977,259.00	50.09%	107,577,660.00	217,155,320.00	81.48%	108,577,660.00	50.00%	108,577,660.00
Including:										
Other receivables										
with provision for bad debts made on a collective basis	144,556,525.73	40.14%	1,290,155.01	0.89%	143,266,370.72	49,362,373.64	18.52%	318,118.68	0.64%	49,044,254.96
Including:										
No credit risk group	118,782,995.07	32.98%	0.00	0.00%	118,782,995.07	43,000,000.00	16.13%			43,000,000.00
Aging group	6,758,643.88	1.88%	339,410.67	5.02%	6,419,233.21	2,597,011.16	0.97%	129,850.56	5.00%	2,467,160.60
Deposits and guarantee deposits	19,014,886.78	5.28%	950,744.34	5.00%	18,064,142.44	3,765,362.48	1.42%	188,268.12	5.00%	3,577,094.36
Total	360,111,444.73	100.00%	109,267,414.01	30.34%	250,844,030.72	266,517,693.64	100.00%	108,895,778.68	40.86%	157,621,914.96

Provision for bad debts is made on an individual basis:

Currency: Renminbi Yuan

Name	Opening balance		Closing balance			Reasons for provision
	Book balance	Impairment allowance	Book balance	Impairment allowance	Accruing proportion (%)	
Zijin County People's Government	217,155,320.00	108,577,660.00	215,155,320.00	107,577,660.00	50.00%	Government receivables, aged over 5 years
T&L Co., Ltd			399,599.00	399,599.00	100.00%	The guarantee deposits cannot be recovered.
Total	217,155,320.00	108,577,660.00	215,554,919.00	107,977,259.00		

Provision for bad debts is made on a collective basis:

Currency: Renminbi Yuan

Name	Closing balance		
	Book balance	Impairment allowance	Accruing proportion (%)
Within 1 year	6,729,074.43	336,453.72	5.00%
1 to 2 years	29,569.45	2,956.95	10.00%
Total	6,758,643.88	339,410.67	

Basis for provision for bad debts:

Provision for bad debts is made based on the general expected credit loss (ECL) model:

Currency: Renminbi Yuan

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	
Balance as at 1 January 2025	318,118.68	108,577,660.00		108,895,778.68
Balance as at 1 January 2025, in the current year				
Accrual	1,061,997.97	399,599.00		1,461,596.97
Reversal	69,981.69	1,000,000.00		1,069,981.69
Others	-19,979.95	0.00		-19,979.95
Balance as at 31 December 2025	1,290,155.01	107,977,259.00		109,267,414.01

Basis for allocating provision for bad debts to each ECL stage and determining its proportion applicable to each stage:

Material changes in balance of provision for bad debts:

Applicable  Not applicable

4) Provision for bad debts accrued, reversed or recovered

Provision for bad debts:

Currency: Renminbi Yuan

Category	Opening balance	Changes			Closing balance
		Accrual	Recovery or reversal	Write-off Others	
Provision for bad debts	108,895,778.68	1,461,596.97	1,069,981.69	-19,979.95	109,267,414.01
Total	108,895,778.68	1,461,596.97	1,069,981.69	-19,979.95	109,267,414.01

Significant reversal of recovery of provision for bad debts:

Currency: Renminbi Yuan

Unit name	Amount recovered or reversed	Reasons for reversal	Method of recovery	Basis and rationale for original bad debt provision ratio
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5) Other receivables actually written off

Currency: Renminbi Yuan

Item	Amount written off
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Significant write-off of other receivables:

Currency: Renminbi Yuan

Unit name	Nature of other receivables	Amount written off	Reasons for write-off	Write-off procedures performed	Whether caused by related-party transactions
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Write-off of other receivables:

