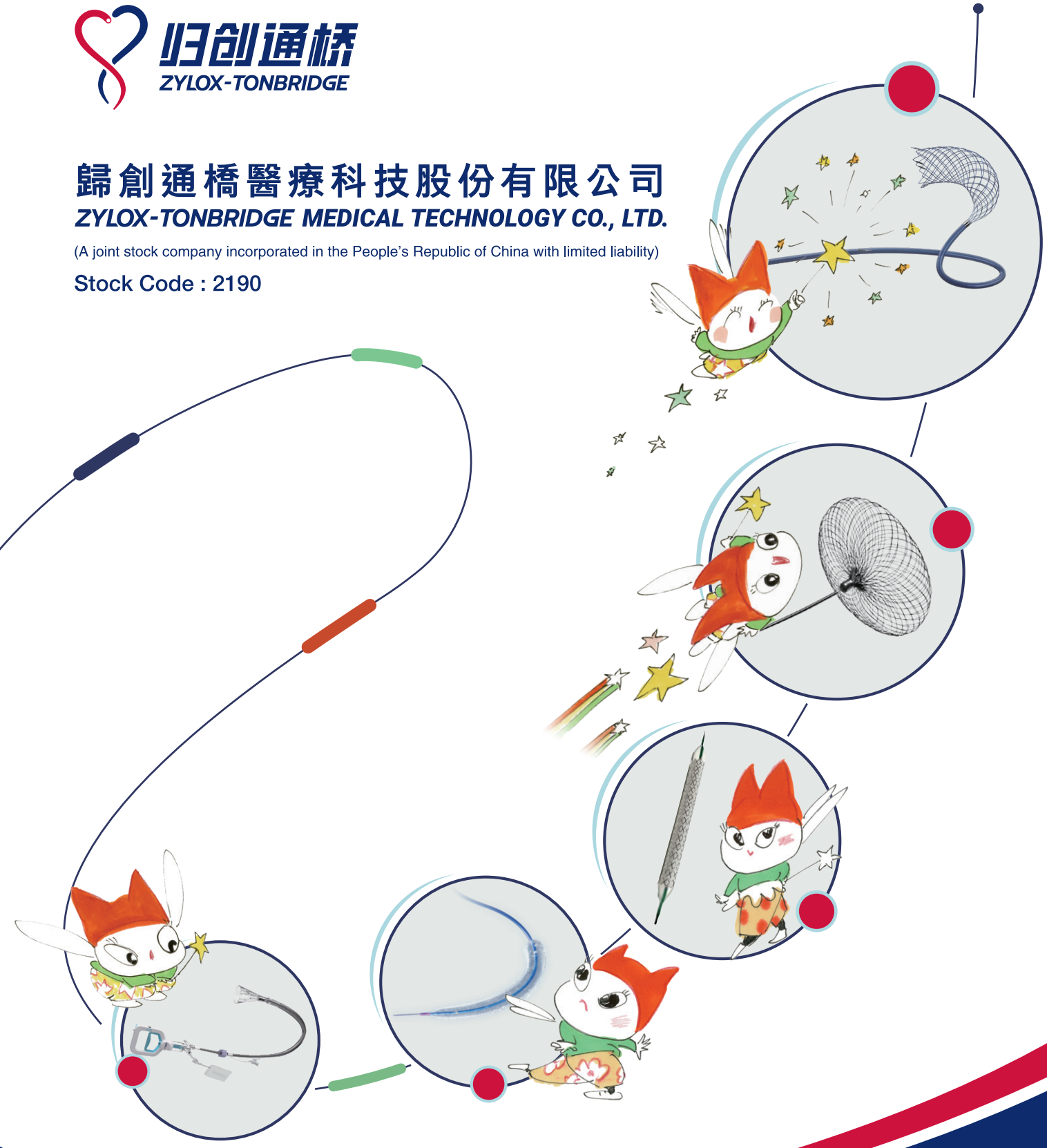
归创通桥
ZYLOX-TONBRIDGE

歸創通橋醫療科技股份有限公司
ZYLOX-TONBRIDGE MEDICAL TECHNOLOGY CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 2190



Annual Report
2025

归创通桥 ZYLOX-TONBRIDGE × 歸創

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Corporate Information

BOARD OF DIRECTORS

As at the Latest Practicable Date, the members of the Board are set below:

Executive Directors

Dr. Jonathon Zhong Zhao (趙中) *(Chairman)*
Mr. Yang Xie (謝陽)
Dr. Zheng Li (李崢)

Non-executive Directors

Mr. Dongfang Li (李東方)
Dr. Steven Dasong Wang (王大松)

Independent Non-executive Directors

Dr. Jian Ji (計劍)
Ms. Yun Qiu (邱妘)
Dr. Xiang Qian (錢湘)

JOINT COMPANY SECRETARIES

Mr. Quanwei Yuan (袁泉衛)
Ms. Sau In Kwan (關秀妍)

AUTHORIZED REPRESENTATIVES

Dr. Jonathon Zhong Zhao (趙中)
Ms. Sau In Kwan (關秀妍)

SUPERVISORS

Mr. Chang'an Ma (馬長安) *(Chairman)*
Mr. Tao Liu (劉濤)
Ms. Hongbo Wang (王宏波)

AUDIT COMMITTEE

Ms. Yun Qiu (邱妘) *(Chairlady)*
Dr. Jian Ji (計劍)
Dr. Xiang Qian (錢湘)

REMUNERATION COMMITTEE

Dr. Jian Ji (計劍) *(Chairman)*
Mr. Dongfang Li (李東方)
Dr. Xiang Qian (錢湘)

NOMINATION COMMITTEE

Dr. Jonathon Zhong Zhao (趙中) *(Chairman)*
Ms. Yun Qiu (邱妘)
Dr. Jian Ji (計劍)

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

REGISTERED OFFICE

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Hangzhou, China

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Yuhang District
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Bank of Nanjing Hangzhou Branch
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PRC LEGAL ADVISER

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Hong Kong

STOCK CODE

H Share: 02190

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www.zyloxtb.com

Chairman's Statement

Dear Shareholders,

Looking back at 2025, Zylox-Tonbridge remained committed to the philosophy of "Innovation for Quality Life" and deepened its expertise in the neurovascular and peripheral vascular interventional segments. 2024 marked our inaugural year of profitability. Capitalizing on this foundation, the Company forged ahead and further achieved a transformative leap from "first-year profitability" to "scaled profitability and rapid growth", demonstrating our robust resilience in navigating industry cycles and internal growth potential. We adhered to dual strategies of "innovation" and "global expansion". Amidst the ongoing deepening of domestic substitution, the regular advancement of centralized procurement policies, and intensifying competition in the domestic healthcare market, we continued to make dedicated efforts to achieve breakthroughs in operational performance, international expansion, R&D innovation, and lean operations, thereby earning widespread recognition from the industry and the market.

1. Sustained High Performance Growth with Breakthroughs in Net Profit

In 2025, leveraging years of accumulated expertise in vascular intervention, coupled with a comprehensive product portfolio and robust development resilience, the Company achieved a historic breakthrough in operational performance: annual revenue was approximately RMB1,057.5 million, an increase of 35.1% from 2024, maintaining a high growth momentum; net profit attributable to equity holders was approximately RMB244.4 million, up 143.7% from 2024, demonstrating simultaneous enhancement in profit scale and growth quality. A surge in both revenue and net profit marked the Company's entry into a new stage of scaled profitability.

Meanwhile, the Company prioritized long-term development by continuously optimizing production capacity and supply chain systems. Strategic focus on high-margin, high-tech barrier innovative products had driven optimization and upgrades in product structure, with gross profit margin steadily rising from 71.6% in 2024 to 72.1% in 2025. From a sales perspective, with respect to products, revenue from sales of neurovascular interventional products increased by 28.0%, while revenue from sales of peripheral vascular interventional products increased by 50.3%, which indicated outstanding performance of the two core businesses. Regionally, domestic operations grew 32.8% year-on-year, while international operations surged 115.5% year-on-year, which demonstrated our continuously strengthened domestic foundation as well as the remarkable effectiveness of overseas expansion.

2. Accelerate International Expansion and Global Market Deployment

In 2025, the Company elevated international development to a core strategic priority, proactively expanded global footprint, and actively advanced overseas product deployment, in order to secure growth opportunities in the healthcare market worldwide. Adhering to a dual strategy of "internal growth + external expansion", the Company deepened its presence in emerging markets such as Europe and Asia, and steadily expanded its overseas footprint to achieve sustainable and high-quality development of overseas operations. This enabled more patients around the world to benefit from high-quality vascular intervention products of a Chinese smart manufacturing brand. We are committed to building a brand with long-term core competitiveness in global mainstream markets. As of the end of the Reporting Period, revenue from the Company's overseas operations surged by 115.5% year-on-year, exhibiting the rapid growth and our strong capabilities in expanding into overseas markets.

In January 2026, the Company formally announced the strategic acquisition of Optimed, a German company. This initiative further expanded the Company's footprint in European and global markets, and accelerated the promotion and commercialization of innovative products in international markets. Meanwhile, leveraging synergies of production bases in China and Germany, the Company continues to enhance global operational efficiency and scaled delivery capabilities, aiming to solidify the foundation for overseas development. This strategic acquisition marks a major milestone in the Company's international development. It facilitates the Company's establishment of an integrated development model featuring "China R&D + China and Germany manufacturing + global distribution", accelerates the global expansion of Chinese vascular interventional devices, opens up new frontiers for long-term growth, and injects powerful momentum for the Company.

3. Focus on Product R&D and Build Core Competitiveness through Continuous Innovation

Continuous innovation is in Zylox-Tonbridge's DNA, and serves as the core engine that propels us through industry cycles to achieve high-quality development. With China's medical device industry entering a stage of high-quality development, in 2025, we focused on fundamental innovation, increased investment in differentiated innovation, tackled key technological challenges, and integrated AI technologies into clinical development. In 2025, we successfully launched 11 new products. Among which, Mammoth Large Lumen Peripheral Thrombus Aspiration Catheter, Self-expandable Intracranial Stent (Embolization Assist Stent) and other products gained immediate recognition from clinicians and the market upon launch due to their precise clinical adaptability and outstanding product performance. These achievements contributed to enhancing the Company's industry influence and market share. To date, we had launched a cumulative of 61 innovative products in the domestic market, benefiting 1.1 million patients around the world.

In product pipeline development, we have continuously refined our product matrix, built technological innovation barriers, and strengthened R&D capabilities. Multiple products, including Otter Thrombectomy Catheter, Orca Balloon Expandable Covered Stent, Carotid Double-Layer Dense Braided Stent, and Self-expandable Aneurysm Embolization Device, have obtained innovative medical device certification and successfully entered the regulatory "green channel". This accelerates the clinical transition of innovations and helps maintain our leading position in the medical device sector.

4. Optimize Product Portfolio and Enhance Operational Efficiency through Lean Management

In 2025, facing the industry trend of normalized centralized procurement, we actively embraced both the opportunities and challenges arising therefrom. While driving rapid volume growth for core products, we progressively unleashed economies of scale, fully demonstrating our robust operational resilience and strong market adaptability. Leveraging superior product quality, refined operational management capabilities, and mature centralized procurement response strategies, we consistently achieved breakthroughs and remarkable results across multiple rounds of centralized procurement, further solidifying the Company's market position. As of the end of the Reporting Period, the Company's innovative products had covered over 3,300 hospitals nationwide, with more than 1,100,000 medical devices being used clinically, showing steady enhancement in market penetration and clinical recognition.

Meanwhile, focusing on lean management, we have comprehensively advanced digital construction, optimized supply chain management, and continuously enhanced production efficiency and overall operational effectiveness to effectively address external challenges. Through sustained management efficiency and process optimization, the Company continues to improve its operational efficiency, thereby laying a solid operational foundation for R&D innovation investments and the advancement of global expansion strategy. Moving forward, we will persistently advance the lean and efficient operational management model, continuously enhance large-scale production and delivery capabilities, and establish a solid and reliable foundation for the Company's sustainable business development.

As time marches on, we are well-positioned to embark on a new journey and forge ahead courageously to achieve significant advancement. 2026, the year of the fire horse, marks the inaugural year of Zylox-Tonbridge's global strategy implementation. Standing at this new starting point, the Company will remain vigorous, uphold its original intention of "Innovation for Quality Life", pursue two core strategies of "innovation-driven growth" and "global expansion", anchor the goal of becoming a leading enterprise in the global vascular intervention sector, and enhance core competitiveness and international influence. The Company will continue to enhance its corporate value and live up to the trust and expectations of all shareholders. Together, we will safeguard life and health and open up a new journey of high-quality development.

We extend our heartfelt gratitude to all shareholders for your unwavering trust and support!

Dr. Jonathon Zhong Zhao
Chairman and Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2025	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**1,057,488**	782,476	527,754	334,090	177,912
Gross profit	**762,918**	559,895	384,988	252,669	131,881
Profit/(Loss) before income tax	**236,740**	100,256	(78,734)	(113,555)	(199,689)
Profit/(Loss) and total comprehensive profit/(loss) for the year attributable to the equity holders of the Company	**244,370**	100,256	(78,734)	(113,555)	(199,689)
Non-IFRS adjusted net profit/(loss) for the year[Note]	**273,071**	123,993	7,033	(25,877)	(100,745)

Note: Please refer to section headed "Non-IFRS Measures" in this report for more details.

CONSOLIDATED BALANCE SHEET

	2025	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	**1,626,864**	1,923,515	1,658,520	1,191,097	224,078
Current assets	**1,946,760**	1,529,045	1,717,181	2,062,599	3,024,208
Total assets	**3,573,624**	3,452,560	3,375,701	3,253,696	3,248,286
Non-current liabilities	**18,095**	17,387	10,533	7,459	6,509
Current liabilities	**325,738**	334,169	317,783	152,084	97,103
Total liabilities	**343,833**	351,556	328,316	159,543	103,612
Total equity	**3,229,791**	3,101,004	3,047,385	3,094,153	3,144,674

Principal Risks and Uncertainties

Principal Risks and Uncertainties facing the Company

The principal risks and uncertainties that may cause the Group's financial conditions or results to materially deviate from the expected or historical results can be categorized into the following areas: (i) risks relating to our business; (ii) risks relating to our financial position and need for additional capital; (iii) risks relating to our general operations; and (iv) risks relating to doing business in China.

Risks Relating to Our Business

- Our revenues during the year ended December 31, 2025 substantially rely on a limited number of commercialized products, including UltraFree Drug Coated PTA Balloon Catheter (UltraFree DCB), SilverSnake® intracranial support catheter, neurovascular embolization coils, Tonbridge Kylin Flow Diverter and Neurovascular Guidewire.

- Our future growth depends substantially on the success of our product candidates. If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize our product candidates, or experience significant delays in doing so, our business will be materially harmed.

- We face substantial competition, tendering and pricing pressure in the medical device markets, which may result in others discovering, developing or commercializing competing products before or more successfully than we do.

- We have relatively limited experience in marketing and sales of our products, and may not be able to successfully commercialize our product candidates and generate revenue.

- The manufacture of our products is highly complex and subject to strict quality controls. If we or one of our suppliers or logistics partners encounters manufacturing, logistics, or quality problems, including as a result of natural disasters, our business could suffer.

- All material aspects of our business operations are heavily regulated.

- If we are unable to obtain and maintain patent protection for our products and product candidates through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

- If we cannot maintain or develop relationships with hospitals and physicians, our results of operations and prospects could be adversely affected.

Risks Relating to Our Financial Position and Need for Additional Capital

- We have historically received government grants and subsidies for our R&D activities and there can be no assurances that we will continue to receive such grants or subsidies in the future.

- Future tax payments or the discontinuation of any of the preferential tax treatments currently available to us could reduce our profitability.

Risks Relating to Our General Operations

- Our operations and business plans may be adversely affected by natural disasters, health epidemics and pandemics, civil and social disruption and other outbreaks.

- Our future success depends on our ability to retain our executives, key personnel in our R&D, manufacturing and marketing teams and to attract, retain and motivate qualified personnel.

Risks Relating to Doing Business in China

- The medical device industry in China is highly regulated and such regulations are subject to change which may affect approval and commercialization of our product candidates.

- We are a PRC enterprise and we are subject to PRC tax on our global income, and the dividends payable to investors and gains on the sale of our H Shares by our investors are subject to PRC tax.

- Payment of dividends is subject to restrictions under PRC law and regulations.

We endeavor to bolster the resilience of our business through diversification and developing a more comprehensive and superior product line, as we seek to gradually move away from relying on a limited number of products. This strategy also enhances our ability to respond to changes in competitive landscape and regulatory environment, which is crucial to the sustainable growth of our business. At the same time, we continuously improve our operating efficiency through refining internal processes across operations and making strategic investments in IT and digitalization, which in turn lead to improvement in product availability as well as our research and development efficiency. Through our efforts to grow in China and expand overseas capabilities and sales channels, we strive to develop strategic relationships with more hospitals, physicians and business partners with an aim to promote brand awareness and lay the groundwork for further growth in the next phase of our development.

I. BUSINESS REVIEW

Overview

We are a leading player in the neuro-and peripheral vascular interventional devices market in China. As an integrated medical device company supported by our in-house R&D and manufacturing capabilities, proprietary technological platforms and commercialization capabilities, we provide physicians and patients in China and overseas with medical devices to treat and manage neuro-and peripheral vascular diseases. We strive to provide all patients, regardless of their ethnicity, age and economic conditions, with accessible medical devices and services.

BUSINESS HIGHLIGHTS

In 2025, we continued our dedication to enhancing the accessibility of medical care, innovating for quality life, and steadily advancing our core capabilities in product research and development, production and commercialization.

During the Reporting Period, we achieved a revenue of RMB1,057.5 million, representing an increase of 35.1% as compared to RMB782.5 million in 2024. 64.1% of our interventional products revenue was derived from the neurovascular interventional products business and 35.9% was derived from the peripheral vascular interventional products business. The significant growth of our revenue was primarily attributable to the high sales growth of both neurovascular and peripheral vascular interventional devices segments.

The revenue from sales of neurovascular interventional products in 2025 increased by 28.0% as compared to 2024, primarily because of (i) the nation-wide launch and quick penetration of relatively recent approved products, such as the Kylin Flow Diverter after implementation of centralized procurement in approximately 30 provinces; (ii) the substantial revenue growth from our key established products, such as SilverSnake Intracranial Intermediate Catheter Series, Phoenix Neurovascular Embolization Coil and Neurovascular Guidewire; and (iii) our continuous effort to increase product penetration in different levels of hospitals.

The revenue from sales of peripheral vascular interventional products in 2025 increased by 50.3% as compared to 2024, primarily because of (i) the rapid growth of sales revenue of our established UltraFree Drug-Coated PTA Balloon Catheter (UltraFree DCB), Phoenix Peripheral Detachable Fibrous Coil Embolization System and Swan Endovenous Radiofrequency Ablation (RFA) Catheter by our ongoing efforts to expand market access, increase hospital penetration and expand distribution network; and (ii) the commercial launch on nation-wide level of our relatively new product portfolio, including Penguin Peripheral Venous Stent System and Unicorn Suture-mediated Closure System.

Our gross profit margin increased from 71.6% in 2024 to 72.1% in 2025, driven by continuous manufacturing enhancements, supply chain optimization, and a strategic pivot toward high-margin, innovative products. Despite the pricing pressures of provincial and national centralized procurement, our expanded sales and production volumes generated significant cost efficiencies for both our operations and our suppliers. The diverse portfolio further enables us to optimize marketing efforts to sustain profitability, while our reputation for high quality supports a slight price premium over domestic competitors.

In line with our strategic objectives, we concentrated on enhancing operational efficiency while driving organic revenue growth. In 2025, we achieved an IFRS net profit of RMB244.4 million, representing an increase of 143.7% as compared to 2024; and our non-IFRS net profit adjusted by taking out share-based compensation expenses rose by 120.2% to RMB273.1 million, as compared to a non-IFRS net profit of RMB124.0 million in 2024.

1. Continue strong sales growth by leveraging a comprehensive and high-quality product portfolio and our strong sales and marketing capability

In 2025, we continued to experience rapid growth despite numerous industry challenges. We achieved a revenue growth rate of 35.1% during the year of 2025, primarily driven by our product portfolio and the consistently high quality of our products recognized by clinicians. Currently, we have 61 products available on the Chinese market, solidifying our leadership in the neurovascular and peripheral vascular interventional medical device industry. In about five years since the launch of one of our major products in late 2020, we have established an extensive distribution network covering over 3,300 hospitals, with more than 1,100,000 medical devices being used clinically. Through our professional sales and marketing teams, we have established extensive and strong trust with physicians, continuously enhancing our clinical recognition, which efficiently translates our robust R&D capabilities into commercialization success.

Over the past five years, we have leveraged our high-quality product portfolio to build a top-tier market sales team in China. Our market sales team has successfully launched many key products in the Chinese market. Through market activities focused on clinical outcomes, we have earned high recognition among Chinese physicians for our products. This has enabled our products to rapidly penetrate clinical practice, transitioning swiftly from approval to widespread use, reaching patients in need across every corner of China.

2. Continue to expand in the international market for long-term growth

According to market research data from MarketsandMarkets and Grand View Research, the global peripheral interventional market is worth approximately US$10 billion, of which the Chinese market accounts for approximately 12% to 15%; and the global neurointerventional market is worth approximately US$7 billion, of which the Chinese market accounts for approximately 15% to 20%. To capture significant global opportunities, the Company is executing a dual strategy of internal growth and strategic acquisitions, aiming to accelerate our international market expansion.