6) Top 5 other receivables with closing balances by debtor

Currency: Renminbi Yuan

Unit name	Nature of other receivables	Closing balance	Aging	Proportion of the total closing balance of other receivables	Closing balance of provision for bad debts
First	Other receivables related to project of Winner Medical (Heyuan)	215,155,320.00	Over 5 years	59.75%	107,577,660.00
Second	Related parties within the Group	118,782,995.07	Within 1 year, 1 to 2 years	32.99%	
Third	Deposits and guarantee deposits	15,656,693.47	Within 1 year	4.35%	782,834.67
Fourth	Amounts due from related parties outside the scope of consolidation of the Group	4,010,984.13	Within 1 year	1.11%	200,549.21
Fifth	Deposits and guarantee deposits	2,311,115.80	4 to 5 years	0.64%	115,555.79
Total		355,917,108.47		98.84%	108,676,599.67

7) Recorded under other receivables due to centralised fund management

Currency: Renminbi Yuan

Other disclosures:

### 3. Long-term equity investment

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment allowance	Carrying amount	Book balance	Impairment allowance	Carrying amount
Investment in subsidiaries	5,431,235,747.65	452,807,762.97	4,978,427,984.68	5,313,477,317.52	138,692,158.62	5,174,785,158.90
Investment in associates and joint ventures	20,987,023.45		20,987,023.45	20,712,599.93		20,712,599.93
Total	5,452,222,771.10	452,807,762.97	4,999,415,008.13	5,334,189,917.45	138,692,158.62	5,195,497,758.83

## (1) Investment in subsidiaries

Currency: Renminbi Yuan

Investee	Opening balance (carrying amount)	Opening balance of impairment allowance	Changes				Closing balance (carrying amount)	Closing balance of impairment allowance
			Increase in investment	Decrease in investment	Impairment allowance charged for the current period	Others		
Winner Medical (Huanggang)	267,797,569.52		540,661.37				268,338,230.89	0.00
Winner Medical (Jingmen)	27,430,498.28		274,046.54				27,704,544.82	0.00
Shenzhen Purcotton	136,834,432.61		14,396,870.09				151,231,302.70	0.00
Winner Medical (Chongyang)	33,873,168.82		430,071.52				34,303,240.34	0.00
Winner Medical (Jiayu)	236,645,191.92		100,368,632.74				337,013,824.66	0.00
Winner Medical (Tianmen)	39,947,592.24		442,359.29				40,389,951.53	0.00
Hong Kong Winner	1,456,720.00						1,456,720.00	0.00
Winner Medical (Yichang)	18,651,523.18		98,302.05				18,749,825.23	0.00
Winner Medical Malaysia		4,086,994.48					0.00	4,086,994.48
Winner Medical (Heyuan)	100,000,000.00						100,000,000.00	0.00
Winner Medical (Wuhan)	800,166,877.31		294,906.17				800,461,783.48	0.00
PureH2B	150,000,000.00				150,000,000.00		0.00	150,000,000.00
Longterm Medical	727,540,000.00						727,540,000.00	0.00
Winner Guilin	430,272,760.02	69,908,023.73	319,481.72				430,592,241.74	69,908,023.73
Winner Medical (Hunan)	687,339,783.06	64,697,140.41	150,102.04		164,115,604.35		523,374,280.75	228,812,744.76
Junjian Medical	192,041,719.33		35,244.58				192,076,963.91	0.00
Shanghai Hongsong	39,255,994.87		73,726.54				39,329,721.41	0.00
Nature Health (HK)	1,285,531,327.74						1,285,531,327.74	0.00
GRI			334,025.48				334,025.48	
Total	5,174,785,158.90	138,692,158.62	117,758,430.13		314,115,604.35		4,978,427,984.68	452,807,762.97

(2) Investment in associates and joint ventures

Currency: Renminbi Yuan

Investee	Opening balance (carrying amount)	Opening balance of impairment allowance	Changes							Closing balance (carrying amount)	Closing balance of impairment allowance
			Increase in investment	Decrease in investment	Investment income or losses recognised under the equity method	Adjustments to accumulated other comprehensive income	Other equity changes	Cash dividends or profits declared	Impairment allowance charged for the current period		
I. Joint ventures											
II. Associates											
Chengdu Winner											
Likang Medical Products Co., Ltd.	20,712,599.93				274,423.52					20,987,023.45	
Subtotal	20,712,599.93				274,423.52					20,987,023.45	
Total	20,712,599.93				274,423.52					20,987,023.45	

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

Applicable  Not applicable

The recoverable amount was determined according to the present value of the expected future cash flows.

Applicable  Not applicable

Reasons for the apparent inconsistency between the aforementioned information and the data used in impairment testing in prior years or external information

Reasons for the variance between the information utilised in the Company's impairment testing in prior years and the actual circumstances of the current year

(3) Other description

4. Revenue and cost of sales

Currency: Renminbi Yuan

Item	2024		2023	
	Revenue	Costs of sales	Revenue	Costs of sales
Primary business	2,646,477,541.83	1,848,649,133.65	2,530,913,125.43	1,994,278,688.89
Other businesses	189,879,143.28	24,304,832.95	139,685,563.75	3,164,777.49
Total	2,836,356,685.11	1,872,953,966.60	2,670,598,689.18	1,997,443,466.38

Breakdown of revenue and cost of sales:

Currency: Renminbi Yuan

Classification of contracts	Segment 1		Segment 2		Total			
	Revenue	Costs of sales	Revenue	Costs of sales	Revenue	Costs of sales	Revenue	Costs of sales
Business type								
Including:								
Classified by geographical region								
<input type="checkbox"/> Including:								
Type of markets or clients								
<input type="checkbox"/> Including:								
Type of contracts								
<input type="checkbox"/> Including:								
Classified by timing of transfer of goods								
<input type="checkbox"/> Including:								
Classified by contract duration								
<input type="checkbox"/> Including:								
Classified by sales channels								
<input type="checkbox"/> Including:								
Total								

Information about the Company's performance obligations:

Item	Time to fulfill performance obligations	Significant payment terms	The nature of the goods the Company promises to transfer	Whether a principal	Amounts borne by the Company that are expected to be refunded to customers	Types of quality assurance provided by the Company and related obligations

Other description

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

At the end of the reporting period, the amount of revenue related to performance obligations that have been contracted but not yet performed or partially performed is RMB0.00. Of this amount: RMBxxx is expected to be recognised in xxx, and RMBxx

is expected to be recognised in xxx.

Significant contract changes or significant transaction price adjustments

Currency: Renminbi Yuan

Item	Accounting treatment	Impact on revenue
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Other disclosures:

## 5. Investment income

Currency: Renminbi Yuan

Item	2025	2024
Long-term equity investment income under the cost method	378,164,550.76	532,715,812.41
Long-term equity investment income under the equity method	274,423.52	335,565.86
Investment income from redemption of financial assets held for trading	77,727,098.57	83,601,581.10
Total	456,166,072.85	616,652,959.37

## 6. Others

## XX. Supplemental information

### 1. Schedule of non-recurring profit or loss

Applicable  Not applicable

Currency: Renminbi Yuan

Item	Amount	Description
Profit or loss on disposal of non-current assets	-12,559,464.36	
Government grants recognised in profit or loss (excluding grants closely related to the Company's regular business operations, aligned with national policies, and meeting specific criteria with a continuous impact on the Company's profit or loss)	44,188,509.32	
Gains or losses on fair value changes of financial assets and liabilities held by non-financial corporations, and gains or losses on disposal of financial assets and liabilities, excluding effective hedging operations related to the Company's regular business operations	55,565,073.76	
Other non-operating income and expenses other than those mentioned above	-6,751,238.42	
Less: Income tax effects	12,120,494.18	
Amount attributable to non-controlling interests (net of tax)	5,990,794.61	
Total	62,331,591.51	--

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

Applicable Not applicable

The Company has no other items meeting the definition of non-recurring profit or loss that require disclosure.