(1) Internal growth with expanded distribution network and clinically validated product portfolio

In 2025, we achieved another great success for international business with a revenue of RMB48.6 million, representing 115.5% growth over the same period in 2024 primarily from Europe and Asian regions. Currently, both neurointerventional products and peripheral interventional products have covered seven of the world's top 10 markets. We are currently distributing a total of 29 products in 40 overseas countries/regions. We are continuing to deepen our presence in the European market by further penetrating markets such as France, Germany and Italy, and are also exploring emerging markets such as Brazil, India and South Africa. We have established strategic cooperation with local partners to cover more than 80 countries and regions around the world.

Meanwhile, we are actively conducting post-marketing clinical follow-up for CE-marked products in Europe to steadily strengthen our local market presence. The high-quality clinical research will validate the clinical value of our products, continuously enhancing the international recognition of the brand. These efforts are driving broader adoption across different hospitals and GPOs (Group Purchasing Organizations) in Europe with our products gaining support from leading overseas hospital groups, such as Asklepios and SANA.

In addition, we are in the process of registering more than 50 products in more than 34 countries/regions. We are also actively facilitating the U.S. FDA registration process for products such as Ultra High Pressure Balloon Catheter and Specialized Balloon.

(2) Strategic acquisition to accelerate our international market penetration

In January 2026, we entered into an agreement with Optimed, a German medical technology company specializing in minimally invasive vascular and endourology interventions. We plan to acquire all remaining equity and corresponding interests in the near future. As an established medical technology enterprise in Germany, Optimed possesses a highly recognized brand in Europe, a mature global commercial network spanning over 70 countries, deeply integrated overseas clinical and academic resources, and robust market operational capabilities within the vascular intervention sector.

This acquisition marks a major milestone in our international strategy, achieving deep integration and synergy between our core strengths. First, we are leveraging our leading R&D and broad vascular intervention portfolio to capitalize on Optimed's established brand prestige and robust global sales network, accelerating our commercial reach. Second, we will integrate our manufacturing capabilities in China and Germany to create a synchronized global production network. By combining these local hubs, we will maximize operational efficiencies and scale our total global capacity, establishing a truly integrated and resilient international medical device platform.

The Company is currently planning and executing a multi-phased integration strategy to leverage the unique strengths of both teams, ensuring business continuity while progressively unlocking the commercial and operational synergies of our unified global platform.

Moving forward, the Company will execute a phased globalization strategy driven by our "dual-engine" strategy of organic growth and strategic M&A. By deepening regional partnerships and accelerating the commercialization of our innovations, we aim to systematically expand our footprint—with a particular focus on strategic market entry into the United States—to solidify our global competitive position.

3. Continue advancing innovation and strengthening our pipeline

Over the past few years, we have continuously improved our product portfolio for neurological and peripheral vascular intervention while continuously seeking innovative solutions to meet unmet clinical needs. By leveraging our robust R&D expertise and integrated technology platforms, we made significant progress in 2025 on several critical innovative projects:

— *Mammoth Large Lumen Peripheral Thrombus Aspiration Catheter*

Our large lumen peripheral thrombus aspiration catheter, primarily indicated for deep vein thrombosis, is currently the only 12F–18F large-caliber aspiration catheter in China. Featuring a unique trumpet design for high aspiration efficiency and handle based negative pressure control, the system offers both safety and ease of use for physicians. Data shows that the number of deep vein thrombosis cases in China is expected to increase from 1.5 million cases in 2019 to 3.3 million cases in 2030, of which, nearly 50% are thrombosis occurring in the proximal deep vein system of the lower limbs, with a high thrombus load. It was approved and commercialized in the third quarter of 2025.

— *Self-expandable Intracranial Stent (Embolization Assist Stent)*

This product represents China's first domestically developed DFT (Drawn Filled Tube) self-expandable intracranial stent (embolization assist stent). Adopting a nickel-titanium-coated platinum alloy wire weaving technique, it enables precise visualization and wall-adherence assessment. Meanwhile, the optimized weave design enhances tortuosity passage to better accommodate distal lesions. A 20% metal coverage rate also provides superior protection for dense aneurysm occlusion. Moreover, treatment efficiency is enhanced through the "lantern technique", which also reduces the amount of stent usage. Our special surface coating process applied to the stent surface effectively minimizes the risk of intrastent thrombosis, delivering an efficient and safe domestically produced solution for intracranial aneurysm interventional treatment. It was approved in the fourth quarter of 2025.

— *Orca Balloon Expandable Covered Stent*

This product is indicated for the treatment of stenotic and/or occlusive lesions in the common iliac and external iliac arteries. Epidemiological data indicates that approximately 40 million individuals suffer from lower extremity arterial disease, with approximately one-third of these patients exhibiting lesions involving the main iliac artery. Compared to similar products in the market, Orca utilizes a proprietary high-rigidity stent material with superior radial support, enabling it to address complex lesions such as severe calcification, while reducing the risk of stent collapse. Its dual-structure design featuring "flexible TPU tubing + pillow-shaped balloon" resolves the challenge of stent unloading during device delivery. The longest 108mm covered stent enables single-stent coverage of diffuse lesions, thereby enhancing treatment safety and long-term efficacy. This product defines technical standards through innovations in material, structure, and length. It entered the NMPA's special review procedure for innovative medical devices in February 2026, and is expected to be approved and commercialized as early as 2027.

— *Otter Thrombectomy Catheter*

Indicated for percutaneous endovascular removal of acute deep vein thrombosis in the lower extremities, this product is the world's first lightweight, single-use interventional device integrating 3-in-1 benefits of "thrombolysis + mechanical thrombectomy + thrombus aspiration". By delivering high-concentration thrombolytic agents to the thrombus site, in combination with mechanical thrombectomy, it significantly enhances thrombus clearance rates, while minimizing blood loss of patients.

This product integrates a compliant balloon, thrombus-crushing basket, and suction catheter. Balloon occlusion enhances thrombolysis, while the basket delivers medication, crushes thrombi, and the catheter aspirates clots. Equipped with intelligent safety mechanisms, it automatically shuts down to reduce complications and features specialized designs to protect venous valves and vessel walls.

Additionally, this product requires no external equipment, features a highly integrated structure, and offers simple operation, making it easily accessible for widespread adoption. Clinical data indicates that acute deep vein thrombosis accounts for over 50% of cases, and exceeds 70% when combined with subacute cases. Early intervention significantly reduces the risk of related complications. The device entered the NMPA's special review procedure for innovative medical devices in February 2026, and is expected to be approved and commercialized as early as 2027.

— *Self-expandable Aneurysm Embolization Device*

As an innovative device for wide-necked bifurcation aneurysms, the self-expandable aneurysm embolization device combines the advantages of spring coils and blood flow diversion devices, and uses a nickel-titanium alloy mesh sphere design to achieve minimally invasive and efficient treatment without the need for long-term antiplatelet therapy. Bifurcation aneurysms account for 40% to 60% of intracranial aneurysms and are extremely challenging to treat. Similar products are a blue ocean market in China. The product obtained approval from the NMPA to enter the special review procedure for innovative medical devices (innovation channel) in December 2025, and is expected to be approved and commercialized as early as 2027.

4. Continue to focus on operating efficiency and profitability

In 2025, we recorded a net profit of RMB244.4 million despite our continuous investment into research and development and talent.

As we continue to refine our product strategy, the competitive advantages of our comprehensive product portfolio are becoming increasingly apparent and robust. Despite the ongoing centralized procurement processes, our gross profit margin has remained relatively stable, holding at 72.1% in 2025 which is slightly above 71.6% in 2024. This stability is attributable to continuous optimization of our production and supply chain, including increased automation, improved yield rates, and enhanced capacity utilization.

Our selling and distribution expenses as a percentage of total revenue has decreased as our team and sales network have strengthened, dropping from 22.3% in 2024 to 18.4% in 2025.

Our R&D expenses for the year of 2025 were RMB246.8 million, representing an increase of 5.8% from RMB233.2 million in 2024. This increase is primarily due to our commitment to innovation by adding more products to the pipeline. Overall, these factors have enabled us to maintain relatively stable spending in R&D compared to previous years.

Our Products and Product Pipeline

As China's leading interventional medical device company in developing minimally invasive vascular interventional medical devices, we have built a comprehensive product portfolio including neurovascular and peripheral vascular interventional devices. As at the date of this report, we have strategically deployed a total of 79 products and product candidates. As of the date of this report, the Company has a total of 61 products commercially launched in China, eight products granted CE Mark in the European Economic Area, five products approved in the United Arab Emirates (UAE), and a number of products granted marketing approval in overseas countries including Germany and the U.K., etc.

The following chart sets forth our commercially launched products and expected commercial launch year of our product candidates in the Chinese market as at the date of this report:

Product Portfolio for Neurovascular Interventional, Peripheral Vascular Interventional and Vascular Closure Devices in the China Market:

			Key Products – Expected Commercial Launch Year	
	Breakdown by Category	**Commercially Launched**	**2026**	**2027**
Neurovascular Interventional	Intracranial Ischemic Stroke	• Thrombite Clot Retriever Device (CRD) • Clot Retriever Device II • SilverSnake Intracranial Support Catheter • Dayu Balloon Guiding Catheter (BGC) • Neurovascular Balloon Guiding Catheter • Aspiration Catheter • Aspiration Pump System		
	Intracranial Stenosis	• White Horse Intracranial PTA Balloon Catheter (Rx) • Second Generation Intracranial PTA Balloon Catheter (Rx) • Microcatheter for Intracranial Stent	• Intracranial Stent	• Drug Coated Self-expandable Intracranial Stent
	Intracranial Hemorrhagic Stroke	• Phoenix Neurovascular Embolization Coil • Mechanical Detachable Coil II • Kylin Flow Diverter • Kylin II Flow Diverter • Microcatheter for Coiling • Microcatheter for Flow Diverter • Self-expandable Intracranial Stent (Embolization Assist Stent)	• Liquid Embolic System	• Self-expandable Aneurysm Embolization Device
	Intracranial Access	• Microcatheter for Clot Retriever • SilverSnake DA Distal Access Catheter • SilverSnake Standard Intracranial Support Catheter • Beidou SS Neurovascular Guidewire • Intermediate Catheter • Xuanwu Introducer Sheath • SilverSnake Radial Access Distal Support Catheter • Radial Neurovascular Support Catheter • Delivery Assist Catheter • Vascular Sheath	• Adjustable Microcatheter	
	Carotid Artery Stenosis	• Carotid Rx PTA Balloon Catheter • Embolic Protection System		• Carotid Stent

	Breakdown by Category	Commercially Launched	Key Products – Expected Commercial Launch Year	
			2026	2027
Peripheral Vascular Interventional	Arterial	• UltraFree Drug-Coated PTA Balloon Catheter (UltraFree DCB) • UberVana Drug-Coated PTA Balloon Catheter • ZENFLOW PTA Balloon Catheter • ZENFLOW Second Generation PTA Balloon Catheter • Boa Snare Kit • ZENFLOW T Peripheral Balloon Dilatation Catheter (Tapered Balloon) • ZENFLOW Pufferfish Scoring Balloon Catheter • ZENFLOW L Peripheral Balloon Dilatation Catheter (Long Balloon) • Drug Coated PTA Balloon Catheter-BTK • Pantheris Catheter • Pantheris SV Catheter	• Pantheris OCT-guided Peripheral vascular Atherectomy Catheter Series • LightBox 3 OCT Imaging Consoles • Tigereye ST OCT-guided Peripheral vascular Chronic Total Occlusion-crossing Catheter • IVL System • Cutting Balloon • Specialized Balloon	• Orca Balloon Expandable Covered Stent • Multi-spot Stent System
	Venous	• Swan Endovenous Radiofrequency Ablation (RFA) Catheter • Swan RFI Radiofrequency Ablation Generator • Octoplus Vena Cava Filter • Octoplus Elite Vena Cava Filter • Snare Retrieval Kit for IVC Filter • Penguin Peripheral Venous Stent System • ZENFLOW Tiger Large Diameter PTA Balloon Catheter • Whale Peripheral Vascular Perfusion Catheter • Eagle Aspiration System • Mammoth Large Lumen Peripheral Thrombus Aspiration Catheter		• Otter Thrombectomy Catheter
	Hemodialysis Access	• ZENFLOW HP PTA High Pressure Balloon Catheter • ZENFLOW HP PTA Second Generation High Pressure Balloon Catheter • KINGKONG Peripheral High-Pressure Balloon Catheter		
	Peripheral Embolization Intervention and Others	• Phoenix Peripheral Detachable Fibrous Coil Embolization System • Peripheral Vascular Embolization Coil • Pelican Transjugular Intrahepatic Access Set • Peripheral Hydrophilic Guidewires Series	• Peripherally Fully Controllable Embolization System with Fiber Wool Coils	
Vascular Closure Devices		• Unicorn Suture-mediated Closure System • Balloon Vascular Closure Device		

We are applying for registration of more than 50 products in more than 34 countries/regions, and the following chart sets forth our products approved in overseas markets as of the date of this report:

Product Portfolio for Overseas Market

	Product	Approved Region
Neurovascular Interventional	Thrombite Clot Retriever Device	EU, U.K., Turkey, South Africa, Argentina, Ecuador
	Cylone Aspiration Catheter	EU, U.K., Turkey, South Africa, Argentina, Kazakhstan, Taiwan, Belarus, Ecuador, Ukraine, Thailand
	Glycine Micro Catheter	EU, U.K., South Africa, Argentina, Turkey, Kazakhstan, Ecuador, Belarus, Ukraine, Thailand
	Gekko Detachable Coil System	Ecuador, Taiwan, Belarus, Ukraine, Kazakhstan
	MicroRAD Micro Catheter	Ecuador, Belarus, Ukraine, Kazakhstan
	Madator Distal Access Guiding Catheter	Belarus, Kazakhstan, Ukraine
	Kylin Flow Diverter	Ecuador, Belarus, Kazakhstan
	AspirePulse Aspiration Pump System	Kazakhstan, Ukraine
	Aspiration Extension Tubing	Indonesia, Ukraine, Kazakhstan
	Zephyr Micro Catheter	Ecuador
	Thrombite II Clot Retriever Device	Belarus, Ukraine, Kazakhstan
	Lonsix Long Sheath	Belarus, Ukraine, Taiwan, Kazakhstan
Peripheral Vascular Interventional	ZENFluxion Drug-Coated PTA Balloon Catheter	EU, Turkey, Argentina, U.K., United Arab Emirates (UAE), Ukraine, Iran
	ZENFlow PTA Balloon Catheter	EU, Turkey, Argentina, U.K., UAE, South Africa, Iran
	ZENFlow HP High Pressure PTA Balloon Catheter	EU, Turkey, Argentina, U.K., UAE, Iran, South Africa
	ZENFlex Peripheral Stent System	EU, Turkey, Argentina, U.K., UAE, Azerbaijan, Ukraine
	ZENFLEX Pro Peripheral Drug-eluting Stent System	EU, Argentina, U.K., UAE, Turkey, Ukraine, South Africa, Brazil, Thailand
	ZENFlow Tiger LD PTA Dilatation Catheter	Brazil
	ZENFLOW II PTA Balloon Catheter	Brazil, Ukraine, Saudi Arabia
	ZENFLOW II HP High Pressure PTA Balloon Catheter	Brazil, Ukraine, Saudi Arabia, Ecuador
	Unicorn Vascular Closure System	Indonesia, Ecuador, Thailand
	Phoenix Peripheral Fibered Detachable Coil Occlusion System	Ecuador, Saudi Arabia, Malaysia
	Zynlastic Peripheral Venous Stent System	Brazil, Malaysia
	Snare Retrieval Kit	Malaysia

Our Neurovascular Interventional Products

Our current neurovascular interventional product portfolio covers a full suite of products for five major categories, namely intracranial ischemic stroke, intracranial stenosis, intracranial hemorrhagic stroke, intracranial access and carotid artery stenosis. As at the date of this report, we have 30 neurovascular interventional products approved by the NMPA. We expect to have six more neurovascular interventional products approved by the NMPA by the end of 2027.

Products Launched

Intracranial Ischemic Stroke Treatment

In the field of ischemic neurovascular diseases, in particular intracranial ischemic stroke, we have seven product offerings, among which we have launched Thrombite CRD, SilverSnake intracranial support catheter and balloon guiding catheter (BGC) successfully as a complete three-piece solution for physicians. We are actively promoting our BADDASS (i.e. BAlloon guide with large bore Distal access catheter with Dual Aspiration with Stent-retriever as Standard approach) with clot-retrieval modality.

Thrombite Clot Retriever Device (Thrombite CRD)

We are improving the adoption of Thrombite CRD by introducing the holistic three-piece treatment solution and the BADDASS clot-retrieval modality.

Clot Retriever Device II (Thrombite CRD II)

This second-generation Clot Retriever Device is designed with more specifications, offering physicians more choices when dealing with occluded blood vessels of different diameters and thrombus of different sizes.

Intracranial Hemorrhagic Stroke Treatment

In the field of intracranial hemorrhagic stroke, we have nine product offerings, among which we have launched five therapeutic products, namely, Phoenix Neurovascular Embolization Coils, Mechanical Detachable Coil (Generation II), Kylin Flow Diverter (Generation I and Generation II), and Self-expandable Intracranial Stent (Embolization Assist Stent).

Phoenix Neurovascular Embolization Coil

Our Phoenix coil is extra soft and imposes minimal pressure to the aneurysm wall, thus reducing the risk of aneurysm rupture or other injury. Leveraging our unique mechanical detachment mechanism, our neurovascular embolization coil is also easier to be detached from the delivery system.

Mechanical Detachable Coil II (Second Generation Neurovascular Embolization Coil)

We have upgraded our neurovascular embolization coil to improve its basket-forming performance. The second-generation neurovascular embolization coils come in more specifications and sizes, offering more options for physicians when dealing with intracranial aneurysms of different sizes.

Kylin Flow Diverter (Generation I and Generation II)

Kylin Flow Diverter is a visualized distal closure dense braided stent, which is made of nitinol-wrapped platinum material to achieve full visualization, with the closure design on the distal end. Compared with similar products in the market, it features better adherence and visualization performance, thereby improving the visibility and safety during operations. At the same time, its more comprehensive product specifications can meet the needs of different lesions in clinical treatment. At present, the Company has successfully expanded the indications scope of the product, with two generations of Kylin series being deployed, demonstrating outstanding commercial performance in 2025.

Self-expandable Intracranial Stent (Embolization Assist Stent)

Self-expandable Intracranial Stent (Embolization Assist Stent) represents China's first domestically developed DFT (Drawn Filled Tube) self-expandable intracranial stent (embolization assist stent). It is primarily used in conjunction with embolization coils, specifically designed for the treatment of intracranial neurovascular diseases. This product adopts a nickel-titanium-coated platinum (DFT) alloy wire weave technique, achieving clear visualization throughout the stent. Each end of the stent features 4 visualization markers, which enable precise intraoperative positioning and wall-adherence assessment. The optimized weave design incorporates a looped weave design at proximal and distal ends, with an optimal trumpet structure. Its multi-strand weave design showcases excellent adherence and radial support, and enhances passability through tortuous segments. This design accommodates complex tortuous vessels and more distal lesions, enabling smoother and safer deployment. With 20% metal coverage, the stent provides superior protection for dense aneurysm occlusion, while enhancing treatment efficiency and reducing stent usage through the "lantern technique". Our special surface coating process applied to the surface effectively minimizes the risk of intrastent thrombosis. In addition, the product is available in 50mm and 75mm lengths to fully meet the treatment needs of diverse lesions and complex cases, delivering an efficient and safe domestic solution for intracranial aneurysm intervention. Currently, we are in the process of accelerating the commercialization of the product in China.

Balloon Vascular Closure Device

The balloon vascular closure device is a product used to occlude bleeding at puncture points after vascular interventional surgery. It uses unique balloon technology to achieve temporary hemostasis during surgery, reduce bleeding, and achieve precise positioning through the balloon catheter to reduce vascular irritation. The product also uses a new plug material, with the tip actively adhering to the blood vessel wall to achieve faster hemostasis. It has full-size product models that can be used in all scenarios of transfemoral surgery.

This is the second product of the Company's vascular closure business approved for marketing. This product is expected to form a combination with Unicorn Suture-mediated Closure System to further enrich the Company's vascular closure business product matrix and bring more comprehensive and efficient solutions to clinical practice.

Future Key Products

Liquid Embolic System

Liquid Embolic System represents a core non-adherent embolization product in the field of neurointervention, primarily used for endovascular embolization treatment of cerebral vascular malformations. It is particularly suitable for deep lesions that cannot be surgically removed.

This product enables continuous, complete filling of malformed vascular clusters, effectively reducing residual lesion risk and improving cure rates for large, complex cerebral vascular malformations. Its non-adherent properties prevent coagulation-induced microcatheter blockage during injection, thereby facilitating precise selection and gradual filling by the operator, while minimizing the risk of inadvertent embolization of surrounding normal vessels. It also exhibits excellent long-term stability, with the embolization agent remaining stably within the vessel after solidification, significantly reducing lesion recurrence rates.