Description on classifying the items listed in Interpretative Announcement No. 1 on Information Disclosure by Publicly Offered Securities Companies – Non-recurring Profit or Loss as recurring Items:

Applicable Not applicable

Item	Amount (RMB)	Reason
Subsidy for freight of cotton out of Xinjiang		Compliance with national policies and regulations, determined standards, continuous impact on profit or loss
Interest income from large certificates of deposit		The Company's daily fund management model, continuous impact on profit or loss

## 2. Return on equity (ROE) and earnings per share (EPS)

Profit for the reporting period	Weighted average return on equity (%)	Earnings per share (in Renminbi Yuan)	
		Basic earnings per share	Diluted earnings per share
Profit attributable to ordinary shareholders of the Company	6.74%	1.32	1.32
Profit attributable to ordinary shareholders of the Company after excluding non-recurring items	6.20%	1.21	1.21

## 3. Differences in accounting information prepared under domestic and foreign accounting standards

(1) Differences in profit and net assets between financial reports prepared under IAS and CAS

Applicable Not applicable

(2) Differences in profit and net assets between financial reports prepared under foreign accounting standards and CAS

Applicable Not applicable

(3) Explanation of the reasons for differences in accounting information prepared under domestic and foreign accounting standards. Where accounting information audited by a foreign auditor is reconciled for differences, the name of the auditor shall be disclosed.

Applicable Not applicable

#### 4. Others

Appendix: Information on medical device products

(I) Statistics on the number of registration certificates for medical devices

Statistics on the number of domestic product registration certificate				
Registration Categories	Opening balance	Number of additions	Number of failures	Closing balance
Class I	148	13	3	158
Category II	167	17	1	183
Category III	25	3	1	27
Hong Kong, Macao, Taiwan	9	7	0	16
Total	349	40	5	384
Statistics on the number of foreign product registration certificate				
Registration Categories	Opening balance	Number of additions	Number of failures	Closing balance
Abroad	428	52	2	478

Note: The opening balances have been revised due to changes in the reporting basis and applicable rules.

(II) Certificates of newly registered medical devices in 2025

1. Domestic

S/N	Product	Registration category	Certificate holder	Date of issue
1	Hydrophilic fiber dressing	Class III	Winner Medical Co., Ltd.	14 March 2025
2	Soft silicone foam dressing	Class III	Winner Medical Co., Ltd.	20 January 2025
3	Negative pressure wound therapy material	Class II	Winner Medical Co., Ltd.	2 September 2025
4	Medical radiation protective square towel	Class I	Winner Medical Co., Ltd.	19 February 2025
5	Medical radiation protective glasses	Class I	Winner Medical Co., Ltd.	5 March 2025
6	Medical fixation band	Class I	Winner Medical Co., Ltd.	5 December 2025
7	Sterile medical nursing pad	Class II	Winner Medical (Huanggang) Co., Ltd.	30 July 2025
8	Hypoallergenic breathable medical tape	Class I	Winner Medical (Huanggang) Co., Ltd.	15 January 2025
9	Medical tape	Class I	Winner Medical (Huanggang) Co., Ltd.	7 February 2025
10	Breathable adhesive bandage	Class I	Winner Medical (Huanggang) Co., Ltd.	9 December 2025
11	Hypoallergenic breathable medical tape	Class I	Winner Medical (Chongyang) Co., Ltd.	18 March 2025
12	Disposable dental instrument tray	Class I	Winner Medical (Chongyang) Co., Ltd.	9 May 2025
13	Medical ultrasound coupling agent kit	Class I	Winner Medical (Chongyang) Co., Ltd.	11 October 2025
14	Povidone-iodine cotton swab	Class II	Winner Medical (Jiayu) Co., Ltd.	19 August 2025
15	Analyte cleaning solution	Class I	Winner Medical (Jiayu) Co., Ltd.	24 October 2025
16	Silver alginate dressing – standard type	Class IV	Winner Medical Co., Ltd.	7 April 2025
17	Silver CMC dressing – standard type	Class IV	Winner Medical Co., Ltd.	7 April 2025

S/N	Product	Registration category	Certificate holder	Date of issue
18	Silver CMC dressing – suture type	Class IV	Winner Medical Co., Ltd.	7 April 2025
19	Gauze with suture (swabs, pads, balls, rolls)	Class II	Winner Medical Co., Ltd.	25 September 2025
20	Disposable sterile drug reconstitution syringe(rod-less plunger) with needle	Class II	Winner Medical (Hunan) Co., Ltd.	30 July 2025
21	Disposable infusion connector disinfection cap	Class II	Winner Medical (Hunan) Co., Ltd.	18 August 2025
22	Disposable sterile retracting self-destructing syringe with needle	Class III	Winner Medical (Hunan) Co., Ltd.	31 March 2025
23	Medical rubber gloves	Class I	Winner Guilin Latex Co., Ltd.	2 January 2025
24	Examination finger cot	Class I	Winner Guilin Latex Co., Ltd.	4 June 2025
25	Disposable sterile rubber surgical gloves	Class II	Winner Guilin Latex Co., Ltd.	22 April 2025
26	Disposable sterile rubber surgical gloves	Class II	Winner Guilin Latex Co., Ltd.	22 April 2025
27	Disposable sterile rubber surgical gloves	Class II	Winner Guilin Latex Co., Ltd.	11 November 2025
28	Disposable sterile rubber surgical gloves	Class II	Winner Guilin Latex Co., Ltd.	15 November 2025
29	Disposable silicone gel negative pressure wound dressing	Class II	Zhejiang Longterm Medical Technology Co., Ltd.	27 February 2025
30	Medical adhesive tape	Class I	Zhejiang Longterm Medical Technology Co., Ltd.	18 March 2025
31	Umbilical sticker	Class II	Xi'an Longtemu Medical Technology Co., Ltd.	7 January 2025
32	Silicone gel scar sheet	Class II	Xi'an Longtemu Medical Technology Co., Ltd.	3 December 2025
33	Disposable sterile surgical pack	Class II	GRI Medical & Electronics Technology Co., Ltd.	17 April 2025
34	Disposable medical examination gloves	Class II	GRI Medical & Electronics Technology Co., Ltd.	13 May 2025
35	Disposable patient transfer pad assembly	Class II	GRI Medical & Electronics Technology Co., Ltd.	6 June 2025
36	Disposable sterile rubber surgical gloves	Class II	GRI Medical & Electronics Technology Co., Ltd.	19 June 2025
37	Disposable drainage bag	Class II	GRI Medical & Electronics Technology Co., Ltd.	26 September 2025
38	Ministry of Health and Welfare Medical Device License (Procedure Pack)	Class II	Sau-Tian Limited Company	4 March 2025
39	Ministry of Health and Welfare Class I Medical Device License (Skin Pressure Protectors)	Class I	Sau-Tian Limited Company	26 March 2025
40	CERTIFICATE OF LISTING (Procedure Pack)	Class II	GRI-ALLESET LIMITED	14 April 2025