The primary indications for this product are brain arteriovenous malformation (bAVM) and dural arteriovenous fistula (DAVF). Brain arteriovenous malformation (bAVM), as a structural abnormality during vascular development, lack capillary buffering. It appears as convoluted vascular clusters on imaging and is highly prone to causing fatal intracranial hemorrhage. According to authoritative epidemiological data, although bAVM accounts for less than 5% of all causes of intracerebral hemorrhage in the general population, it represents 25% to 35% of cases among stroke patients under 45 years old, making it the second most common cause of intracranial hemorrhage (followed by hypertension). Dural arteriovenous fistula (DAVF) is an acquired abnormal connection between arteries and veins within the dura mater. Its core hazard lies in arterial blood directly impacting the venous system through the fistula opening, causing venous hypertension. This leads to venous dilatation, tortuosity, and arterialization, ultimately potentially resulting in rupture. Our Liquid Embolic System, with its superior clinical performance, provides a reliable solution for this high-risk disease category. This product is expected to be launched as early as 2026.

We May not be Able to Ultimately Develop and Market our Liquid Embolic System Successfully.

Drug Coated Self-expandable Intracranial Stent

Drug Coated Self-expandable Intracranial Stent is indicated for intracranial stenosis disease. It effectively improves the long-term prognosis of patients with symptomatic atherosclerotic stenosis, reduces the risk of stroke recurrence, decreases the incidence of in-stent restenosis, and enhances safety.

Our stents are characterized by excellent drug performance and designed with appropriate drug loading capacity for thrombosis reduction, which can maintain the effective concentration of drug in the tissues appropriately, while reducing tissue cytotoxicity. It also adopts a unique design of mesh and stent ribs, which ensures even stress and strain distribution, providing sufficient radial support for excellent wall apposition. The stent has closed-loop design and can be fully retrieved even after 90% deployment. The better operability and stable metal coverage can ensure accurate release of the stent and keep the collateral vessel unobstructed. The delivery system is equipped with a multi-stage stiffness distribution, which is both supportive and flexible with a higher delivery ratio.

According to the Frost & Sullivan Report, 30% to 50% of ischemic stroke cases are related to intracranial stenosis. The number of patients with intracranial stenosis in China amounted to 17.3 million in 2019, and is estimated to further increase to 27.9 million in 2030. There is still a large clinical need for intracranial stenosis treatment, and there is currently no commercialized drug coated self-expandable intracranial stent. Our product has been activated for clinical experiments and is expected to be launched as early as 2027.

We May not be Able to Ultimately Develop and Market our Drug Coated Self-Expandable Intracranial Stent Successfully.

Self-expandable Aneurysm Embolization Device

Our self-expandable aneurysm embolization device is an innovative device for wide-necked bifurcation aneurysms. It combines the advantages of a coil and a blood flow diversion device and has become internationally recognized as one of the simplest and safest intra-tumor treatment options.

According to epidemiological data, bifurcation aneurysms account for approximately 40% to 60% of all intracranial aneurysms. The lesions are located at the confluence of multiple blood vessels and are more likely to form a wide neck morphology. At this location, high-speed blood flow continuously impacts the aneurysm wall. The blood flow impact force is unevenly distributed and the blood flow guidance is complex, increasing the possibility of aneurysm rupture. Treatment of this site is widely recognized as one of the most challenging lesions in the field of neurointervention. Whether it is current surgical clipping or traditional interventional treatment, safety and effectiveness are both challenging.

Our product is a mesh sphere woven from nickel-titanium alloy, specially designed for the anatomical characteristics of bifurcation aneurysms. After being implanted into the aneurysm, it will automatically expand and reduce the blood flow into the neck of the aneurysm through local filling and blood flow disturbance. It can both induce thrombosis in the aneurysm cavity and promote endothelialization of the aneurysm neck to achieve healing. At the same time, the device does not require stent assistance, and being minimally invasive and efficient, it reduces surgical complications. It can not only interfere with the hemodynamics in the tumor cavity, but also does not affect the tumor-bearing artery and surrounding normal branch vessels. The surgery can be safer, taking significantly less time and having clear results, and is simple to manage after surgery. There is no need for long-term antiplatelet medication, which further reduces the physical and financial burden on patients.

Similar products are a blue ocean market in China. This treatment method is already very mature abroad, covering approximately 10%–30% of aneurysm interventional treatments, and has great potential in China. The clinical trial of this product is progressing smoothly. The mid-term follow-up data obtained so far are relatively satisfactory and fully meet clinical expectations. The product obtained approval from the NMPA to enter the special review procedure for innovative medical devices (innovation channel) in December 2025, and we expect to launch the product as early as 2027.

We May not be Able to Ultimately Develop and Market our Self-Expandable Aneurysm Embolization Device Successfully.

Our Peripheral Vascular Interventional Products

We have a comprehensive peripheral vascular interventional product portfolio, covering stents, balloons, catheters and filters. At present, we have become one of the most comprehensive and competitive domestic vascular interventional device platform companies in the field of peripheral arteries and veins. As at the date of this report, we have 31 peripheral vascular intervention products in China approved by the NMPA. We expect to have an additional 10 peripheral vascular intervention products approved by the NMPA by the end of 2027.

Products Launched

Drug-Coated PTA Balloon Catheter

— *UltraFree Drug-coated PTA Balloon Catheter (UltraFree DCB)*

UltraFree DCB is indicated for femoral artery and popliteal artery (except for inferior medial genicular artery) stenosis or occlusion. Since its launch in November 2020, we have mainly focused our commercialization efforts in China. We also obtained CE Mark in October 2020 and commercialized UltraFree DCB in Europe in the second half of 2021.

— *UberVana (Second Generation of DCB)*

We have been continuously improving the performance of our DCB, by increasing its flexibility for better crossing, navigation and dilatation performance. UberVana is developed and manufactured on our drug coating platform. By utilizing our unique coating processes and techniques, we have further optimized the adsorption and physicochemical properties of paclitaxel drug crystals on the balloon surface, enabling the efficient and precise delivery of pure paclitaxel to the target lesion site. This technology is expected to further improve the mid- to long-term efficacy of DCB treatments.

— *UltraFree Drug Coated Balloon-BTK*

This product is China's first tapered DCB specifically designed for below the knee (BTK) applications. Its dual-morphology design, featuring both tapered and constant-diameter sections, precisely matches the anatomical structure of below-the-knee arteries, reducing the risk of vascular injury. Featuring a carrier-free paclitaxel coating for efficient drug delivery and sustained release, the product supports dual-guidewire platforms with a maximum balloon length of 300mm, achieving full-size coverage. Validated by a prospective and multi-center RCT study, the product demonstrated an excellent target lesion patency rate 6 months after procedure, with a 30-day major adverse event rate of 0%, highlighting its outstanding safety and efficacy. Currently, we are in the process of accelerating the commercialization of the product in China.

Swan Endovenous Radiofrequency Ablation Catheter

The product is innovatively designed as a smaller outer diameter 6F ablation catheter, which can be released with a single button during the treatment process for simple operation. The temperature of the catheter rapidly rises to a controlled 120°C within 5 seconds, and an ablation treatment cycle can be completed in 20 seconds, which enables efficient and effective vascular closure.

Octoplus Vena Cava Filter

The product features an innovative design, instant and excellent adherent performance and self-balancing ability, which enables a more accurate release of the product and more efficient thrombus interception in the long term. Meanwhile, ZYLOX Octoplus Retrievable Vena Cava Filter is expected to reduce the risk of pulmonary embolism (PE) in patients, providing a longer treatment window for thrombolytic therapy and improving the success rate of deep vein thrombosis (DVT) treatment.

Penguin Peripheral Venous Stent System

The product features three major designs of oblique entrance, tapered gradient and integrated structure to provide excellent wall adherence and gradual expansion, which enhance the clinical performance. The proximal oblique entrance avoids interfering with contralateral blood flow and reduces the risk of thrombosis. The tapered gradient conforms to the natural diameter of the iliac vein to femoral vein to achieve excellent wall adherence and gradual expansion, and the integrated structure with laser engraving and one-piece molding enable more accurate positioning to avoid shortening and displacement after implantation. Furthermore, there are many products features to ensure easy operation. The proximal end's closed-loop structure provides strong support, while the distal end's open-loop structure offers excellent compliance. In addition, the marking system is clearly identifiable, with 4 radiopaque markers at the proximal end and an anti-displacement latch at the proximal stent end to ensure that the stent does not displace before it is fully released. An ergonomic release handle also enables recovery and repositioning. The product was approved by the NMPA in January 2024. We are in the process of accelerating the commercialization of the product in China.

Unicorn Suture-mediated Closure System

Suture-mediated Closure System is indicated for patients undergoing diagnostic or interventional catheterization to suture the puncture site of the common femoral artery after a procedure. It can be particularly used for post-operative angioplasty, aortic endoluminal therapy and transcatheter aortic valve placement to effectively simplify and accelerate the process of vascular closure and reduce the surgical time, while improving the safety and success rate of procedures, and decreasing the risk of post-operative complications. The product is pre-equipped with a non-absorbable polypropylene suture and a pre-formed fisherman's knot structure. The internal puncture needle can stimulate and break through the vessel wall, and the suture line in the cap sleeve can be drawn out, utilizing the characteristics of the tightened fisherman's knot to achieve suture hemostasis at the puncture point.

The handle and actuator of Unicorn are ergonomically designed for easy one-handed use by surgeons. The product is equipped with a high-strength stainless steel puncture needle to increase the success rate of penetrating the vessel wall, with an internal pre-installed 3–0 polypropylene suture and a pre-wound fisherman's knot, enabling threading and knotting in one go. The distal catheter is tapered to minimize resistance and prevent vessel lacerations; the hydrophilic-coated sheath reduces resistance to sheath delivery. Our Unicorn has an expanded suture range of 5F–22F, which is compatible with large bore sutures of 8F or above, and is expected to meet unmet clinical needs.

According to Frost & Sullivan, the number of vascular closure procedures in China increased from 107.5 thousand in 2015 to 274.3 thousand in 2019 and is estimated to further increase to 3,782.1 thousand in 2030. Unicorn is the first self-developed suture-mediated closure system in the country, which marks the breakthrough of the monopoly of imported brands in the market of vascular puncture site suture solutions by domestic brands, enabling more patients to be entitled to high quality and affordable innovative medical technology. The product was approved by the NMPA in May 2024. We are in the process of accelerating the commercialization of the product in China.

Eagle Aspiration System

The system is used to aspirate blood clots in peripheral blood vessels. It includes three products: Eagle Peripheral Thrombus Aspiration Catheter (including separator), EagleEye Thrombus Aspiration Extension Tube and EagleNest Thrombus Aspiration Negative Pressure Suction Pump.

The thrombus aspiration catheter is resistant to kinking and easy to push, making aspiration more efficient. The separator adopts a streamlined design, which can effectively remove thrombi blocking the tube. In addition, the thrombus aspiration extension tube uses China's first intelligent algorithm control unit designed for peripheral thrombus removal, which controls blood volume by real-time monitoring of the aspiration catheter. The thrombus aspiration negative pressure suction pump is small and convenient, and can be turned on and off with one button. The whole system can bring a safer and more efficient suction experience. The system was fully approved by the NMPA in January 2025, and we are in the process of accelerating the commercialization of such system in China.

Mammoth Large Lumen Peripheral Thrombus Aspiration Catheter

Our large lumen peripheral thrombus aspiration catheter is mainly used to treat deep vein thrombosis. It is designed for heavy-load deep vein thrombosis and is the only large-caliber aspiration catheter (12F–18F) in China. The unique trumpet design at the distal end of the catheter increases the suction flow rate by more than 3.5 times, improving the suction efficiency. A coil spring process is adopted for both the aspiration catheter and sheath, providing exceptional resistance to bending and addressing tortuous vessels with ease. It also prevents the cannula from being blocked when aspirating a large amount of thrombus, helping to quickly remove the thrombus.

In addition, it uses a handle instead of a suction pump to provide a negative pressure source for suction. Not only can the surgeon better control the suction force based on tactile feedback, but the capacity limit switch can also control the amount of suction each time, which can minimize the patient's blood loss. It can be operated with one hand, improving the convenience and safety of the surgical operation. The operation time is short and blocked blood vessels can be opened quickly, reducing the patient's surgical risks and pain. This product has been highly recognized by Grade 3A hospitals and primary medical institutions and is currently the only product of its kind in China.

According to Frost & Sullivan, in 2019, the number of cases of deep vein thrombosis in China was approximately 1.5 million, and it is expected to increase to 3.3 million cases by 2030. Among them, the proportion of thrombosis occurring in the proximal deep vein system of the lower limbs is nearly 50%. The proximal type has a critical location, large blood vessel diameter, high thrombus load, high short-term risk, and is more likely to cause serious sequelae. This has always been the focus of clinical attention.

KINGKONG Peripheral High-Pressure Balloon Catheter

This product is indicated for peripheral vascular percutaneous transluminal angioplasty, treatment of arteriovenous fistula stenosis, and post-dilation of peripheral stents/covered stents. It features ultra-high rated burst pressure (RBP) of 40 atm, actual rated burst pressure >60 atm, and ultra-low compliance (diameter change <1% from nominal balloon pressure to rated burst pressure) to enable efficient management of rigid stenoses such as fibrosis and calcification. This allows precise dilation of lesions, thereby enhancing surgical success rates, while reducing vascular injury and restenosis risks.

The catheter adopts a triple-layer composite braided structure with a small outer diameter and excellent passability, which is able to adapt to tortuous and complex vessels. Its reinforced delivery catheter with an integrated tip design ensures smooth delivery and strong penetration, thus reducing procedural difficulty and complication risks.

This product provides reliable dilatation support for complex lesions including peripheral calcification, fibrosis, and long-segment occlusions. In treating lower limb arterial stenosis, severe calcification reduces vascular compliance, making conventional high-pressure balloons inadequate for full dilation. Ultra high pressure balloon catheters exceeding 40 atm overcome calcification barriers within safer pressure ranges, restoring satisfactory lumen diameters. Moreover, in the treatment of stenosis in arteriovenous fistulas for hemodialysis patients, ultra high pressure balloon catheters enable thorough dilation, and reduce short-term restenosis caused by inadequate dilation, thereby lowering the frequency of repeat interventions, prolonging the patency of the fistula, and preserving patients' valuable vascular resources. Meanwhile, we are actively advancing the registration procedure with U.S. FDA for this product.

Future Key Products

OCT Guided Atherectomy and CTO (Chronic Total Occlusion) Series

In March 2024, we entered into a series of licensing and investment agreements with Avinger Inc., a U.S.-based innovative medical device company and a third party independent to the Company. A series of flagship products with disruptive technology we licensed from Avinger Inc. are (i) Pantheris, which has been approved for the treatment of peripheral vascular atherosclerosis diseases as well as ISR in the U.S.; (ii) Tigereye ST series, which have been approved for the peripheral vascular chronic total occlusion-crossing in the U.S.; and (iii) LightBox 3, the OCT imaging consoles. We have obtained approval from the NMPA to enter the special review procedure for innovative medical devices (innovation channel).

Meanwhile, with AI technology advancing rapidly, we are enhancing our atherectomy products with intelligent real-time imaging analysis. The AI enhancement will enable automatic identification of vessel wall structures and plaque, while delineating lesion boundaries and quantifying stenosis levels. By standardizing analysis and reducing the OCT learning curve, we improve treatment precision. For complex lesions, by integrating OCT imaging and patient histories, the product will be able to recommend tailored treatment options and guidance, enhancing outcomes and minimizing risks like perforation or dissection. Additionally, our AI-assisted decision system monitors intraoperative risks — such as vessel rupture or bleeding — in real time, providing early warnings and immediate surgical support.

OCT-guided Peripheral Vascular Targeted Atherectomy Catheter Series

According to the Frost & Sullivan Report, the population of PAD patients in China reached 49.5 million in 2019 and it was estimated to reach 62.3 million by 2030. Among which, lower extremity peripheral artery disease accounts for 80% of all PAD cases. It is clinically recognized that the application of vascular reduction device can clean up the proliferation of intima and plaque in the lumen, so that the lumen elasticity can be restored to provide a good vascular base for interventional treatment, thus generating long-term efficacy results.

Pantheris is the world's first and only directional atherectomy system with real-time imaging capabilities including optical coherence tomography (OCT). This technology provides three-dimensional visual guidance using light, allowing physicians to see real-time intravascular images. It facilitates easy operation, precise control of the cutting direction, and more efficient navigation to thoroughly remove plaque. This approach helps preserve the natural vessel structure in PAD patients, reducing the risk of arterial damage and other major adverse events (MAEs). In addition, Pantheris has also been approved by U.S. FDA for atherectomy for in-stent restenosis (ISR) based on its image-guided features, which will expand the clinical applicability of atherectomy devices and benefit more patients. Pantheris has been proved to have favorable vascular reduction effect and safety in the IDE VISION Study and INSIGHT Study.

Evidence shows that the combination of vascular reduction devices and DCB results in better clinical efficacy results. The combination not only optimizes immediate lumen crossing, but also reduces the risk of restenosis with the local drug effects of the DCB, achieving longer-lasting vascular patency rate. The vascular reduction device can also be used in conjunction with several of our products for the treatment of peripheral arterial vascular disease to achieve synergistic effects. The product obtained approval from the NMPA to enter the special review procedure for innovative medical devices (innovation channel) in September 2024. Currently, certain catheter models have been approved by the end of 2025.

We May not be Able to Ultimately Develop and Market Our Pantheris Oct-guided Peripheral Vascular Targeted Atherectomy Catheter Series Successfully.

OCT-guided Peripheral Vascular Chronic Total Occlusion-crossing Catheter Series

Tigereye ST is the world's first and only peripheral vascular chronic total occlusion-crossing (CTO) device with real-time imaging functions. Featuring high-definition, real-time intravascular imaging and a new remote tip design, it is capable of crossing longer and more complex lesions. The functions of the device make image interpretation easier, providing enhanced image quality, higher rotation speeds and precise user control. With the guidance of OCT imaging, the surgeons can easily distinguish the location of the device within the vessel, significantly increasing the possibility of crossing the lesion within the true lumen of the vessel, and preserving a variety of possibilities for the choice of subsequent therapeutic devices. This enhances the predictability and safety of CTO surgery and revolutionizes the treatment of vascular diseases. The product obtained approval from the NMPA to enter the special review procedure for innovative medical devices (innovation channel) in November 2024.

We May not be Able to Ultimately Develop and Market Our Tigereye ST-Guided Peripheral Vascular Chronic Total Occlusion-Crossing Catheter Series Successfully.

LightBox 3 OCT Imaging Consoles

Our LightBox 3 OCT imaging consoles, used in conjunction with the Pantheris and Tigereye ST Series, provide an onboard image guidance system that utilizes optical coherence tomography (OCT) to emit light waves that enter the vessel wall and receive return energy to form a reconstructed image, with fast imaging speed and high resolution, enabling surgeons to see inside the artery during atherectomy procedures or CTO procedures for the first time. Real-time imaging can better assist surgeons in performing precise atherectomy.

During the procedure, high-resolution intravascular OCT images are displayed in real time on the LightBox console to guide the treatment. When using other devices in the market to treat complex arterial diseases, physicians must rely solely on X-ray images and tactile sense to guide their interventions. Physicians can guide their devices and treat PAD lesions more accurately to provide safe and effective outcomes. Along with the adoption of OCT imaging during procedures, physicians and patients can also benefit from the reduction of fluoroscopy usage, thus protecting themselves.

We May not be Able to Ultimately Develop and Market Our LightBox 3 Oct Imaging Consoles Successfully.

Multi-spot Stent System

Multi-spot Stent System is an innovative peripheral vascular stent for balloon expanded femoral and popliteal artery dissection. It is not yet commercially available in China. As the core product of peripheral intervention, endovascular stent implantation can provide good vascular remodeling effect. However, it is impossible to avoid long-term in-stent restenosis or occlusion. Clinically, the drawbacks of long stent implantation have been widely concerned. To address this clinical pain point, multi-spot stents have been developed, which are expected to be a better solution to the problems of stent fracture and restenosis that occur over time after conventional stent implantation.

With aging population in China, the prevalence of lower extremity arterial disease is increasing year by year, with approximately 40 million patients. In recent years, innovative interventional devices have been created to mostly address the huge market demand for lower extremity arterial interventions, such as the paclitaxel drug-coated balloons (DCB), which can significantly improve the patency of diseased vessels, but still cannot completely avoid remedial stent implantation. Due to interventional technique advancement, the number of complex lesions treated clinically with endoluminal therapy has increased, and implantation of long stents has become the first line choice of clinical therapy. However, the corresponding problems of stent fracture and restenosis have also increased dramatically. Some foreign scholars have proposed the concept of “leave nothing behind”, namely, intervention without implantation. This concept is ideal, but difficult to realize for endoluminal treatment of complex lower extremity arterial lesions. In order to minimize endovascular stent implantation, the concept of “multi-spot” stent implantation has been proposed. Through the implantation of one or more short stents in the critical intravascular sites, without covering the whole lesion, it can also solve the problems of dissection, residual stenosis and elastic recoil during endoluminal treatment of the diseased vessel, and obtain the comparable or even better long-term patency effect than that of the traditional long stent.