## 2. Overseas

S/N	Region	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
1	UK	2025040502415560	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile thread-free gauze pad	5 April 2025	30 June 2030
2	UK	2025040501415590	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile hydrocolloid adhesive bandage (acne patch, heel patch, wound bandage)	5 April 2025	30 June 2030
3	UK	2025040502415560	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile instrument covers (instrument cover, Maya cover, table cover)	5 April 2025	30 June 2030
4	UK	2025040502415560&2025040501415590	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile non-woven dressing	5 April 2025	30 June 2030
5	UK	2025040502415560&2025040501415590	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile transparent dressing	5 April 2025	30 June 2030
6	UK	2025040501415590	MHRA Registration Confirmation Letter	Class Ins	Winner Medical Co., Ltd.	Class I non-sterile surgical drape	8 April 2025	30 June 2030
7	Malaysia	GD7446025-205286	MDA Certificate	Class D	Winner Medical Co., Ltd.	Silver CMC dressing – standard type	13 June 2025	12 June 2025
8	US	K250082	510(k) Premarket Notification	Class II	Winner Medical Co., Ltd.	Medical mask	18 June 2025	N/A
9	Saudi Arabia	MDMA-2-2025-1638	MDMA Authorization Number	Class A	Winner Medical Co., Ltd.	Class I sterile skin protective film (wipe, stick)	20 June 2025	20 June 2028
10	Saudi Arabia	MDMA-2-2025-1628	MDMA Authorization Number	Class D	Winner Medical Co., Ltd.	Silver CMC dressing (Standard&Reinforced&Extra)	20 June 2025	20 June 2028
11	Saudi Arabia	MDMA-2-2025-1875	MDMA Authorization Number	Class D	Winner Medical Co., Ltd.	PHMB antimicrobial gauze dressing (conforming roll, conforming pad, non-woven pad)	27 June 2025	27 June 2028
12	Malaysia	MDA_GD8700925-208172	MDA Certificate	Class D	Winner Medical Co., Ltd.	Silver CMC dressing – suture type	29 July 2025	25 July 2030
13	Malaysia	MDA_GD8692525-208172	MDA Certificate	Class D	Winner Medical Co., Ltd.	Silver CMC dressing (blended fiber)	29 July 2025	25 July 2030
14	Malaysia	GD8599125-209781	MDA Certificate	Class D	Winner Medical Co., Ltd.	Silver silicone foam dressing (bordered)	26 August 2025	25 August 2030
15	Malaysia	GD9797825-212474	MDA Certificate	Class D	Winner Medical Co., Ltd.	Silver alginate dressing	27 September 2025	26 September 2030
16	Malaysia	GD8273625-212474	MDA Certificate	Class D	Winner Medical Co., Ltd.	Silver Silicone Foam Dressing (Borderless)	27 September 2025	26 September 2030
17	US	K252001	510(k) Premarket Notification	Unclassified	Winner Medical Co., Ltd.	Collagen dressing	10 October 2025	N/A
18	Malaysia	GC4520125-218853	MDA Certificate	Class C	Winner Medical Co., Ltd.	Superabsorbent pad	5 December 2025	4 December 2030
19	Zimbabwe	B/279/29/26/2025	Registration license	N/A	Winner Guilin Latex Co., Ltd.	BLUE GLOD condom	10 April 2025	N/A

S/N	Region	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
20	European Union	G15 122831 0002 Rev. 00	EC Certificate(MDR)	Class Is	Winner (Jingzhou) Latex Products Co., Ltd.	T01 - GLOVES (EXCLUDING PERSONAL PROTECTIVE EQUIPMENT - PPE)	4 July 2025	3 July 2030
21	European Union	G15 122831 0002 Rev. 00	EC Certificate(MDR)	Class Ila	Winner (Jingzhou) Latex Products Co., Ltd.	MDN 1201 - Non-active non-implantable devices for anaesthesia, emergency and intensive care	4 July 2025	3 July 2030
22	European Union	NO.G10 083478 0030 Rev.01	ALGINATE DRESSINGS	Class IIb	Zhejiang Longterm Medical Technology Co., Ltd.	Gelling fibre dressing	23 January 2025	11 April 2028
23	European Union	NO.G10 083478 0030 Rev.01	SILICONE DRESSINGS	Class IIb	Zhejiang Longterm Medical Technology Co., Ltd.	Silicone dressing ultimate	23 January 2025	11 April 2028
24	European Union	NO.G10 083478 0030 Rev.01	HYDROGEL DRESSINGS	Class IIb	Zhejiang Longterm Medical Technology Co., Ltd.	Hydrogel dressing	23 January 2025	11 April 2028
25	Canada	113159	HYDROGEL PAD	Class II	Zhejiang Longterm Medical Technology Co., Ltd.	HYDROGEL dressing	24 April 2025	N/A
26	European Union	G10 056820 0041 Rev. 01	EU Quality Management System Certificate (MDR)	Class Ila	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Insufflation Tubing	8 May 2025	24 April 2028
27	European Union	G10 056820 0041 Rev. 01	EU Quality Management System Certificate (MDR)	Class Ila	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Suction Tip	8 May 2025	24 April 2028
28	UK	2025031101412056	Registration Confirmation Letter	Class Is	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Sponge Stick	11 March 2025	N/A
29	UK	2025031101412056	Registration Confirmation Letter	Class Ins	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Sponge Stick	11 March 2025	N/A
30	UK	2025031101412056	Registration Confirmation Letter	Class Ila	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Insufflation Tubing Set	11 March 2025	N/A
31	UK	2025031101412056	Registration Confirmation Letter	Class Ila	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Insufflation Tubing Set	11 March 2025	N/A
32	UK	2025031401412603	Registration Confirmation Letter	Class Is	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Ophthalmic Absorbents	14 March 2025	N/A
33	UK	2025031401412603	Registration Confirmation Letter	Class Ins	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Ophthalmic Absorbents	14 March 2025	N/A
34	UK	2025071701429573	Registration Confirmation Letter	Class Ila	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Procedure Pack (MDR-GMDN 33961)	17 July 2025	N/A
35	UK	2025081901433994	Registration Confirmation Letter	Class Ila	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Procedure Packs	19 August 2025	N/A