Our self-developed Multi-spot Stent System is a set of various multi-spot stents, which are pre-installed in the delivery system with very small outer diameter. Each multi-spot stent is designed with a short-stent double-layer open-ring structure, with an anti-precession snap at one end and multiple visualization markers in the center. The optimized radial support design can be applied to a wide range of vessel sizes and different anatomical configurations. The stent causes less irritation to the vessel, reducing the possibility of intimal hyperplasia. During the actual surgery, physicians can clearly locate each stent and precisely release it to the lesion requiring stent repair according to the surgical requirements, thus realizing the precise treatment of single-point lesions, avoiding covering portions of healthy tissue, and lowering the risk of in-stent stenosis and fracture. The clinical trial of this product is under progress, and the interim follow-up data obtained currently are satisfactory and fully meet the clinical expectations.

We May not be Able to Ultimately Develop and Market Our Multi-Spot Stent System Successfully.

Orca Balloon Expandable Covered Stent

Orca Balloon Expandable Covered Stent is mainly used for the treatment of stenotic and/or occlusive lesions in the common iliac and external iliac arteries. Epidemiological data indicates that approximately 40 million individuals suffer from lower extremity arterial disease, with about one-third of these patients exhibiting lesions involving the main iliac artery. Currently there are only two imported products commercialized in the Chinese market.

Orca Balloon Expandable Covered Stent utilizes proprietary high-rigidity stent material. It delivers reinforced radial support to effectively address complex lesions such as severe calcification and strong elastic recoil, significantly reducing the risk of stent collapse. Its dual-structure design featuring "flexible TPU tubing + pillow-shaped balloon" enhances anti-unloading capability during delivery to fundamentally resolve the challenge of stent unloading during device delivery. Furthermore, this product features a maximum 108mm covered stent design, enabling single-stent coverage of diffuse lesions. This avoids risks such as thrombosis and restenosis caused by overlapping stents, thereby enhancing treatment safety and long-term efficacy.

Through innovations in three aspects of material, structure, and length design, this product redefines the technical standards for balloon expandable covered stents. The product obtained approval from the NMPA to enter the special review procedure for innovative medical devices (innovation channel) in February 2026.

We May not be Able to Ultimately Develop and Market Our Orca Balloon Expandable Covered Stent Successfully.

Otter Thrombectomy Catheter

This product is indicated for percutaneous endovascular removal of acute deep vein thrombosis in the lower extremities. It is the world's first lightweight, single-use interventional device integrating three key functions of "thrombolysis + mechanical thrombectomy + thrombus aspiration". While achieving high-level thrombectomy efficiency, it significantly reduces intraoperative blood loss of patients. Featuring a lightweight system design without large-scale equipment, it is expected to facilitate the widespread adoption of peripheral thrombus interventional treatment in primary medical facilities.

This product innovatively integrates a compliant balloon, thrombus-crushing basket, and suction catheter. It temporarily occludes blood vessels via the balloon to enhance thrombolytic drug efficacy, combines the basket's thrombolytic drug diffusion and mechanical thrombectomy capabilities, and ultimately achieves precise thrombus aspiration through the suction catheter. In addition, the product is equipped with an active intelligent safety protection mechanism that identifies potential hazards and automatically cuts power, thus ensuring patient safety at the source and reducing the risk of intraoperative complications. Its specialized thrombectomy basket and rotating tube design suppress power fluctuations, in order to effectively protect venous valves and vessel walls.

According to relevant clinical guideline data, acute deep vein thrombosis accounts for over 50% of all deep vein thrombosis cases; when subacute deep vein thrombosis cases are further included, the combined proportion may exceed 70%. Timely intervention at this stage can significantly reduce the risk of pulmonary embolism and the incidence of post-thrombotic syndrome. The product obtained approval from the NMPA to enter the special review procedure for innovative medical devices (innovation channel) in February 2026.

We May not be Able to Ultimately Develop and Market Our Otter Thrombectomy Catheter Successfully.

Special Balloon

With aging population in China, the prevalence of lower extremity arterial disease is increasing year by year, with approximately 40 million patients. Epidemiological data shows that the incidence of lower limb arterial calcification is at least 50%. Lower limb artery calcification is often accompanied by severe vascular stenosis or even occlusion, which brings a greater risk of intraoperative complications in clinical treatment, not only reducing the success rate of surgery, but also seriously affecting the patient's prognosis.

Therefore, for patients with calcified lesions, the lesion site must be fully pre-dilated before treatment to expand the lesion by physically breaking up the calcified plaque, improving vascular stenosis or occlusion, obtaining a larger lumen diameter, and achieving longer-term vascular patency to facilitate better subsequent treatment. This has become one of the main research directions of vascular surgery. These include several main treatment methods, namely generating more focused pressure through the special design of the balloon surface, and opening the stenotic lesions through the expansion pressure of the balloon; cutting the calcified plaques through the micro-blades on the balloon surface to improve the lesions; and generating high-frequency shock waves through the pulse generator inside the balloon to selectively fragment the calcified plaques without damaging the endothelium, thereby increasing the lumen acquisition rate. Limb artery stenosis lesions are complex. The surgeons will choose the appropriate treatment method based on the patient's vascular location and degree of calcification, and use them in combination if necessary. In addition, the special balloon can be used in conjunction with multiple of our products for the treatment of peripheral arterial vascular disease, significantly improving the overall treatment effect. We expect to launch the product as early as 2026. Meanwhile, we are actively advancing the registration procedure with U.S. FDA for this product.

We May not be Able to Ultimately Develop and Market Our Special Balloon Successfully.

II. FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and the notes included elsewhere in this report.

Revenue

During the Reporting Period, we achieved a revenue of RMB1,057.5 million, representing an increase of 35.1% as compared to RMB782.5 million in 2024. 64.1% of our interventional products revenue was derived from the neurovascular interventional products business and 35.9% was derived from the peripheral vascular interventional products business. The significant growth of our revenue was primarily attributable to the high sales growth of both neurovascular and peripheral vascular interventional devices segments.

The revenue generated from sales of neurovascular interventional products during the Reporting Period increased by 28.0% as compared to 2024, primarily because of (i) the nation-wide launch and quick penetration of relatively recent approved products, such as the Kylin Flow Diverter after implementation of centralized procurement in approximately 30 provinces; (ii) the substantial revenue growth from our key established products, such as SilverSnake Intracranial Intermediate Catheter Series, Phoenix Neurovascular Embolization Coil and Neurovascular Guidewire; and (iii) our continuous effort to increase product penetration at different levels of hospitals.

The revenue from sales of peripheral vascular interventional products in 2025 increased by 50.3% as compared to 2024, primarily because of (i) the rapid growth of sales revenue of our established UltraFree Drug Coated PTA Balloon Catheter (UltraFree DCB), Phoenix Peripheral Detachable Fibrous Coil Embolization System and Swan Endovenous Radiofrequency Ablation (RFA) Catheter by our ongoing efforts to expand market access, increase hospital penetration and expand distribution network; and (ii) the commercial launch on nation-wide level of our relatively new product portfolio, including Penguin Peripheral Venous Stent System and Unicorn Suture-mediated Closure System.

The following tables set forth a breakdown of our revenue by business line and by product category:

At a point in time	Year ended December 31, 2025 RMB'000	Year ended December 31, 2025 Proportion	Year ended December 31, 2024 RMB'000	Year ended December 31, 2024 Proportion	Year to year change %
Revenue from sales of goods	**1,055,648**	**99.8%**	780,930	99.8%	35.2%
Others	**1,840**	**0.2%**	1,546	0.2%	19.1%
Total	**1,057,488**	**100.0%**	782,476	100.0%	35.1%

Revenue from sales of goods	Year ended December 31, 2025 RMB'000	Year ended December 31, 2025 Proportion	Year ended December 31, 2024 RMB'000	Year ended December 31, 2024 Proportion	Year to year change %
Neurovascular interventional devices	**676,253**	**64.1%**	528,511	67.7%	28.0%
Peripheral vascular interventional devices	**379,395**	**35.9%**	252,419	32.3%	50.3%
Total	**1,055,648**	**100.0%**	780,930	100.0%	35.2%

The following table sets forth a breakdown of our revenue by geographic regions:

Revenue	Year ended December 31, 2025 RMB'000	Year ended December 31, 2025 Proportion	Year ended December 31, 2024 RMB'000	Year ended December 31, 2024 Proportion	Year to year change %
The PRC	**1,008,841**	**95.4%**	759,899	97.1%	32.8%
Others	**48,647**	**4.6%**	22,577	2.9%	115.5%
Total	**1,057,488**	**100.0%**	782,476	100.0%	35.1%

Cost of Sales

Our cost of sales primarily consists of raw materials and consumables used, employee benefits expenses, depreciation of right-of-use assets, depreciation of property, plant and equipment, utilities expenses and office expenses.

The Group's cost of sales for the year ended December 31, 2025 was RMB294.6 million, representing an increase of 32.3% as compared to RMB222.6 million for the year ended December 31, 2024. The increase was primarily attributable to (i) an increase in raw materials and consumables used for sales of our products during the Reporting Period, which was in line with the increased penetration of our commercialized marketed products since December 31, 2024; and (ii) an increase in employee benefits expenses as a result of an increase in the number of our employees for expanded production and operation.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group increased by 36.3% from RMB559.9 million for the year ended December 31, 2024 to RMB762.9 million for the year ended December 31, 2025. The gross profit margin of the Group increased slightly from 71.6% for the year ended December 31, 2024 to 72.1% for the year ended December 31, 2025, because (i) an increase in the sales revenue proportion of high-margin products; and (ii) continuous efficiency improvement on the operation side has led to a steady decline in unit costs.

R&D Expenses

The Group's R&D expenses for the year ended December 31, 2025 was RMB246.8 million, representing an increase of 5.8% as compared to RMB233.2 million for the year ended December 31, 2024. The increase was primarily attributable to an increase in consumption of raw materials and consumables from RMB34.9 million for 2024 to RMB49.1 million for 2025.

	Year ended December 31, 2025		Year ended December 31, 2024		Year to year change
R&D Expenses	***RMB'000***	***Proportion***	*RMB'000*	*Proportion*	*%*
Employee benefit expenses	**85,848**	**34.8%**	82,912	35.5%	3.5%
Testing, clinical trial and professional services fees for R&D	**98,202**	**39.8%**	94,675	40.6%	3.7%
Raw materials and consumables used	**49,069**	**19.9%**	34,871	15.0%	40.7%
Others	**13,664**	**5.5%**	20,767	8.9%	-34.2%
Total	**246,783**	**100.0%**	233,225	100.0%	5.8%

Selling and Distribution Expenses

The Group's selling and distribution expenses for the year ended December 31, 2025 was RMB194.7 million, representing an increase of 11.4% as compared to RMB174.7 million for the year ended December 31, 2024. Such increase was primarily due to increased sales and marketing expenses as a result of the expansion of sales scale and the increase in the number of launched products. The selling and distribution expenses as a percentage of overall revenue decreased from 22.3% for the year ended December 31, 2024 to 18.4% for the Reporting Period. Such decrease was primarily attributable to (i) continuous improvement and strengthening of the sales and marketing team and sales network; (ii) increased clinical recognition of product quality, which made our commercial promotion more efficient; and (iii) a more comprehensive product portfolio, which enhanced the efficiency of sales efforts.

Administrative Expenses

The Group's administrative expenses for the year ended December 31, 2025 was RMB121.2 million, representing an increase of 33.1% as compared to RMB91.0 million for the year ended December 31, 2024. The increase was primarily attributable to an increase in employee benefit expenses and the related expenses incurred from the acquisition. The administrative expenses as a percentage of total revenue decreased slightly to 11.5% for the year ended December 31, 2025 from 11.6% for the year ended December 31, 2024, which was mainly attributable to the improvement in internal operational efficiency.

Other Expenses

The Group's other expenses for the year ended December 31, 2025 was RMB1.2 million, representing a decrease of 14.7% as compared to RMB1.4 million for the year ended December 31, 2024. The decrease was primarily attributable to the decreased depreciation of property, plant and equipment.

Other Income

The Group's other income for the year ended December 31, 2025 was RMB29.4 million, representing an increase of 45.1% as compared to RMB20.3 million for the year ended December 31, 2024, primarily attributable to an increase in government grants in 2025.

Other Losses — net

The Group recorded other net losses for the Reporting Period of RMB46.8 million and other net losses of RMB43.6 million for the year ended December 31, 2024. These changes were primarily attributable to an increase in donations in 2025.

Finance Income — net

The Group's finance income — net for the year ended December 31, 2025 was RMB55.1 million, representing a decrease from RMB65.2 million for the year ended December 31, 2024, primarily attributable to a decrease in bank interest income in 2025.

Income Tax Expense

The Group's income tax expense for the years ended December 31, 2025 was RMB7.6 million and nil for the year ended December 31, 2024, primarily attributable to the recognition of deferred tax assets corresponding to the accumulated losses.

Non-IFRS Measures

To supplement our consolidated statement of comprehensive income which is presented in accordance with IFRS, we also use adjusted net profit as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. We believe that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures facilitates a comparison of our operating performance from period to period by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. Such non-IFRS measures allow investors to consider metrics used by our management in evaluating our performance.

From time to time in the future, there may be other items that we may exclude in reviewing our financial results. The use of the non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

The following table shows its reconciliation to profit for the years indicated:

	Year ended December 31,	
	2025	2024
Profit for the year	**244,370**	100,256
Add:		
Share-based compensation[(1)]	**28,701**	23,737
Non-IFRS adjusted net profit for the year	**273,071**	123,993

Note:

(1) Share-based compensation is non-operational expenses arising from granting shares through the Employee Incentive Scheme, H Share Scheme, and 2025 Share Incentive Scheme to eligible employees of the Group, the amount of which may not directly correlate with the underlying performance of our business operations.

Capital Management

The primary goal of the Group's capital management is to maintain the Group's stability and growth, safeguard its normal operations and maximize shareholders' value. The Group reviews and manages its capital structure on a regular basis, and makes timely adjustments to it in light of changes in economic conditions.

Liquidity and Financial Resources

The total available financial resources, including cash and cash equivalents, term deposits and financial assets measured at fair value increased from RMB2,509.6 million as at December 31, 2024 to RMB2,600.2 million as at December 31, 2025. In the reporting period, the Company generated total RMB321.0 million from operations. The Group's cash and cash equivalents as at December 31, 2025 were RMB579.6 million, representing an increase of 38.6% as compared to RMB418.1 million as at December 31, 2024. The cash and cash equivalents were denominated in RMB, USD, HKD and Euro. Term deposits as at December 31, 2025 were RMB1,854.7 million as compared to RMB1,926.1 million as at December 31, 2024. Financial assets measured at fair value were RMB166.0 million as at December 31, 2025 as compared to RMB165.4 million as at December 31, 2024. The management is confident that the Group's financial resources are sufficient for our daily operations.

We rely on capital contributions by our shareholders as the major sources of liquidity. We also generate cash from our sales revenue of existing commercialized products. As our business develops and expands, we expect to generate more net cash from our operating activities, through increasing sales revenue of commercialized products and by launching new products, as a result of the broader market acceptance of our commercialized products and our continued efforts in marketing and expansion, improving cost control and operating efficiency and accelerating the turnover of trade receivables by tightening our credit policy.

Borrowings and Gearing Ratio

The Group's borrowings as at December 31, 2025 was RMB60.0 million, and as at December 31, 2024, the Group 's borrowings was RMB87.0 million.

As at December 31, 2025, the Group has entered into loan agreements with total amounts of RMB60.0 million and all the amounts were drawn down, bearing interest rate of 2.11% per annum. Certain self-developed patents of the Group have been pledged as collateral under loan agreements.

The gearing ratio (calculated by dividing the sum of borrowings and lease liabilities by total equity) of the Group decreased from 2.93% as at December 31, 2024 to 1.97% as at December 31, 2025.

Net Current Assets

The Group's net current assets, as at December 31, 2025 were RMB1,621.0 million, representing an increase of 35.7% as compared to net current assets of RMB1,194.9 million as at December 31, 2024, primarily due to the increase of cash and cash equivalents and term deposits.

Foreign Exchange Exposure

We have transactional currency exposures. Certain of our bank balances, other receivables, other financial assets, other payables and other financial liabilities are denominated in foreign currencies and are exposed to foreign currency risk. Our management monitors foreign exchange exposures and consider appropriate hedging measures when the need arises.

Pledge of Shares

We did not have any pledging of shares by our Single Largest Group of Shareholders as at December 31, 2025.

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2025, we did not hold any significant investments. For the Reporting Period, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Capital Expenditure

For the year ended December 31, 2025, the Group's total capital expenditure amounted to approximately RMB111.2 million, which was mainly used in the purchase of property, plant and equipment and intangible assets.

Charge on Assets

As at December 31, 2025, there was no charge on assets of the Group.

Contingent Liabilities

As at December 31, 2025, we did not have any material contingent liabilities.

Employees and Remuneration Policies

As at December 31, 2025, we had 925 employees in total (December 31, 2024: 875).

In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. These employment contracts typically have terms of three years.

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries, projects and stock incentive plans to our employees especially key employees.

Future Investment Plans and Expected Funding

The Group will continue to expand its markets in the PRC and globally in order to tap its internal potential and maximize shareholders' interest. The Group will continue to grow through self-development, mergers and acquisitions, and other means. We will use diversified financing channels to finance capital expenditures, including but not limited to internal funds and bank loans. As at December 31, 2025, the capital commitments of the Group for property, plant and equipment and investment in venture fund were RMB3.0 million and RMB279.1 million respectively as compared to RMB12.8 million and RMB158.7 million respectively as at December 31, 2024. Save as disclosed, the Group has no other future commitment for material investments or capital assets as at December 31, 2025.

III. PROSPECTS

We plan to implement the following strategies to achieve our mission and vision:

- **Continue to accelerate expansion in international markets**

  In overseas markets, we have taken significant strides in commercialization and registration, and we are committed to continuing these efforts. We are expanding our international team to bolster sales outside of China and intensifying our registration efforts in various regions, including South America and the Pan-Asian regions. We are in the process of registering more than 50 products in more than 34 countries/regions. By leveraging our comprehensive product portfolio and high-quality clinical research, we aim to establish a strong local presence and recognition in European and other international market.

In the near term, following the acquisition of Optimed, we are executing a systematic integration focused on leveraging the comprehensive sales and distribution network and harmonizing our global supply chain and production bases in China and Germany. This multi-phase integration will ensure a resilient international platform that preserves local expertise while driving collective growth. This deliberate expansion is designed to comprehensively strengthen our core competitive position in international markets, transitioning our domestic leadership into a robust global platform for long-term value creation.

- **Continue to expand our product offering and accelerate innovation tailored to clinical needs**

  We have successfully launched a few innovative products with unique features to better accommodate unmet clinical needs, including Thrombite Clot Retriever Device (CRD), Penguin Peripheral Venous Stent System, Kylin Flow Diverter (Generation I and Generation II), Self-expandable Intracranial Stent, and Mammoth Large Lumen Peripheral Thrombus Aspiration Catheter. Leveraging our robust internal R&D engine, we remain dedicated to ongoing innovation. Over the coming years, we anticipate launching several highly differentiated and innovative products, such as Orca Balloon Expandable Covered Stent, Otter Thrombectomy Catheter, Self-expandable Aneurysm Embolization Device and OCT-guided Peripheral Vascular Targeted Atherectomy Catheter Series. Many of these products have earned the NMPA "Innovative Medical Device" designation, target high-growth segments with few domestic or global competitors positioning us with a strong competitive advantage both in China and internationally.

- **Continue to increase our market share by capitalizing on strong commercialization capability**

  The steady adoption of our high-quality products by leading physicians and hospitals has allowed us to build a highly competitive commercialization infrastructure. We remain confident in our ability to further capture market share within the neurovascular and peripheral vascular intervention sectors. With a proven track record of launching multiple products annually and achieving robust distribution results across China, we are well-positioned to leverage our extensive network to effectively bring future innovations to market.

- **Continue to improve our operational efficiency and profitability**

  The evolving industry dynamics, including the implementation of VBPs and reimbursement under Diagnosis-Related Groups (DRGs), present new challenges for medical device companies. To address these challenges, we will continue to leverage our in-house R&D technology platforms, manufacturing expertise and know-how, and efficient sales and marketing network, to accelerate commercialization. Furthermore, we are actively collaborating with our suppliers to drive technical innovation and process optimization, ensuring a more resilient and cost-effective supply chain that supports our long-term profitability.

DIRECTORS

Executive Directors

Dr. Jonathon Zhong Zhao (趙中) ("**Dr. Zhao**"), aged 59, is the chairman of our Board, an executive Director and the chief executive officer of our Company. Dr. Zhao founded our Group in November 2012. Dr. Zhao was appointed as the chairman of the Board and a director of our Company in November 2012 and re-designated as an executive Director in March 2021. He is primarily responsible for the overall management and business strategies of our Group.

Dr. Zhao has 29 years of experience in the pharmaceutical and medical device industries. Prior to founding our Group, Dr. Zhao served as an associate director and scientist of Guilford Pharmaceuticals Inc. (now part of Eisai Co., Ltd., a company listed on the Tokyo Stock Exchange (stock code: 4523)) from July 1996 to June 2002. He then joined Cordis Corporation, a Johnson & Johnson Company (now a Cardinal Health company) and served as a principal scientist and a research fellow from July 2002 to August 2011, focusing on drug device combination product developments.

Since founding our Group, Dr. Zhao has brought in professional expertise to every aspect of our business and overseen the research and development of our comprehensive product portfolio. He has also led the management of commercialization of our products and contributed to the training of personnel of our Company.