S/N	Region	Certificate No.	Name of certificate	Registration category	Certificate holder	Product	Date of issue	Expiry date
36	Switzerland	/	/	Class Is, Class Ins	/	Bulb Syringe	25 February 2025	N/A
37	Switzerland	/	/	Class Is, Class Ins	/	Ophthalmic Absorbents	25 February 2025	N/A
38	Netherlands	NL-CA002-2025-81623	CIBG	Class Is	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Bulb Syringe	31 January 2025	24 April 2028
39	Netherlands	NL-CA002-2025-81627	CIBG	Class Is	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD.	Ophthalmic Absorbents	31 January 2025	24 April 2028
40	United Arab Emirates	39/2025	CLASSIFICATION LETTER	Class Is	SPECIALIZED MEDICAL EQUIPMENT TRADING LLC, DUBAI	Surgical Drape	4 December 2025	3 December 2028
41	Israel	22510046	Registration of medical equipment in the declaration track	Class Is	Shevook	Medical Equipment	6 November 2025	31 December 2026
42	Israel	22510045	Registration of medical equipment in the declaration track	Class Is	Shevook	Surgical packs	6 November 2025	31 December 2026
43	Israel	22510047	Registration of medical equipment in the declaration track	Class IIa	Shevook	Veress Needle	13 May 2025	24 April 2028
44	Canada	112655	Medical Device Licence	Class II	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD	Tracheostomy kit	4 February 2025	3 February 2027
45	Canada	112641	Medical Device Licence	Class II	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD	Enema Kit	3 February 2025	2 February 2027
46	Canada	112640	Medical Device Licence	Class II	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD	laceration kit	3 February 2025	2 February 2027
47	Canada	112666	Medical Device Licence	Class II	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD	Suturing Kit	6 February 2025	5 February 2027
48	Canada	112593	Medical Device Licence	Class II	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD	Irrigation kit	23 January 2025	22 January 2027
49	Canada	112964	Medical Device Licence	Class II	GRI MEDICAL & ELECTRONIC TECHNOLOGY CO., LTD	Gentleheel® Adult Incision Device	14 January 2026	26 March 2027
50	Singapore	DE0510638	Product Registration	Class B	ALLESET SINGAPORE PTE. LTD.	Incision Device	25 April 2025	24 April 2026
51	Malaysia	GA5214725-204698	MDA Certificate	Class A	NYPRAX BUSINESS SOLUTIONS	Ophthalmic drape	4 December 2025	8 June 2030
52	Malaysia	GA4961725-208755	MDA Certificate	Class A	NYPRAX BUSINESS SOLUTIONS	Equipment covers	18 September 2025	9 August 2030