Dr. Zhao received a bachelor's degree in polymer chemistry and synthesis from Sichuan University in the PRC in June 1988 and a Ph.D. degree in biomedical engineering from Johns Hopkins University, School of Medicine in the United States in May 1997.

Mr. Yang Xie (謝陽) ("**Mr. Xie**"), aged 56, is an executive Director and a senior vice president of our Company. Mr. Xie joined our Group in July 2016. He was appointed as a director of our Company in March 2018 and re-designated as an executive Director in March 2021. He is primarily responsible for the overall sales and marketing, and business strategies of our Group.

Prior to joining our Group, Mr. Xie served as the director of sales and marketing of Johnson & Johnson Medical (China) Ltd. (強生(中國)醫療器材有限公司) from July 1995 to October 2010. He then served as a vice president of Panshi Information Technology Co., Ltd. (磐石信息技術有限公司) from January 2011 to September 2012. During October 2012 to September 2014, Mr. Xie served as the general manager of Shanghai Puwei Medical Instrument Factory Co., Ltd. (上海浦衛醫療器械廠有限公司), after which he joined and served as an investment partner of Milestone Capital from October 2014 to June 2016, specializing in investments in the medical device and related industries.

Mr. Xie received a bachelor's degree in biomedical electronics and a master's degree in radio electronics from Fudan University in the PRC in July 1992 and July 1995, respectively. He also completed the Executive M.B.A. program in Washington University in St. Louis in the United States in December 2003.

Dr. Zheng Li (李崢) ("**Dr. Li**"), aged 48, is an executive Director and a senior vice president of our Company. Dr. Li was appointed as a director of our Company in January 2019 and re-designated as an executive Director in March 2021. Dr. Li joined our Group in February 2016, and was subsequently appointed as the general manager of our neurovascular business in 2018. He is primarily responsible for the overall management and business strategies of our neurovascular business of our Group.

Prior to joining our Group, Dr. Li served as a staff engineer of Covidien (China) Medical Devices Technology Co., Ltd, currently a subsidiary of Medtronic PLC (a company listed on the New York Stock Exchange (stock code: MDT)) until July 2015, which is among the world's largest medical technology, services and solutions companies. Before that, Dr. Li has served multiple companies in the healthcare and medical device industries, from 2009 to 2013, Dr. Li successively worked at Mystic Pharmaceuticals Limited, a pharmaceutical company, and International Biomedical Ltd, a company focusing on innovative neonatal and perinatal products and technologies.

Dr. Li received a bachelor's degree in thermal energy and power engineering and a master's degree in testing measurement technology and instrument from Southeast University in the PRC in June 1999 and April 2002, respectively, and a Ph.D. degree in mechanical engineering from North Carolina State University in the United States in August 2007. Dr. Li has also been a member of the Zhuhai European and American Alumni Association since September 2018.

Non-executive Directors

Mr. Dongfang Li (李東方) ("**Mr. Li**"), aged 38, is a non-executive Director. Mr. Li was appointed as a non-executive Director in May 2022. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of our Group.

Prior to joining the Group, Mr. Li has served as an executive director of CS Capital Co., Ltd. (國投招商投資管理有限公司) since August 2015, focusing on investments on the healthcare industry. Before joining SDIC Fund Management Co., Ltd., he served as an analyst in the global investment research department of Goldman Sachs (Asia) LLC (高盛(亞洲)有限責任公司) from August 2011 to March 2015. Mr. Li has also served as a director of Suzhou Ribo Life Science Co., Ltd. (蘇州瑞博生物技術股份有限公司) since October 2018, a director of EpimAb Biotherapeutics Inc. since June 2016, and a director of Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (四川科倫博泰生物醫藥股份有限公司) since March 2021.

Mr. Li received a bachelor's degree in management from the University of International Business and Economics in 2009 and a master's degree in economics from the University of International Business and Economics in 2011. Mr. Li has been a chartered financial analyst since June 2015.

Dr. Steven Dasong Wang (王大松) ("**Dr. Wang**"), aged 57, is a non-executive Director. Dr. Wang was appointed as a director of our Company in October 2020 and re-designated as a non-executive Director in March 2021. He is primarily responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of our Group.

Dr. Wang has over 20 years of experience in working in global investment banks and direct investment firms. He has been serving as a global partner and senior management director of Asia at OrbiMed Advisors LLC, an investment fund with a focus on the healthcare industry, since September 2019. Prior to joining OrbiMed Advisors LLC, he used to serve as a managing director and head of APAC Healthcare Investment Banking at Credit Suisse (Hong Kong) Limited, a managing director at the investment banking department of UBS AG Hong Kong Branch and an executive director at the investment banking division of Morgan Stanley in Hong Kong.

Dr. Wang was a director in the following listed public companies:

- Non-executive director, of Union Medical Healthcare Limited (香港醫思醫療集團有限公司), a company listed on the Stock Exchange (stock code: 2138) from April 2020 to July 2021; and

- Non-executive director, of 3SBio Inc., a company listed on the Stock Exchange (stock code: 1530) from June 2017 to October 2019.

Dr. Wang obtained his Bachelor of Arts degree in chemistry from the University of Southern Maine in May 1991 in the U.S. and his Ph.D. degree in medicinal chemistry from the Johns Hopkins University in the U.S. in May 1997, as well as a Master of Business Administration degree (with distinction) from New York University in September 2000. He has been a Chartered Financial Analyst with the Association for Investment Management and Research since September 2002.

Independent Non-executive Directors

Dr. Jian Ji (計劍) ("**Dr. Ji**"), aged 56, has served as our independent non-executive Director since March 2021. He is primarily responsible for participating in the decision making for our Company's significant events and advising on issues relating to corporate governance, audit and the remuneration and assessment of our Directors, Supervisors and senior management.

Dr. Ji started his teaching career at the department of polymer science and engineering in Zhejiang University (浙江大學高分子科學與工程學系) in December 1997, where he served as a lecturer from December 1997 to December 2000 and as an associate professor from December 2000 to December 2004. He has served as a professor at the department since December 2004, and took up the position as the director of the Institute of Biomedical Macromolecules of Zhejiang University (浙江大學生物醫用大分子所) since August 2018.

Dr. Ji is a notable individual in the scientific field. He has been named a Changjiang Distinguished Professor of Ministry of Education (教育部長江特聘教授) since March 2016. He received the Nomination Award of the 5th Feng Xinde Polymer Prize (第五屆馮新德高分子獎提名獎) in June 2010 and the First Prize of Zhejiang Science and Technology Award (浙江省科學技術獎一等獎) for his participation in the Research on Biomimetic Layered Assembly Construction of Biomedical Functional Coating Materials (《仿生層狀組裝構建生物醫用功能塗層材料的研究》) in 2011. In addition, Dr. Ji was the winner of National Science Fund for Distinguished Young Scholars (國家傑出青年科學基金) in October 2010 and a Fellow of the Royal Society of Chemistry since June 2017.

Dr. Ji received a bachelor's degree in chemistry from Zhejiang University in the PRC in July 1992 and a Ph.D. degree in polymer chemistry and physics from Zhejiang University in the PRC in August 1997.

Ms. Yun Qiu (邱妘) ("**Ms. Qiu**"), aged 62, has served as our independent non-executive Director since March 2021. She is primarily responsible for participating in the decision making for our Company's significant events and advising on issues relating to corporate governance and audit.

Ms. Qiu has been an accounting professor in Ningbo University (寧波大學) since November 2004. She started her academic career as a teaching assistant at the business school of Ningbo University in July 1986, and became an associate professor in December 1999.

Ms. Qiu worked as an associate professor in the principles of accounting and financial management and was the vice dean of the International College of Ningbo University (寧波大學國際交流學院) from January 2001 to March 2005, where she was then promoted to professor and then the dean of the college from April 2005 to June 2014.

Ms. Qiu has been serving as an independent director of Ningbo Solartron Technology Co., Ltd. (寧波長陽科技股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 688299)) since February 2022, and as an independent director of Ningbo Fuda Co., Ltd. (寧波富達股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600724)) since April 2020. Ms. Qiu served as an independent director and chairlady of the audit committee of Ningbo Boway Alloy Material Co., Ltd. (寧波博威合金材料股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601137)) from July 2015 to May 2021, and an independent non-executive director and chairlady of the audit committee of Zhejiang New Century Hotel Management Co., Ltd. (a company listed on the Hong Kong Stock Exchange (stock code: 01158)) from June 2017 to May 2021. In May 2023, she was appointed as an independent director and a member of the audit committee of Youngor Group Co., Ltd. (雅戈爾集團股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600177)).

Ms. Qiu received a bachelor's degree in economics from Fudan University in the PRC in July 1986 and a master's degree in business administration from McGill University in Canada in June 1997. She was qualified as a professor in accounting by Zhejiang Provincial Ordinary Higher Education Institutions Teacher Senior Technical Expert Qualifications Board (浙江省普通高校教師高級專業技術資格評審委員會) in November 2004.

Dr. Xiang Qian (錢湘) ("**Dr. Qian**"), aged 51, is a renowned Neurologist and Interventional Pain Physician at Stanford University, specializing in Pain Medicine and Interventional Neurosurgery since 2009. Dr. Qian is also the professor and Co-Director of Stanford Wearable Electronics Initiative (eWEAR) where he focuses on developing wearable and implantable electronics to address the medical needs, particularly in the field of neurology and pain medicine. Additionally, he also serves as the inaugural Stanford Medicine Endowed Director since 2021.

Dr. Qian specializes in developing novel therapies for various chronic pain conditions, and lectures internationally on these topics. Dr. Qian's clinical interests include the treatment of acute and chronic pain, with special interest in migraine, headache, trigeminal neuralgia, glossopharyngeal neuralgia, hemifacial spasm, atypical facial pain, cancer pain, back pain, joint pain, nerve pain, and others.

Further, Dr. Qian holds the position of Medical Director of Stanford International Medical Services, where he has been working in collaboration with members from all subspecialties and hospital administrations to help deliver care for international patients and promote international collaborations.

Dr. Qian also founded the Chinese American Physicians' Society in 2014 to foster exchanges of medical knowledge and promote medical innovation. In 2019, Dr. Qian was awarded the Fok Ying-Tung Prize The World Outstanding Chinese Doctor Award in recognition of his works and contributions.

Dr. Qian obtained Bachelor's and Master's degrees in Clinical Medicine from the Zhejiang University School of Medicine in 1997 and 1999, respectively, and a Doctor of Philosophy in Physiology and Biophysics from the University of Miami Miller School of Medicine in 2004. From 2004 to 2008, Dr. Qian went through postdoctoral fellowship training in Neuroscience at the University of California, San Francisco. Dr. Qian then completed his internship at an affiliated hospital of the Harvard Medical School in 2008. At Stanford University, Dr. Qian completed his residency in 2012 and his fellowship training in 2013.

SUPERVISORS

Mr. Chang'an Ma (馬長安) ("**Mr. Ma**"), aged 38, is the chairman of the Supervisory Committee. Mr. Ma was appointed as an employee Supervisor on November 17, 2023. He has been serving as the senior manager of the legal department of the Company since April 2021. Before joining the Company, Mr. Ma served as the legal manager of Cowell Health (Sichuan) Co., Ltd.* from May 2018 to April 2021, where he was primarily responsible for legal and compliance affairs of Cowell Health (Sichuan) Co., Ltd.* and its affiliated project companies. From 2014 to 2018, Mr. Ma served as a full-time lawyer at the Chengdu branch of Guantao Law Firm. From 2011 to 2014, he served as a representative and legal specialist in the office of the Gilgel Gibe III Hydroelectric Power Project at Dongfang Electric Co., Ltd.

Mr. Ma obtained a master's degree in international economic law from the University of International Business and Economics in 2011.

Mr. Tao Liu (劉濤) ("**Mr. Liu**"), aged 46, is a shareholder representative Supervisor. Mr. Liu was appointed as a shareholder representative Supervisor in May 2022. He is primarily responsible for monitoring of the financial affairs of our Company, supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor.

Mr. Liu served as a vice president of the registration and regulatory affairs department of the Company from January 2021 to August 2025. Before joining the Company, Mr. Liu served as the director of the China registration and regulatory affairs department in Edwards Lifesciences China, leading the entire China registration and regulatory affair team, from June 2016 to December 2020, and worked in the China medical registration and regulatory affairs department at Johnson & Johnson Medical China from 2006 to 2016.

Mr. Liu received a bachelor's degree in Bio-Chemical Engineering from Beijing University of Chemical Technology in 2002.

Ms. Hongbo Wang (王宏波) ("**Ms. Wang**"), aged 37, is an employee Supervisor. Ms. Wang was appointed as an employee Supervisor in March 2021. She is primarily responsible for monitoring of the financial affairs of our Company, supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor.

Ms. Wang joined our Group as registration manager in August 2018 and was promoted to senior registration manager in January 2021. Since her joining, Ms. Wang has been responsible for registration of new products and maintenance of listed products of our Group. Prior to joining our Group, Ms. Wang worked at Jafron Biomedical Co., Ltd. (健帆生物科技集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300529)) from July 2010 to August 2018, where she was responsible for the quality management and registration of the medical devices of the company.

Ms. Wang obtained her qualification as an internal auditor of the medical device quality management system (醫療器械品質管制體系) (ISO 9001: 2015 and ISO 13485: 2016) from Beijing Hua Guang Certification of Medical Devices Co., Ltd. (北京國醫械華光認證有限公司) in June 2019.

Ms. Wang received a bachelor's degree in pharmaceutical engineering from Sichuan University in the PRC in June 2010.

SENIOR MANAGEMENT

Dr. Jonathon Zhong Zhao (趙中), aged 59, is the chairman of our Board, an executive Director and the chief executive officer of our Company. For details of his biography, see the sub-section headed "Executive Directors" in this section.

Mr. Yang Xie (謝陽), aged 56, is an executive Director and a senior vice president of our Company. For details of his biography, see the sub-section headed "Executive Directors" in this section.

Dr. Zheng Li (李崢), aged 48, is an executive Director and a senior vice president of our Company. For details of his biography, see the sub-section headed "Executive Directors" in this section.

Mr. Quanwei Yuan (袁泉衛) ("**Mr. Yuan**"), aged 47, is the chief financial officer of our Company. Mr. Yuan joined our Group in January 2021. He is primarily responsible for overseeing the financial management and corporate development of our Group.

Mr. Yuan has more than 16 years of corporate finance and financial market related experience. Prior to joining our Company, he served as an executive director and the chief financial officer for Souche Holding from March 2018. From November 2016 to March 2018, Mr. Yuan joined Simcere Pharmaceutical Group as the vice president, overseeing capital market and business development. Before that, Mr. Yuan worked for investment banking division for various multi-national investment bank, namely Credit Suisse Group AG, Deutsche Bank AG and Bank of America & BofA Securities (formerly Bank of America Merrill Lynch) from July 2009 to October 2016. His last function with Bank of America & BofA Securities was a director in investment banking division.

Mr. Yuan received a bachelor's degree in civil engineering from Tongji University in the PRC in July 2001, a master's degree in civil engineering from the University of Cincinnati in the United States in March 2005 and a M.B.A. degree from the University of Chicago in the United States in June 2009.

The Directors present their report and the audited consolidated financial statements (the "**Consolidated Financial Statements**") of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company was established in the PRC on November 6, 2012 and was converted into a joint stock limited liability company on March 2, 2021. The Company completed its initial public offering and listing of its H Shares on the Main Board of the Hong Kong Stock Exchange (stock code: 02190) on July 5, 2021.

During the Reporting Period, the Group is principally engaged in providing solutions to patients and physicians with the product portfolio covering peripheral vascular interventional devices and neurovascular interventional devices in China and other countries. There was no significant change in the nature of the Group's principal activities during the Reporting Period and up to the date of this report.

Particulars of the Company's principal subsidiaries as at December 31, 2025 are set out in Note 37 to the Consolidated Financial Statements.

BUSINESS REVIEW

A review of the Group's business during the Reporting Period, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the Reporting Period, and an indication of likely future developments in the Group's business, could be found in the sections headed "Management Discussion and Analysis" in this report. The review and discussion form part of this Report of the Directors.

RESULTS AND DIVIDEND

Details of the consolidated profit of the Group for the Reporting Period and the Group's financial position as at December 31, 2025 are set out in the Consolidated Financial Statements and their accompanying notes on pages 103 to 187.

The Board has resolved to propose the distribution of a final dividend of RMB0.22 (tax inclusive) per share for the year ended December 31, 2025 (the "**Final Dividend**") with a total amount of approximately RMB74.2 million (tax inclusive). If such profit distribution plan is reviewed and approved by shareholders at the 2025 AGM, the Final Dividend will be distributed on or before Thursday, June 18, 2026 to the shareholders whose names appear on the Company's register of members as of Tuesday, June 2, 2026. H Shares repurchased by the Company as Treasury Shares will not be entitled to the Final Dividend. Details regarding the closure of the register of members of the Company and declaration and payment of dividends, please refer to the Company's announcement dated March 17, 2026.

FINANCIAL SUMMARY

A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from the published audited financial information and financial statements, is set out on page 7 of this report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environmental protection and conducts annual review on environmental, social and governance-related risks and matters relating to the reporting and performance thereof. The Group has not noted any material incompliance with all relevant laws and regulations in relation to its business including environmental protection, health and safety, workplace conditions, employment and the environment.

The Group has established detailed internal rules regarding environmental protection and adopted effective measures to achieve efficient use of resources, waste reduction and energy saving. For further details of the Group's environmental policies and performance, please refer to the environmental, social and governance report of the Company published on the same day, which has been prepared in accordance with Rule 13.91 and the Environmental, Social and Governance Reporting Guide contained in C2 to the Listing Rules.

DIRECTORS

During the Reporting Period and up to the Latest Practicable Date, the Board consists of the following Directors:

Executive Directors

Dr. Jonathon Zhong Zhao *(Chairman)*
Mr. Yang Xie
Dr. Zheng Li

Non-executive Directors

Mr. Stephen Hui Wang (resigned on March 31, 2025)
Mr. Dongfang Li
Dr. Steven Dasong Wang

Independent Non-executive Directors

Dr. Jian Ji
Ms. Yun Qiu
Dr. Xiang Qian

Mr. Stephen Hui Wang ("**Mr. Wang**") ceased to be a non-executive Director on March 31, 2025 due to other work commitments. In accordance with the requirement of Rule 13.51(2) of the Listing Rules, Mr. Wang has confirmed that he has no disagreement with the Board, and there is no other matter relating to his resignation that needs to be brought to the attention of the Stock Exchange and the Shareholders.

SUPERVISORY COMMITTEE

During the Reporting Period and up to the Latest Practicable Date, the Company has the following Supervisors:

Mr. Chang'an Ma *(Chairman)*
Mr. Tao Liu
Ms. Hongbo Wang

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors, Supervisors and senior management of the Group are set out on pages 40 to 45 in the section headed "Directors, Supervisors and Senior Management" of this report. Save as disclosed in this report, the Directors, Supervisors and senior management of our Group do not have financial, business, family or other material/relevant relationships with one another.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation in respect of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that, as at the date of this report, all of the independent non-executive Directors are independent.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Our Directors entered into service contracts with the Company. The principal particulars of these service contracts comprise (a) a term of three years, which is equivalent to the term of the Board; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval. The service contracts can be renewed pursuant to the Articles of Association and applicable rules.

Each of our Supervisors entered into a contract with the Company. Each contract contains provisions relating to compliance with relevant laws and regulations, observation of the Articles of Association and resolution of disputes by means of arbitration.

Save as disclosed above, none of the Directors or Supervisors has entered into any service contract with the Company or any of its subsidiaries. No Director or Supervisor has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than normal statutory obligation).

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Pursuant to Rule 3.25 of the Listing Rules and the CG Code, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on the experience, qualification, position and seniority of each Director, Supervisors and senior management. As for the independent non-executive Directors, their remuneration is determined by the Board based on the recommendation from the Remuneration Committee. The Directors, Supervisors and the senior management are eligible participants of the applicable share incentive plans.

Details of the remuneration of the Directors, Supervisors, and the five highest paid individuals are set out in Note 38 to the Consolidated Financial Statements of this report.

None of the Directors or Supervisors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

PERMITTED INDEMNITY PROVISION AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

A permitted indemnity provision (as defined in the Companies Ordinance) in relation to the director's and officer's liability insurance is currently in force and was in force during the Reporting Period. The Company has arranged appropriate directors' liability insurance coverage for the directors of the Group during the Reporting Period.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director or Supervisor nor an entity connected with him/her had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

MANAGEMENT CONTRACTS

Save for the Directors' and Supervisors' service contracts and appointment letters, no contract of significance concerning the management and administration of the whole or any substantial part of business of the Company or any of its subsidiaries was entered into or subsisted during the Reporting Period.

DIRECTORS' AND SUPERVISORS' RIGHT TO PURCHASE SHARES OR DEBENTURES

As at the end of the Reporting Period, save as disclosed in this report, none of the Directors, Supervisors or their respective spouses or minor children under the age of 18 years were granted with rights, or had exercised any such rights, to acquire benefits by means of purchasing shares or debentures of the Company. No member of the Group was a party to any arrangements to enable the Directors, Supervisors or their respective spouses or minor children under the age of 18 years to acquire such rights from any other bodies corporate.

During the Reporting Period, the Company did not grant any rights to acquire benefits by means of the acquisition of shares or debentures of the Company to any Directors or Supervisors or their respective spouses or minor children under 18, and none of them has exercised such rights.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESSES

During the Reporting Period, none of the Directors and Supervisors or their respective close associates (as defined in the Listing Rules) is considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at December 31, 2025, the interests or short positions of the Directors, Supervisors and chief executives' of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Position	Nature of Interest	Number and class of shares held[1]	Approximate percentage of shareholding in the relevant type of shares[1]	Approximate percentage of shareholding in the total share capital of our Company[1]
Dr. Jonathon Zhong Zhao (趙中)[2]	Executive Director	Beneficial owner	42,719,796[4] H Shares (L)	12.70%	13.62%
			4,144,199 Domestic Shares (L)	53.26%	
		Interest in controlled corporations	26,733,529 H Shares (L)	7.95%	8.83%
			3,637,058 Domestic Shares (L)	46.74%	
		Interests held jointly with another person	18,939,337 H Shares (L)	5.63%	5.50%

Name	Position	Nature of Interest	Number and class of shares held[1]	Approximate percentage of shareholding in the relevant type of shares[1]	Approximate percentage of shareholding in the total share capital of our Company[1]
Dr. Zheng Li (李崢)[2]	Executive Director	Beneficial owner	2,479,427[5] H Shares (L)	0.74%	0.72%
		Interests held jointly with another person	85,913,235 H Shares (L)	25.54%	27.23%
			7,781,257 Domestic Shares (L)	100.00%	
Mr. Yang Xie (謝陽)[3]	Executive Director	Beneficial owner	2,567,599[6] H Shares (L)	0.76%	0.75%
		Interest in controlled corporation	11,891,418 H Shares (L)	3.54%	3.92%
			1,583,492 Domestic Shares (L)	20.35%	
Ms. Hongbo Wang (王宏波)	Employee Supervisor	Beneficial owner	118,828[7] H Shares (L)	0.04%	0.03%
Mr. Chang'an Ma (馬長安)	Employee Supervisor	Beneficial owner	65,000[8] H Shares (L)	0.02%	0.02%
Mr. Tao Liu (劉濤)	Shareholder Supervisor	Beneficial owner	70,000[9] H Shares (L)	0.02%	0.02%

Notes:

(1) The calculation is based on the total number of 7,781,257 Domestic Shares in issue and 336,350,744 H Shares in issue as at December 31, 2025. The letter "L" denotes the Shareholder's long position in such shares.

(2) Pursuant to a concert party agreement dated January 21, 2021 (the "**Concert Parties Agreement I**") entered into by and between, among others, Dr. Jonathon Zhong Zhao (趙中) ("**Dr. Zhao**"), Dr. Shengping Sam Zhong (鍾生平) ("**Dr. Zhong**"), Dr. Zheng Li (李崢) ("**Dr. Li**"), Ms. Na Wei (衛娜) ("**Ms. Wei**"), Zhuhai Tongqiao Investment Center (Limited Partnership)* (珠海通橋投資中心(有限合夥)) ("**Zhuhai Tongqiao**"), Hangzhou Fujiang Investment Partnership (Limited Partnership)* (杭州涪江投資合夥企業 (有限合夥)) ("**Hangzhou Fujiang**"), Zhuhai Guichuang Investment Center (Limited Partnership)* (珠海歸創投資中心(有限合夥)) (formerly known as Zhuhai Guichuang Equity Investment Center (Limited Partnership)* (珠海歸創股權投資中心(有限合夥))) ("**Zhuhai Guichuang**"), Hangzhou Guiqiao Enterprise Management Partnership (Limited Partnership)* (杭州歸橋企業管理合夥企業(有限合夥)) (formerly known as Ningbo Guiqiao Enterprise Management Partnership (Limited Partnership)* (寧波歸橋企業管理合夥企業(有限合夥))) ("**Hangzhou Guiqiao**"), WEA Enterprises, LLC ("**WEA**") and Hangzhou Yuyihui Enterprise Management Partnership (Limited Partnership)* (杭州語意慧企業管理合夥企業(有限合夥)) (formerly known as Huzhou Yuyihui Enterprise Management Partnership (Limited Partnership)* (湖州語意慧企業管理合夥企業(有限合夥)) ("**Hangzhou Yuyihui**") (each, a "**Concert Party**"), the Concert Parties agreed to act in concert to control the decision-making and operation management of our Company at Board meetings and Shareholders' meetings with effect from the date of the Concert Parties Agreement I. In the event they fail to reach such consensus, each of the Concert Parties shall exercise their respective voting rights in accordance with instructions of Dr. Zhao. Therefore, under the SFO, in addition to their respective direct shareholding or interest in controlled corporations, each Concert Party is also deemed to be interested in the interest of other Concert Parties.

As at December 31, 2025, Zhuhai Tongqiao holds 8,141,222 H Shares and 1,015,198 Domestic Shares; Hangzhou Fujiang holds 3,750,196 H Shares and 568,294 Domestic Shares; Zhuhai Guichuang holds 7,353,613 H Shares and 1,095,857 Domestic Shares; and Hangzhou Guiqiao holds 7,488,498 H Shares and 957,709 Domestic Shares, all of which being the Employee Incentive Platforms. As the voting rights of each of such Employee Incentive Platform are controlled by Dr. Zhao, by virtue of the SFO, Dr. Zhao is deemed to be interested in the Shares in which such companies are interested.

(3) Mr. Yang Xie (謝陽) ("**Mr. Xie**") was granted 40.0% of economic interest in Zhuhai Tongqiao and 49.3% economic interest in Hangzhou Fujiang, both being the Employee Incentive Platforms, and therefore, under the SFO, Mr. Xie is deemed to be interested in 8,141,222 H Shares and 1,015,198 Domestic Shares through Zhuhai Tongqiao and 3,750,196 H Shares and 568,294 Domestic Shares through Hangzhou Fujiang.

(4) This includes (i) 38,719,796 H Shares beneficially held by Dr. Zhao, and (ii) Dr. Zhao's entitlement to receive 400,000 H Shares pursuant to the Awards granted to him under the H Share Scheme and to receive 3,600,000 H Shares pursuant to the Awards granted to him under the 2025 Share Incentive Scheme.

(5) This includes (i) 479,427 H Shares beneficially held by Dr. Li, and (ii) Dr. Li's entitlement to receive 200,000 H Shares pursuant to the Awards granted to him under the H Share Scheme and to receive 1,800,000 H Shares pursuant to the Awards granted to him under the 2025 Share Incentive Scheme.

(6) This includes (i) 567,599 H Shares beneficially held by Mr. Xie, and (ii) Mr. Xie's entitlement to receive 200,000 H Shares pursuant to the Awards granted to him under the H Share Scheme and to receive 1,800,000 H Shares pursuant to the Awards granted to him under the 2025 Share Incentive Scheme.

(7) This includes (i) 71,828 H Shares beneficially held by Ms. Hongbo Wang (王宏波)("**Ms. Wang**"), and (ii) Ms. Wang's entitlement to receive 17,000 H Shares pursuant to the Awards granted to her under the H Share Scheme and to receive 30,000 H Shares pursuant to the Awards granted to her under the 2025 Share Incentive Scheme.

(8) This includes Mr. Chang'an Ma (馬長安)'s entitlement to receive 25,000 H Shares pursuant to the Awards granted to him under the H Share Scheme and to receive 40,000 H Shares pursuant to the Awards granted to him under the 2025 Share Incentive Scheme.

(9) Mr. Tao Liu (劉濤) is entitled to receive 70,000 H Shares pursuant to the Awards granted to him under the H Share Scheme.

* *For identification purpose only*

Save as disclosed above, as at December 31, 2025, none of the Directors, Supervisors and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

To the best knowledge of the Company based on the public information, as at December 31, 2025, the interests or short positions of the following persons (other than the Directors, Supervisors and chief executives of the Company) in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which any such persons other than the Directors, Supervisors and chief executives of the Company are taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Number and class of shares held[1]	Approximate percentage of shareholding in the relevant class of shares[1]	Approximate percentage of shareholding in the total share capital of our Company[1]
Dr. Shengping Sam Zhong (鍾生平)[2][3]	Interest in controlled corporations	11,476,617 H Shares (L)	3.41%	3.33%
	Interests held jointly with another person	76,916,045 H Shares (L)	22.87%	24.61%
		7,781,257 Domestic Shares (L)	100.00%	
WEA Enterprises, LLC[2][3]	Beneficial owner	11,476,617 H Shares (L)	3.41%	3.33%
	Interests held jointly with another person	76,916,045 H Shares (L)	22.87%	24.61%
		7,781,257 Domestic Shares (L)	100.00%	
Ms. Na Wei (衛娜)[2][4]	Deemed interest	2,479,427 H Shares (L)	0.74%	0.72%
	Interests held jointly with another person	85,913,235 H Shares (L)	25.54%	27.23%
		7,781,257 Domestic Shares (L)	100.00%	
Hangzhou Yuyihui Enterprise Management Partnership (Limited Partnership)* (杭州語意慧企業管理合夥企業(有限合夥))[2][4]	Beneficial owner	4,983,293 H Shares (L)	1.48%	1.45%
	Interests held jointly with another person	83,409,369 H Shares (L)	24.80%	26.50%
		7,781,257 Domestic Shares (L)	100.00%	
Zhuhai Tongqiao Investment Center (Limited Partnership)* (珠海通橋投資中心(有限合夥))[2]	Beneficial owner	8,141,222 H Shares (L)	2.42%	2.66%
		1,015,198 Domestic Shares (L)	13.05%	
	Interests held jointly with another person	80,251,440 H Shares (L)	23.86%	25.29%
		6,766,059 Domestic Shares (L)	86.95%	
Hangzhou Fujiang Investment Partnership (Limited Partnership)* (杭州涪江投資合夥企業(有限合夥))[2]	Beneficial owner	3,750,196 H Shares (L)	1.11%	1.25%
		568,294 Domestic Shares (L)	7.30%	
	Interests held jointly with another person	84,642,466 H Shares (L)	25.16%	26.69%
		7,212,963 Domestic Shares (L)	92.70%	
Zhuhai Guichuang Investment Center (Limited Partnership)* (珠海歸創投資中心(有限合夥))[2]	Beneficial owner	7,353,613 H Shares (L)	2.19%	2.46%
		1,095,857 Domestic Shares (L)	14.08%	
	Interests held jointly with another person	81,039,049 H Shares (L)	24.09%	25.49%
		6,685,400 Domestic Shares (L)	85.92%	

Name of Shareholder	Nature of Interest	Number and class of shares held[1]	Approximate percentage of shareholding in the relevant class of shares[1]	Approximate percentage of shareholding in the total share capital of our Company[1]
Hangzhou Guiqiao Enterprise Management Partnership (Limited Partnership)* (杭州歸橋企業管理合夥企業(有限合夥))[2]	Beneficial owner	7,488,498 H Shares (L)	2.23%	2.45%
		957,709 Domestic Shares (L)	12.31%	
	Interests held jointly with another person	80,904,164 H Shares (L)	24.05%	25.49%
		6,823,548 Domestic Shares (L)	87.69%	
OAP IV (HK) Limited[5]	Beneficial owner	25,335,535 H Shares (L)	7.53%	7.36%
Lake Bleu Capital (Hong Kong) Limited[6]	Investment Manager	18,052,991 H Shares (L)	5.37%	5.25%
AIHC Master Fund[7]	Beneficial owner	16,817,742 H Shares (L)	5.00%	4.89%
Assicurazioni Generali SpA[8]	Interest in controlled corporations	20,500,000 H Shares (L)	6.09%	5.96%
GL Capital Management GP IV Ltd[8]	Interest in controlled corporations	20,500,000 H Shares (L)	6.09%	5.96%
GL Capital Management Limited[8]	Interest in controlled corporations	20,500,000 H Shares (L)	6.09%	5.96%
GL Partners Capital Management Ltd.[8]	Interest in controlled corporations	20,500,000 H Shares (L)	6.09%	5.96%
Li Zhenfu[8]	Interest in controlled corporations	20,500,000 H Shares (L)	6.09%	5.96%
Futu Trustee Limited	Trustee	18,742,694 H Shares (L)	5.57%	5.45%
	Custodian (other than an exempt custodian interest)	3,803,295[9] H Shares (L)	1.13%	1.11%

Notes:

(1) The calculation is based on the total number of 7,781,257 Domestic Shares in issue and 336,350,744 H Shares in issue as at December 31, 2025. The letter "L" denotes the Shareholder's long position in such shares.

(2) Pursuant to the Concert Parties Agreement I, the Concert Parties agreed to act in concert to control the decision-making and operation management of our Company at Board meetings and Shareholders' meetings with effect from the date of the Concert Party Agreement I. In the event they fail to reach such consensus, each of the Concert Parties shall exercise their respective voting rights in accordance with instructions of Dr. Zhao. Therefore, under the SFO, in addition to their respective direct shareholding or interest in controlled corporations, each Concert Party including among others, Dr. Zhong, WEA, Ms. Wei, Hangzhou Yuyihui, Zhuhai Tongqiao, Hangzhou Fujiang, Zhuhai Guichuang and Hangzhou Guiqiao, is also deemed to be interested in the interest of other Concert Parties.

(3) Dr. Zhong holds 100% of the equity interests in WEA, which holds 11,476,617 H Shares of our Company. Therefore, under the SFO, Dr. Zhong is deemed to be interested in 11,476,617 H Shares of our Company through WEA.

(4) Dr. Li and Ms. Wei are spouses and therefore, under the SFO, Ms. Wei is deemed to be interested in the entitlement of 2,479,427 H Shares of Dr. Li.

(5) OAP IV (HK) Limited ("**OAP**") is wholly-owned by OrbiMed Asia Partners IV, L.P., which was managed by OrbiMed Asia GP IV, L.P., which was in turn managed by OrbiMed Advisors IV Limited, a company jointly controlled by David Guowei Wang, Sunny Sharma, Sven H. Borho, William Carter Neild, Jonathan T. Silverstein and Carl L. Gordon. Therefore, OrbiMed Asia Partners IV, L.P., OrbiMed Asia GP IV, L.P., OrbiMed Advisors IV Limited, David Guowei Wang, Sunny Sharma, Sven H. Borho, William Carter Neild, Jonathan T. Silverstein and Carl L. Gordon are deemed to be interested in the interest of OAP under the SFO.

(6) Lake Bleu Capital (Hong Kong) Limited ("**LBC Capital**") manages both Lake Bleu Prime Healthcare Master Fund Limited ("**Lake Bleu Prime**") and LBC Sunshine Healthcare Fund II L.P. ("**LBC Sunshine**") as a fund manager. LBC Sunshine is an existing Shareholder of the Company and holds 11,353,491 H Shares as at December 31, 2025. Lake Bleu Prime is a cornerstone investor of the Company and subscribed for 3,763,000 H Shares based on the Offer Price of HK$41.25 (being the mid-point of the Offer Price range) in the Global Offering. Lake Bleu Prime holds 6,699,500 H Shares as at December 31, 2025. LBC Capital is controlled by Mr. Bin Li. Therefore, Mr. Bin Li is deemed to be interested in the 18,052,991 H Shares held by LBC Capital under the SFO.

(7) AIHC Master Fund ("**AIHC**") is an existing Shareholder and a cornerstone investor of the Company, and holds 16,817,742 H Shares as at December 31, 2025. AIHC is wholly-owned by AIH Capital Group Limited, which is in turn wholly-owned by Wei Zhang. Therefore, AIH Capital Group Limited and Wei Zhang are deemed to be interested in the 16,817,742 H Shares held by AIHC under the SFO.

(8) 49% equity interest of GL Capital Management GP IV Ltd and 49% equity of GL Capital Management Limited are owned by Lion River I N.V. which in turn are wholly owned by Assicurazioni Generali SpA. 51% equity interest of GL Capital Management GP IV Ltd is owned by GL Partners Capital Management Limited. 70% equity interest of GL Partners Capital Management Limited is owned by GL China Opportunities Carry GP Ltd which in turn is wholly owned by Li Zhenfu.

Therefore, each of GL Capital Management Limited, Assicurazioni Generali SpA, GL Partners Capital Management Ltd. and Li Zhenfu are deemed to be interested in the interest of GL Capital Management GP IV Ltd under the SFO.

(9) Futu Trustee Limited holds 3,803,295 H Shares as the custodian of the vested shares of the employees of the 2021 H Share Award and Trust Scheme.

* *For identification purpose only.*

Save as disclosed above, as at December 31, 2025, no person (other than the Directors, Supervisors and chief executives of the Company) had or was deemed to have any interests or short positions in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SINGLE LARGEST GROUP OF SHAREHOLDERS' INTERESTS IN SIGNIFICANT CONTRACTS

At no time during the Reporting Period had the Company or any of its subsidiaries, and the single largest group of shareholders of the Company entered into any contract of significance or any contract of significance for the provision of services by the single largest group of shareholders to the Company or any of its subsidiaries.

SHARE INCENTIVE SCHEMES

Employee Incentive Schemes

The following is a summary of the principal terms of the Employee Incentive Schemes approved and adopted by our Board on July 15, 2016, February 24, 2017, June 17, 2020, and January 18, 2021 respectively, and as amended from time to time (collectively, the "**EI Schemes**"). Given the underlying shares under the EI Schemes had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the awards under the EI Schemes.

As at December 31, 2025, the Company had established four Employee Incentive Platforms, namely Hangzhou Fujiang, Zhuhai Guichuang, Zhuhai Tongqiao and Hangzhou Guiqiao. The four Employee Incentive Platforms, in aggregate, held 3,637,058 Domestic Shares and 26,733,529 H Shares.

The following is a summary of the principal terms of the EI Schemes.

1. Summary of terms

(a) Objectives

The purpose of the EI Schemes is to build an incentive mechanism for the core employees of our Company, raising the competitiveness of our Company in the labor market. The EI Schemes also serve the purpose of attracting, stabilizing and recruiting future senior management.

(b) Eligibility

Pursuant to the scheme documents and the award agreements, participants of the EI Schemes include our Company's core employees and senior management members. The award agreements further provided that the following employees may not be selected as participants to the EI Schemes (as applicable):

- Employees who are forbidden to hold the position of director, supervisor or senior management pursuant to the PRC Company Law;
- Employees who have been convicted of crime or in violation of administrative law;
- Employees who have received disciplinary actions due to violation of our Company's management policies;
- Employees who have been listed on the discredited list (失信名單); and
- Employees who are otherwise not eligible according to the terms of our Company's Articles of Association or as determined by the Board.

(c) Maximum number of shares in respect of which awards may be granted

The maximum number of shares held by Employee Incentive Platforms from time to time represents the maximum number of shares in respect of which awards may be granted pursuant to the EI Schemes.

Pursuant to the EI Schemes, there is no maximum entitlement for each participant of the EI Schemes.

(d) Grant of Awards

As at December 31, 2025, the general partner of Hangzhou Guiqiao is Dr. Zhao; and the general partner of Zhuhai Guichuang, Zhuhai Tongqiao and Hangzhou Fujiang is Ningbo Nanshan Enterprise Management Partnership (Limited Partnership) (寧波南珊企業管理合夥企業(有限合夥)) ("**Ningbo Nanshan**") and the general partner of Ningbo Nanshan is Dr. Zhao. Thus, in effect, all management powers and voting rights of the Employee Incentive Platforms reside with the general partner, Dr. Zhao.

All selected participants do not have any voting rights in our Company. The selected participants will be granted awards in the form of economic interest in the Employee Incentive Platforms conditional upon certain vesting conditions as specified in each Award Agreement and upon vesting, such selected participants will become a limited partner of the relevant Employee Incentive Platform. Upon becoming the limited partners of the Employee Incentive Platforms, the selected participants indirectly receive economic interest in the corresponding number of underlying shares held by the Employee Incentive Platforms. No consideration is payable by the grantees upon the acceptance of awards under the EI Schemes.

(e) Administration of the EI Schemes

Our Board (or Dr. Zhao, in the case of Hangzhou Guiqiao) retains full discretion over the following matters of the EI Schemes:

- the selection of participants in the EI Schemes, which currently include Directors, core employees and senior management members of our Group; and
- the amount of consideration to be paid for the incentive award in the form of acquisition of economic interest in the Employee Incentive Platforms as a limited partner.

(f) Number of Awarded Shares available for grant

The number of Shares available for grant under the EI Schemes as at January 1, 2025 and December 31, 2025 were 972,798 and 972,798, representing approximately 0.29% and 0.29% of the total issued share capital (excluding Treasury Shares) of our Company respectively.

(g) Duration

The EI Schemes are not subject to any duration.

2. *Details of the awards granted under the EI Schemes*

Movements of the outstanding awards under the EI Schemes during the year ended December 31, 2025 are set out below:

Details of the awards granted under the EI Schemes

Categories of Participants	Relevant Employee Incentive Platforms	Date of grant of Awards	Type of Stock	Number of awarded shares granted but not vested As at Jan 1, 2025	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Vested during the Reporting Period	Number of awarded shares granted but not vested As at December 31, 2025
1. The other two of the five highest paid employees	Hangzhou Guiqiao[1]	March 31, 2023		*138,344*	—	—	—	*138,344*	—
			H	124,510	—	—	—	124,510	—
			Domestic	13,834	—	—	—	13,834	—
2. Other employees	Hangzhou Guiqiao[1]	March 31, 2023		*513,770*	—	—	*24,000*	*489,770*	—
			H	462,393	—	—	21,600	440,793	—
			Domestic	51,377	—	—	2,400	48,977	—

Notes:

(1) For awards granted under Hangzhou Guiqiao on March 31, 2023, subject to the performance targets as stipulated under the grant letter namely, (i) at the Company's level, the targeted revenue for each of the three years ending December 31, 2025 being achieved; and (ii) at the employees' level, the grading of their individual appraisals, 30% of the awards shall vest on December 31, 2023, 30% of the awards shall vest on December 31, 2024 and the remaining 40% of the awards shall vest on December 31, 2025. Such awards had a vesting price of RMB2.13 per share, which was determined based on the net asset value of the Company as at the date of the Series C Financing (as defined in the Prospectus).

(2) In relation to the fair value of the awards granted during the Reporting Period at the date of grant and the accounting standard and policy adopted, please refer to Note 25 to the Consolidated Financial Statements in this report.

(3) For awards vested during the Reporting Period, the weighted average closing price immediately before the dates on which the awards were vested is approximately HK$23.12.

The H Share Scheme

The Board has resolved at a meeting of the Board held on August 30, 2021 to propose the adoption of the H Share Scheme. The H Share Scheme has been approved by the Shareholders at the extraordinary general meeting held on September 23, 2021.

The following is a summary of the principal terms of the H Share Scheme:

1. Summary of terms

(a) Purpose and Objectives of the H Share Scheme

The H Share Scheme is a share award of H Shares and trust scheme established by the Company to award Selected Employees (defined below) and the objectives of the H Share Scheme are:

i. to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company;

ii. to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and

iii. to (a) recognize the contributions of the leadership of the Company including the Directors; (b) attract, encourage, motivate and retain the key personnel of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) provide additional incentive for long standing employee by aligning the interests of such personnel of the Company to those of the Shareholders and the Group as a whole.

(b) Selected Employees of the H Share Scheme

Eligible participants who may participate in the H Share Scheme include any full-time PRC or non-PRC employee of any members of the Group, who is a director, supervisor, senior management, key operating team member, employee, or, a consultant of the Group.

The Board or its delegatee (as delegated pursuant to the rules of the H Share Scheme, the "**Delegatee**") may, from time to time, select any eligible participant to be a selected employee (the "**Selected Employee**") and grant such number of share awards to any Selected Employee at nil consideration and in such number and on such terms and conditions as it may in its absolute discretion determine.

(c) H Share Scheme Limit

Subject to the rules of the H Share Scheme, the maximum number of H Shares that will be acquired by the trustee from time to time shall not be more than 9,972,000 H Shares (the "**H Share Scheme Limit**"), representing approximately 2.97% of the total issued share capital of the Company (excluding Treasury Shares) as at the Latest Practicable Date. The Company shall not make any further grant of award which will result in the aggregate number of H Shares underlying all grants made pursuant to the H Share Scheme (excluding awarded shares that have been forfeited in accordance with the H Share Scheme) exceeding the H Share Scheme Limit without the Shareholders' approval and in compliance with relevant rules and regulations including the Listing Rules.

Save as stated above, the maximum number of awarded shares granted to a Selected Employee under the H Share Scheme shall not exceed 1% of the total issued share capital of the Company from time to time in any 12-month period.

(d) Duration

Unless terminated earlier by the Board pursuant to the rules of the H Share Scheme, the H Share Scheme shall be valid and effective for ten years commencing from the adoption date, i.e. the date on which the H Share Scheme was approved by the Shareholders, being September 23, 2021. Therefore, as at December 31, 2025, the remaining life of the H Share Scheme was approximately five years and eight months.

(e) Grant of Awards

The Board or the Delegatee is entitled to impose any conditions (including a period of continued service within the Group after the grant of award) as it deems appropriate in its absolute discretion with respect to the vesting of the awarded Shares, and shall inform the trustee and such Selected Employee the relevant conditions in the grant notice. Subject to applicable laws and regulations, the Board or the Delegatee shall be at liberty to waive any vesting conditions.

(f) Vesting of the Awarded Shares

Subject to the terms and conditions of the H Share Scheme and the fulfilment of all vesting conditions (if any) to the vesting of the awarded shares on such Selected Employee as specified in the grant notice, the respective awarded shares held by the trustee on behalf of the Selected Employee shall vest in such Selected Employee in accordance with the vesting schedule (if any) as set out in the grant notice, and the trustee shall cause the awarded shares to be transferred to such Selected Employee on the vesting date, or sell the relevant awarded shares as soon as practicable from the vesting date and pay the actual selling price to the Selected Employees within a reasonable time period in satisfaction of the award. The purchase price of the Award is RMB0.

(g) Source of Funds

The source of funds for funding the H Share Scheme is the internal funds of the Company.

2. *Awards Granted*

During the Reporting Period, the trustee has purchased a total number of 6,488,500 H Shares on the market at an average price of HKD20.09, pursuant to the H Share Scheme. As at December 31, 2025, 6,846,131 H Shares had been purchased by the trustee and were held under the H Share Scheme. The share purchase was funded by the Company's own financial resources other than proceeds from the Listing. The Company may instruct the trustee to make further purchases pursuant to the H Share Scheme and may make further announcements on the status of the H Share Scheme, including the number and price of the H Shares purchased, from time to time.

Subject to the rules of the H Share Scheme, the maximum number of H Shares that will be acquired by the trustee from time to time shall not be more than 9,972,000 H Shares. The number of awards available for grant under the H Share Scheme as at January 1, 2025 and December 31, 2025 are 5,127,538 and 1,068,476, respectively.

During the Reporting Period, 4,059,062 awards were granted to 90 selected employees (six of them were Directors or Supervisors of the Company) under the H Share Scheme.

Below sets out the details in relation to the movements during the Reporting Period of the awards granted under the H Share Scheme:

Category of participants	Date of grant	Number of Shares underlying the awards outstanding as at January 1, 2025	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Vested during the Reporting Period	Number of Shares underlying the awards outstanding as at December 31, 2025	Vesting period	Purchase price
1. Director or Supervisor									
Dr. Jonathon Zhong Zhao (趙中)	September 4, 2023	160,000	—	—	—	80,000	80,000	Note (1)	RMB0.0
	January 7, 2025	—	400,000	—	—	100,000	300,000	Note (4)	RMB9.5
Dr. Zheng Li (李崢)	September 4, 2023	160,000	—	—	—	80,000	80,000	Note (1)	RMB0.0
	January 7, 2025	—	200,000	—	—	50,000	150,000	Note (4)	RMB9.5
Mr. Yang Xie (謝陽)	January 7, 2025	—	200,000	—	—	50,000	150,000	Note (4)	RMB9.5
Mr. Tao Liu (劉濤)	January 7, 2025	—	70,000	—	70,000	—	—	Note (4)	RMB9.5
Mr. Chang'an Ma (馬長安)	January 7, 2025	—	25,000	—	—	6,250	18,750	Note (4)	RMB9.5
Ms. Hongbo Wang (王宏波)	January 7, 2025	—	17,000	—	—	4,250	12,750	Note (4)	RMB9.5

Category of participants	Date of grant	Number of Shares underlying the awards outstanding as at January 1, 2025	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Vested during the Reporting Period	Number of Shares underlying the awards outstanding as at December 31, 2025	Vesting period	Purchase price
2. The other two of the five highest paid employees	June 13, 2023	160,000	—	—	—	80,000	80,000	Note (2)	RMB0.0
	March 22, 2024	266,958	—	—	—	133,479	133,479	Note (3)	RMB0.0
	January 7, 2025	—	1,247,062	—	—	788,200	458,862	Note (4)	RMB9.5
3. Other employees	June 13, 2023	68,000	—	—	48,000	10,000	10,000	Note (2)	RMB0.0
	March 22, 2024	90,802	—	—	—	45,401	45,401	Note (3)	RMB0.0
	January 7, 2025	—	1,900,000	—	—	475,000	1,425,000	Note (4)	RMB9.5

Notes:

(1) Subject to the grading of the participants' individual appraisals conducted, the awards shall vest in four batches in the proportions of 30%, 30%, 20% and 20%, respectively on each of the year end date during 2023 to 2026. Save as aforesaid, the awards granted were not subject to any other performance targets.

(2) Subject to the grading of the participants' individual appraisals conducted, the awards shall vest in four batches in the proportions of 30%, 30%, 20% and 20%, respectively on each of the year end date during 2023 to 2026. Save as aforesaid, the awards granted were not subject to any other performance targets.

(3) Subject to the grading of the participants' individual appraisals conducted, the awards shall vest in three batches in the proportions of 60%, 20% and 20%, respectively on each of the year end date during 2024 to 2026. Save as aforesaid, the awards granted were not subject to any other performance targets.

(4) The company-level performance assessment indicators shall be determined by the management of the company. Subject to the grading of the participants' individual appraisals conducted, the awards shall vest in four batches in the proportions of 25%, 25%, 25% and 25%, respectively on each of the year end date during 2025 to 2028.

(5) For the grant on January 7, 2025, the closing price of the underlying H Shares immediately before the date on which the awards were granted was HK$11.04. In relation to the fair value of the awards at the date of grant and the accounting standard and policy adopted, please refer to Note 25 to the Financial Statements in this report.

(6) During the Reporting Period, the weighted average closing price of the H Shares involved in vesting immediately before the date on which the awards were vested was HK$23.12.

2024 Share Award Scheme

The Board has resolved at a meeting of the Board held on November 6, 2024, to propose the adoption of the 2024 Share Award Scheme. The 2024 Share Award Scheme has been approved by the Shareholders at the extraordinary general meeting held on December 19, 2024.

The following is a summary of the principal terms of the 2024 Share Award Scheme:

1. Summary of terms

(a) the purpose of the 2024 Share Award Scheme

The purposes of the 2024 Share Award Scheme are (i) to further enhance the corporate governance structure of the Company; (ii) to establish and improve the incentive and appraisal mechanisms for senior management, mid-level management and other key employees of the Company, retain and attract outstanding talents in management, research and development, operations, marketing, technology, and production, with a view to enhancing the Company's market competitiveness and sustainable development capabilities; and (iii) to ensure the realization of the Company's development strategy and business objectives.

(b) the participants of the 2024 Share Award Scheme

The Eligible Participants for the 2024 Share Award Scheme include Employee Participants, the Related Entity Participants and Service Providers, subject to the terms of the 2024 Share Award Scheme.

(c) the total number of shares available for issue or transfer from Treasury Shares under the 2024 Share Award Scheme

The total number of H Shares available for transfer from Treasury Shares under the 2024 Share Award Scheme is 861,939 H Shares, which represent 0.26% of the total issued shares (excluding Treasury Shares) of the Company as at the Latest Practicable Date.

(d) the maximum entitlement of each participant under the 2024 Share Award Scheme

Where any grant of Awards to a Selected Participant would result in the Treasury Shares transferred or to be transferred (excluding any Awards lapsed in accordance with the terms of the 2024 Share Award Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of relevant class of shares in issue (excluding Treasury Shares), such grant must be separately approved by Shareholders at general meeting with such Selected Participant and his/her close associates (or associates if the Selected Participant is a connected person) abstaining from voting.

Any grant of Awards to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of Awards).

Where any grant of Awards under the 2024 Share Award Scheme to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued and the Treasury Shares transferred or to be transferred in respect of all awards granted (excluding any Awards lapsed in accordance with the terms of the 2024 Share Award Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of the H Shares in issue (excluding Treasury Shares), such grant of Awards must be approved by the Shareholders in general meeting (with such Selected Participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Where any grant of Awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the H Shares issued and to be issued and the Treasury Shares transferred or to be transferred in respect of all awards and options granted (excluding any Awards or options lapsed in accordance with the terms of the Share Award Scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of the H Shares in issue, such further grant of Awards must be approved by the Shareholders in general meeting (with such Selected Participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Any Share underlying an Award which is lapsed (whether voluntarily or involuntarily) in accordance with the terms of the 2024 Share Award Scheme shall not be counted for purposes of calculating the limits under the 2024 Share Award Scheme.

In the event that the Board elects to cancel any Award and grant new one to the same Selected Participant, the grant of such new Award may only be made within the Scheme Mandate Limit or Service Provider Sublimit. The Awards cancelled will be regarded as utilized for the purpose of calculating the limits under the 2024 Share Award Scheme.

(e) the vesting period of Awards granted under the 2024 Share Award Scheme

Subject to the terms of the 2024 Share Award Scheme, the specific terms and conditions applicable to each Award, the vesting period shall be determined by the Board.

The vesting period in respect of any Award normally shall not be less than 12 months from the date of Grant. However, the Board may, in its sole and absolute discretion, determine the vesting period to be less than 12 months for the Awards to be granted to the Employee Participants under the following specific circumstances:

(i) grants of compensatory Awards to a Selected Participant newly joined the Group to replace the share awards lost when such Selected Participant leave his/her previous employer;

(ii) grants of Awards to a Selected Participant whose employment with the Group is terminated due to death or disability or event of force majeure;

(iii) grants of Awards which are subject to the fulfilment of performance targets under the 2024 Share Award Scheme;

(iv) grants of Awards made in batches during a year due to administrative and compliance reasons;

(v) grants of Awards with a mixed or accelerated vesting schedule; or

(vi) grants of Awards with a total vesting and holding period that exceeds 12 months in aggregate.

(f) the amount, if any, payable on application or acceptance of the option or award and the period within which payments or calls must or may be made or loans for such purposes must be repaid

The Selected Participant will not pay any amount on acceptance of the Award and no payments or calls must or may be made or loans for such purposes must be repaid.

(g) the basis of determining the exercise price of options granted or the purchase price of shares awarded, if any

The consideration payable by a Selected Participant to the Company upon the vesting of the Award under the 2024 Share Award Scheme shall be determined at the sole and absolute discretion of the Board with reference to the previous share incentive arrangement of the Pre-IPO Share Option Scheme (i.e. the exercise price of the options granted under the Pre-IPO Share Option Scheme). The Board is of the view that the purchase price of the Award reflects the Company's previous incentive arrangements and corresponds to the Company's recognition of the performance of the Eligible Participants and is in line with the purpose of the 2024 Share Award Scheme.

(h) the remaining life of the 2024 Share Award Scheme

The remaining life of the 2024 Share Award Scheme shall be eight years and nine months.

2. *Award Granted*

As at December 31, 2025, the Company had granted 3,985,067 Awards to 17 grantees under the 2024 Share Award Scheme, including three Directors, one Supervisor, 12 other employees and one service provider of the Company.

Below sets out the details in relation to the movements during the Reporting Period of the Awards granted under the 2024 Share Award Scheme.

Name/Category	Unvested Awards as at January 1, 2025	Date of grant	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Vesting Period	Purchase Price	Awards vested during the Reporting Period	The weighted average closing price of the Shares immediately before the dates on which the Awards were vested	Unvested Awards as at December 31, 2025
Dr. Jonathon Zhong Zhao	1,053,004	December 19, 2024	–	–	–	No later than June 30, 2025	RMB2.1301	1,053,004	HK$20.10	–
Dr. Zheng Li	239,427	December 19, 2024	–	–	–	No later than June 30, 2025	RMB2.1301	239,427	HK$20.10	–
Mr. Yang Xie	167,599	December 19, 2024	–	–	–	No later than June 30, 2025	RMB2.1301	167,599	HK$20.10	–
Ms. Hongbo Wang	71,828	December 19, 2024	–	–	–	No later than June 30, 2025	RMB2.1301	71,828	HK$20.10	–
Employees of the Company	2,203,209	December 19, 2024	–	–	–	No later than June 30, 2025	RMB2.1301	2,203,209	HK$20.10	–
Service Provider	–	July 15,2025[1]	250,000	–	–	No later than July 15, 2026	RMB2.1301	–	–	250,000

Notes:

1. The closing price of the shares immediately before the date on which the Awards were granted was HKD19.98.
2. For the fair value of the Awards at the date of grant, please refer to Note 25 to the Financial Statements in this report.
3. For the accounting standard and policy adopted, please refer to Note 25 to the Financial Statements in this report.
4. The number of Awards available for grant under the scheme mandate at the beginning and end of the year of 2025 are 861,939 and 611,939 respectively and the number of Awards available for grant under service provider sublimit at the beginning and end of the year of 2025 are 861,939 and 611,939, respectively.
5. The number of shares that may be issued or transferred from the Treasury Shares in respect of the awards under all schemes of the issuer during the year of 2025 divided by the weighted average number of shares of the relevant class in issue (excluding Treasury Shares) for the year of 2025 is 5.89%.
6. Performance targets include (i) the financial results of the Company and/or the Group; (ii) executed material contracts of the Company and/or the Group; (iii) the achievement of key milestones in the Company and/or the Group's business or product development; and (iv) year-end performance of the grantees under the Grant based on the appraisal conducted by the Company.

2025 Share Incentive Scheme

The Board has resolved the meeting of the Board held on August 19, 2025, to propose the adoption of the 2025 Share Incentive Scheme. The 2025 Share Incentive Scheme has been approved by the Shareholders at the extraordinary general meeting held on October 24, 2025.

The following is a summary of the principal terms of the 2025 Share Incentive Scheme:

1. Summary of terms

(a) Purpose:

The purposes of the 2025 Share Incentive Scheme are (i) to ensure the realization of the Company's long-term business objectives and development strategy; (ii) to establish and improve the incentive and appraisal mechanisms for senior management, mid-level management and other key employees of the Company, retain and attract outstanding talents with a view to enhancing the Company's market competitiveness and sustainable development capabilities; and (iii) to further enhance the corporate governance structure of the Company.

(b) the participants of the 2025 Share Incentive Scheme

The Eligible Participants for the 2025 Share Incentive Scheme include employee participants, the related entity participants and service providers, subject to the terms of the 2025 Share Incentive Scheme.

(c) the total number of shares available for issue or transfer from Treasury Shares under the 2025 Share Incentive Scheme

The total number of H Shares available for issue or transfer from Treasury Shares under the 2025 Share Incentive Scheme is 17,816,648 H Shares, which represent 5.30% of the total issued shares (excluding Treasury Shares) of the Company as at the Latest Practicable Date.

(d) the maximum entitlement of each participant under the 2025 Share Incentive Scheme

Where any grant of awards to a selected participant would result in the new h shares issued or to be issued in respect of all options and awards granted to such person (excluding any awards lapsed in accordance with the terms of the 2025 Share Incentive Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of relevant class of shares in issue (excluding treasury shares), such grant must be separately approved by shareholders at general meeting with such selected participant and his/her close associates (or associates if the selected participant is a connected person) abstaining from voting.

Any grant of awards to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of awards).

Where any grant of RSUs under the 2025 Share Incentive Scheme to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the 2025 Share Incentive Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of the Shares in issue (excluding Treasury Shares), such grant of awards must be approved by Shareholders in general meeting (with such selected participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Where any grant of awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the H Shares issued and to be issued and the Treasury Shares transferred or to be transferred in respect of all awards and options granted (excluding any awards lapsed in accordance with the terms of the 2025 Share Incentive Scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of the Shares in issue, such further grant of awards must be approved by the Shareholders in general meeting (with such selected participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Any Share underlying an Award which is lapsed (whether voluntarily or involuntarily) in accordance with the terms of the 2025 Share Incentive Scheme shall not be counted for purposes of calculating the 2025 Scheme Mandate Limit.

In the event that the Board elects to cancel any Award and grant new one to the same selected participant, the grant of such new awards may only be made within the available 2025 Share Incentive Scheme Limit and available Service Provider Sublimit. The Service Provider Sublimit forms part of the 2025 Share Incentive Scheme Limit. The awards cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

(e) the vesting period of awards granted under the 2025 Share Incentive Scheme

Subject to the terms of the 2025 Share Incentive Scheme, the specific terms and conditions applicable to each Award, the vesting period shall be determined by the Board.

The vesting period in respect of any Award normally shall not be less than 12 months from the date of grant. However, the Board may, in its sole and absolute discretion, determine the vesting period to be less than 12 months for the awards to be granted to the Employee Participants under the following specific circumstances:

(i) grants of compensatory awards to a selected participant newly joined the Group to replace the share awards lost when such selected participant leave his/her previous employer;

(ii) grants of awards to a selected participant whose employment with the Group is terminated due to death or disability or event of force majeure;

(iii) grants of awards which are subject to the fulfilment of performance targets under the 2025 Share Incentive Scheme;

(iv) grants of awards made in batches during a year due to administrative and compliance reasons;

(v) grants of awards with a mixed or accelerated vesting schedule; or

(vi) grants of awards with a total vesting and holding period that exceeds 12 months in aggregate.

(f) the amount, if any, payable on application or acceptance of the option or award and the period within which payments or calls must or may be made or loans for such purposes must be repaid

The selected participant will not pay any amount on acceptance of the award and no payments or calls must or may be made or loans for such purposes must be repaid.

(g) the basis of determining the exercise price of options granted or the purchase price of shares awarded, if any

The consideration payable by a selected participant to the Company upon the vesting of the RSUs under the 2025 Share Incentive Scheme shall be determined at the sole and absolute discretion of the Board and/or Administrative Committee with reference to the current closing price of H shares, the purpose of the 2025 Share Incentive Scheme, and the characteristics of the relevant selected participants. The Board is of the view that the purchase price of the RSUs reflects the Company's incentive arrangement which corresponds to the Company's recognition of the performance of the Eligible Participants and is in line with the purpose of the 2025 Share Incentive Scheme.

The consideration payable by a selected participant upon the exercising of the Options under the 2025 Share Incentive Scheme shall be determined by the Board and/or Administrative Committee at its absolute discretion, provided that it shall not be less than the highest of (i) the closing price of the H Shares as shown in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a Business Day; and (ii) the average of the closing prices of the H Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) business days immediately preceding the date of grant. The Board is of the view that the Exercise Price is in consistency with the Listing Rules and reflects the Company's corresponds to the Company's recognition of the performance of the Eligible Participants and is in line with the purpose of the 2025 Share Incentive Scheme.

(h) the remaining life of the 2025 Share Incentive Scheme

The remaining life of the 2025 Share Incentive Scheme shall be nine years and seven months.

2. *Award Granted*

As at December 31, 2025, the Company had granted 13,950,000 awards to 44 grantees under the 2025 Share Incentive Scheme, including three Directors, two Supervisors and 39 other employees of the Company.

Below sets out the details in relation to the movements during the Reporting Period of the awards granted under the 2025 Share Incentive Scheme.

Name/Category	Unvested Awards as at January 1, 2025	Date of grant	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Vesting Period	Purchase Price	Awards vested during the Reporting Period	The weighted average closing price of the Shares immediately before the dates on which the Awards were vested	Unvested awards as at December 31, 2025
Dr. Jonathon Zhong Zhao	–	October 24, 2025	3,600,000	–	–	Note(1)	HK$20.00	–	N/A	3,600,000
Dr. Zheng Li	–	October 24, 2025	1,800,000	–	–	Note(1)	HK$20.00	–	N/A	1,800,000
Mr. Yang Xie	–	October 24, 2025	1,800,000	–	–	Note(1)	HK$20.00	–	N/A	1,800,000
Ms. Hongbo Wang	–	October 24, 2025	30,000	–	–	Note(1)	HK$20.00	–	N/A	30,000
Mr. Chang'an Ma	–	October 24, 2025	40,000	–	–	Note(1)	HK$20.00	–	N/A	40,000
Employees of the Company	–	October 24, 2025	6,680,000	–	–	Note(1)	HK$20.00	–	N/A	6,680,000

Notes:

1. The RSUs will be vested in three tranches: (i) 30% of the RSUs will be vested on or after March 31, 2026; (ii) 30% of the RSUs will be vested on or after March 31, 2027; (iii) 40% of the RSUs will be vested on or after March 31, 2028.

2. The closing price of the shares immediately before the date on which the awards were granted was HKD23.60.

3. For the fair value of the awards at the date of grant, please refer to Note 25 to the Financial Statements in this report.

4. For the accounting standard and policy adopted, please refer to Note 25 to the Financial Statements in this report.

5. The number of awards available for grant under the scheme mandate at the beginning and end of the year of 2025 are nil and 17,816,648, respectively and the number of awards available for grant under service provider sublimit at the beginning and end of the year of 2025 are nil and 3,237,858, respectively.

6. The number of shares that may be issued or transferred from the Treasury Shares in respect of the awards under all schemes of the issuer during the year of 2025 divided by the weighted average number of shares of the relevant class in issue (excluding Treasury Shares) for the year of 2025 is 5.89%.

7. Performance targets include (i) the financial results of the Company and/or the Group; (ii) executed material contracts of the Company and/or the Group; (iii) the achievement of key milestones in the Company and/or the Group's business or product development; and (iv) performance appraisal of the selected participants. A description of the relevant performance targets (if any) will be included in the announcement of the grant of awards in accordance with the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the Reporting Period are set out in Note 33 to the Consolidated Financial Statements contained herein.

For the year ended December 31, 2025, none of the related party transactions disclosed in Note 33 to the Consolidated Financial Statements constitute any non-exempt connected transactions or continuing connected transactions which should be disclosed pursuant to Chapter 14A of the Listing Rules.

For the year ended December 31, 2025, we have not entered into any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules.

RETIREMENT BENEFITS SCHEME

The employees of the Group's subsidiaries in the PRC are required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to this retirement benefits schemes is to make the specified contributions.

Details of the pension obligations of the Company are set out in Notes 8 and 39.14 to the Consolidated Financial Statements in this report. During the Reporting Period, no forfeited contributions had been used by the Group to reduce the existing level of contributions.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Reporting Period are set out in Note 23 to the Consolidated Financial Statements in this report.

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company's distributable reserves amounted to RMB242.17 million (2024: RMB65.3 million).

USE OF PROCEEDS FROM IPO AND OVER-ALLOTMENT OPTION

The net proceeds from IPO amounted to approximately HK$2,477.4 million (equivalent to RMB2,063.6 million); and on July 28, 2021, the Company also received net proceeds of approximately HK$347.3 million (equivalent to RMB289.7 million) from the full exercise of the Over-allotment Option (collectively, the "**Net Proceeds**"). The Net Proceeds amounts were arrived at after deducting the underwriting commissions payable by us in connection with the Global Offering.

The Company expects to utilize the Net Proceeds in accordance with the intended use and expected timeline previously disclosed in the Prospectus. For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As at the end of the Reporting Period, the Group has used the Net Proceeds as follows:

Intended use of Net Proceeds	Allocation of Net Proceeds *RMB in million*	Percentage of total Net Proceeds	Net Proceeds unutilized as at January 1, 2025 *RMB in million*	Net Proceeds utilized during the Reporting Period *RMB in million*	Net Proceeds unutilized as at the end of the Reporting Period *RMB in million*	Expected time of full utilization
(1) Ongoing research and development, production and commercialization of our Core Products, namely Thrombite CRD and Ultrafree DCB	870.7	37%	—	—	—	Fully used
(2) Ongoing research and development, production and commercialization of our other five major products, namely our neurovascular embolization coil, flow diverter, retrievable inferior vena cava filter, peripheral venous stent system and suture-mediated closure	258.9	11%	—	—	—	Fully used
(3) Other 38 products and pipeline candidates in order to develop our product portfolio to provide total solution	941.3	40%	105.5	105.5	—	Fully used
(4) Further upgrade our research and development facility, including software and hardware infrastructures in both Hangzhou and Zhuhai, and planned office expansion and upgrade in Zhuhai	70.6	3%	—	—	—	Fully used
(5) Potential strategic acquisition, investments, in-licensing or collaborations	94.1	4%	12.8	—	12.8	By the end of year 2026
(6) Working capital and general corporate purposes	117.7	5%	—	—	—	Fully used
Total	2,353.3	100%	118.3	105.5	12.8	

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company had maintained the prescribed public float under the Listing Rules during the Reporting Period and as at the Latest Practicable Date.

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

Pursuant to a special resolution passed by the Shareholders at the annual general meeting of the Company convened and held on June 6, 2024, the Directors were granted a general mandate to exercise the power to repurchase up to 32,461,974 H Shares, representing 10% of the total number of H Shares in issue as at June 6, 2024 (the "**Repurchase Mandate I**"). During the Reporting Period, pursuant to the Repurchase Mandate I, the Company bought back an aggregate of 2,462,000 H Shares on the Stock Exchange (the "**Repurchased Shares I**") at a total consideration of HK$39,409,195, exclusive of commissions and other expenses.

Pursuant to a special resolution passed by the Shareholders at the annual general meeting of the Company convened and held on May 30, 2025, the Directors were granted a general mandate to exercise the power to repurchase up to 31,958,111 H Shares, representing 10% of the total number of H Shares in issue (excluding any Treasury Shares) as at May 30, 2025 (the "**Repurchase Mandate II**"). During the Reporting Period, pursuant to the Repurchase Mandate II, the Company bought back an aggregate of 4,026,500 H Shares on the Stock Exchange (the "**Repurchased Shares II**") at a total consideration of HK$90,935,615, exclusive of commissions and other expenses.

Details of the repurchased H Shares during the Reporting Period (the "**Repurchased Shares**") are as follows:

Month of buy-back	Number of Share bought back	Consideration per Share Highest price paid *HK$*	Lowest price paid *HK$*	Total consideration paid for the buy-back *(approx.) HK$*	Status of the Repurchased Shares
January 2025	600,000	11.70	10.66	6,669,870	Held as Treasury Shares
April 2025	974,000	19.16	13.90	15,774,750	Held as Treasury Shares
May 2025	968,000	20.30	18.08	18,477,115	Held as Treasury Shares
June 2025	852,500	20.80	18.22	16,435,295	Held as Treasury Shares
July 2025	520,000	21.40	19.36	10,505,830	Held as Treasury Shares
August 2025	400,000	24.24	22.02	9,284,740	Held as Treasury Shares
September 2025	977,000	26.36	22.80	24,200,180	Held as Treasury Shares
October 2025	947,000	25.46	23.18	23,093,750	Held as Treasury Shares
November 2025	250,000	24.16	22.80	5,903,280	Held as Treasury Shares
Total	6,488,500	/	/	130,344,810	/

The Board believes that the share repurchases demonstrate the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the Shareholders.

On May 23, 2025, 3,675,369 treasury shares were transferred as award shares to certain grantees pursuant to the terms of the share award scheme adopted on December 19, 2024. For details, please refer to the announcement regarding the grant of awards pursuant to the Share Award Scheme dated December 19, 2024 and the next day disclosure return dated May 23, 2025 of the Company.

As at the end of the Reporting Period, the balance of the issued shares of the Company was 336,350,744 H Shares (including 6,846,131 H Shares held as treasury shares) and 7,781,257 Domestic Shares. The Company intended to use such treasury shares in accordance with the applicable rules and regulations, including but not limited to resale for cash, transfer to satisfy share grants and cancellations under its share schemes.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the PRC which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

TAX RELIEF AND EXEMPTION

The holders of H Shares of the Company shall pay relevant tax and/or enjoy tax relief and exemption in accordance with the following provisions:

According to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得税法》) and its implementation rules, dividends paid to individuals by PRC companies are generally subject to an individual income tax levied at a flat rate of 20%. For an individual who has no domicile in the PRC and is not resident in the territory of the PRC or who has no domicile in the PRC and has been resident in the territory of the PRC for less than 183 days cumulatively within a tax year, his/her receipt of dividends from a PRC company is normally subject to a PRC withholding tax of 20% unless specifically exempted or reduced by an applicable tax treaty and other tax laws and regulations.

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Holders of H Shares who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%. A non-PRC resident enterprise which is entitled to a preferential tax rate under an applicable tax treaty or arrangement may, directly or through its agent, apply to the competent tax authorities for a refund of the excess amount of tax withheld.

RELATIONSHIPS WITH THE GROUP'S CUSTOMERS AND SUPPLIERS

The Group values long standing relationships with its suppliers and customers. The Group aims at delivering high quality products to its customers and developing mutual trust and enhancing communication and commitment between the Group and its suppliers to maintain sustainable growth.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, our customers are primarily distributors in China and overseas who purchase our products and sell them directly or indirectly to hospitals. The revenue attributable to the Group's five largest customers and the largest customer accounted for 95.6% and 46.4%, respectively, of the Group's total revenue for the Reporting Period. As at the date of this report, the cooperation term of the Group and five largest customers ranged from 0.5 years to 5 years, and the cooperation term with the largest customer was 5 years. The Group did not grant any credit terms to the top five customers during the year ended December 31, 2025.

During the Reporting Period, our suppliers mainly comprised of clinical trial service providers, equipment providers, raw material supplier and manufacturing facilities construction suppliers. Purchases attributable to the Group's five largest suppliers and the largest supplier accounted for 20.9% and 8.4%, respectively, of the Group's total purchases for the Reporting Period.

None of the Directors or any of their close associates (as defined in the Listing Rules) or any shareholders of the Company (whom, to the best knowledge and belief of the Directors, own more than 5% of the Company's total issued share capital) had any beneficial interest in the Group's five largest suppliers and customers for the Reporting Period.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has compliance policies and procedures in place to ensure adherence to applicable laws, rules and regulations, in particular, those that have a significant impact on it. The Group would seek professional legal advice from its legal advisers to ensure that transactions and business to be performed by the Group are in compliance with the applicable laws and regulations. During the Reporting Period, the Group had complied with the laws, regulations and regulatory requirements of the places where the Group operates in all material respects, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the CG Code for, among other things, the disclosure of information and corporate governance. During the Reporting Period, none of the Group and the Directors, Supervisors and senior management of the Company were subject to any investigation initiated or administrative penalties imposed by the CSRC, banned from entering the market, identified as inappropriate candidates, publicly condemned by stock exchanges, subject to mandatory measures, transferred to judicial organs or held criminally responsible, and none were involved in any other litigation, arbitration or administrative proceedings which would have a material adverse impact on our business, financial condition or results of operations. Please refer to the section headed "Regulatory Overview" in the Prospectus for more details regarding the relevant laws and regulations which have a significant impact on our business operation.

RELATIONSHIPS WITH THE GROUP'S EMPLOYEES

The Group believes that employees are important and valuable assets. The Group will provide trainings for employees to enhance their knowledge in corporate values and culture and to implement them thoroughly. Meanwhile, the Group encourages staff on continued studies by giving subsidy to recognized development courses. The Group also aims to provide competitive and attractive remuneration packages to retain its employees. The management reviews annually the remuneration package offered to the employees of the Group. Meanwhile, for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations, the Company has adopted the EI Schemes, H Share Scheme, 2024 Share Award Scheme and 2025 Share Incentive Scheme. Details of such schemes are set out in the sub-sections headed "Share Incentive Schemes" in this report.

CHARITABLE DONATIONS

During the Reporting Period, the Company made charitable donations of RMB38.6 million.

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this report.

EQUITY-LINKED AGREEMENT

Save as disclosed in this report, no equity-linked agreement was entered into by the Company at any time during or subsisted at the end of the year ended December 31, 2025.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Ms. Yun Qiu, Dr. Xiang Qian and Dr. Jian Ji. The chairlady of the Audit Committee is Ms. Yun Qiu who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the audited Consolidated Financial Statements for the year ended December 31, 2025 with the management and the auditor of the Company. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

INDEPENDENT AUDITOR

The Consolidated Financial Statements for the Reporting Period have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting. As at the Latest Practicable Date, the Audit Committee and the Board had not yet resolved a resolution for the re-appointment of PricewaterhouseCoopers as the independent external auditor for the ensuing year. If renewal is proposed, a separate Board meeting will be convened; if the Board decides to proceed, it will be put to the forthcoming AGM for Shareholders' approval.

During the three years ended December 31, 2025, the auditors of the Company have not changed.

I. MEETINGS OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD

During the Reporting Period, the Supervisory Committee convened a total of three meetings in accordance with relevant laws and regulations and the Articles of Association with respect to notices, convening meeting procedures, voting methods, content of resolutions and other aspects. The details are as follows:

No.	Sessions	Time
1.	The 4th Meeting of the Second Session of the Supervisory Committee	March 19, 2025
2.	The 5th Meeting of the Second Session of the Supervisory Committee	April 24, 2025
3.	The 6th Meeting of the Second Session of the Supervisory Committee	August 18, 2025

(I) On March 19, 2025, the Company convened the 4th meeting of the Second Session of the Supervisory Committee, at which a total of four resolutions were considered and approved, namely, "the Resolution Regarding the Draft of the Audited Consolidated Financial Statements of the Company and its Subsidiaries for the Year Ended December 31, 2024", "the Resolution Regarding the Draft of the Results Announcement of the Company and its Subsidiaries for the Year Ended December 31, 2024", "the Resolution Regarding the Draft of the Annual Report of the Company and its Subsidiaries for the Year Ended December 31, 2024", and "the Resolution Regarding the Company's 2024 Work Report of the Supervisory Committee".

(II) On April 24, 2025, the Company convened the 5th meeting of the Second Session of the Supervisory Committee, at which a total of two resolutions were considered and approved, namely, "the Resolution Regarding the Re-appointment of PricewaterhouseCoopers as the External Auditors of the Company for 2025, and Authorized the Board to Determine their Remunerations", and "the Resolution Regarding the Authorization of the Supervisory Committee to Determine Supervisors' Remunerations".

(III) On August 18, 2025, the Company convened the 6th meeting of the Second Session of the Supervisory Committee, at which a total of four resolutions were considered and approved, namely, "the Resolution Regarding the Draft of the Unaudited Consolidated Financial Statements of the Company for the Six Months Ended June 30, 2025", "the Resolution Regarding the Reviewed Financial Statements and Financial Report of the Company for the Six Months Ended June 30, 2025", "the Resolution Regarding the Draft of the Interim Results Announcement of the Company for the Six Months Ended June 30, 2025", and "the Resolution Regarding the Draft of the Interim Report of the Company for the Six Months Ended June 30, 2025".

II. THE SUPERVISORY COMMITTEE'S SUPERVISION AND OPINIONS ON SIGNIFICANT MATTERS

1. The Company's Operations in Compliance with Laws

During the Reporting Period, the Supervisory Committee effectively supervised the convening meeting procedures, resolutions, decision-making procedures of the Board meetings and general meetings, the implementation of the resolutions proposed at the general meetings by the Board, the performance of duties by the Directors and senior management of the Company, the internal control system of the Company and its legal compliance, the truthfulness, accuracy, completeness and timeliness of the disclosure of relevant information of announcements. The Supervisory Committee also continuously supervised the implementation of major decisions of the Company and the daily performance of duties as well as adequate due diligence of Directors and senior management. Both general meetings and the Board meetings of the Company exercised their powers and performed duties in strict accordance with relevant laws and regulations in the PRC and the Articles of Association, and the decision-making procedures regarding convening, holding, voting and resolutions of the meetings were in compliance with relevant laws and regulations. The Directors and senior management of the Company were able to perform their duties with diligence and commitment in a timely manner. No violation of laws, regulations and the Articles of Association, nor any abuse of power, damage to the interests of Shareholders or damage to the interests of the Company had been found.

2. Financial Condition of the Company

During the Reporting Period, the Supervisory Committee inspected and supervised the Company's financial condition in accordance with laws, and considered that the Company established a sound financial system with standardized financial department and good financial condition. No situation detrimental to the interests of the Company and its Shareholders was identified.

The preparation and consideration procedures of the Company's 2025 annual financial report complied with relevant laws and regulations and the Articles of Association. The 2025 annual financial report objectively, truly and accurately reflected the financial condition and operating results of the Company. PricewaterhouseCoopers issued an unqualified audit report of the Company for the year 2025.

3. Implementation of Resolutions at the Company's Shareholders' Meetings

During the Reporting Period, the Supervisory Committee supervised the implementation of the resolutions proposed at the general meetings. The Board diligently executed and completed the resolutions approved at the general meetings in strict accordance with the resolutions proposed at and authorizations granted by the general meetings, and no behavior was found to be detrimental to the interests of Shareholders.

4. Related Party Transactions of the Company

During the Reporting Period, the Company had no related party transactions that required continuous attention.

5. Supervision of Directors and Senior Management in Performance of Duties

During the Reporting Period, the Supervisory Committee continuously supervised the daily performance of duties and adequate due diligence of the Directors and senior management. During the year, the Directors and senior management demonstrated diligence and operated businesses in accordance with laws. No Directors or senior management exploited their positions to seek personal benefits, and no irregularities were found in the performance of their duties. The Directors and senior management have been honest and law-abiding, ensuring the achievement of the Company's objectives and the normal operations of all work.

III. MAJOR TASKS IN 2026

In 2026, the Supervisory Committee will continue to carry out its duties diligently, using standardized and effective approaches. It will aim to strive to achieve further results in promoting the construction of the corporate governance system as well as innovating and improving the internal supervision mechanism. With an emphasis on risk management, compliance management, and internal control development, the Supervisory Committee will continue to strengthen the supervision of the rectification of internal control defects as well as the inspection and assessment of the effectiveness of risk management, enhance the accountability for major risks, promote the Company to further improve the level of risk management, while effectively safeguard the legitimate rights and interests of all investors of the Company.

The Board hereby presents to the Shareholders the corporate governance report of the Group for the year ended December 31, 2025 (the "**Corporate Governance Report**").

CORPORATE GOVERNANCE CULTURE

The Company firmly believes that a sound corporate culture is crucial to the long-term development of the Company's business. The Board is committed to achieving sustainable enhancement of corporate value through high standards of corporate governance and ensuring the stable and healthy development of the Company, thereby safeguarding the long-term interests of all shareholders.

The core values of the Company are integrity, pragmatism, pursuit of excellence and win-win cooperation. The Company is committed to building a total solution treatment platform for vascular diseases, providing all patients with high quality and affordable medical products to enable all patients, regardless of race, age or affluence, to enjoy the happiness and well-being brought by the Company's products.

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in the CG Code as contained in Appendix C1 to the Listing Rules as its own code of corporate governance practices.

The Board is of the view that during the Reporting Period, the Company has applied the principles of good corporate governance and complied with all the applicable code provisions set out in Part 2 of the then applicable CG Code, except for the code provision C.2.1 described in the paragraph headed "BOARD OF DIRECTORS — Chairman and Chief Executive Officer". The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintain a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 as its code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities. Specific enquiries have been made to all Directors and Supervisors and the Directors and the Supervisors have confirmed that they have complied with the Model Code throughout the Reporting Period.

No incident of non-compliance of the Model Code by the employees was noted by the Company for the Reporting Period.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interest of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

At the end of the Reporting Period, the Board comprised eight Directors, consisting of three executive Directors, two non-executive Directors and three independent non-executive Directors as follows:

Executive Directors

Dr. Jonathon Zhong Zhao *(Chairman)*
Mr. Yang Xie
Dr. Zheng Li

Non-executive Directors

Mr. Dongfang Li
Dr. Steven Dasong Wang
Mr. Stephen Hui Wang (Resigned on March 31, 2025)

Independent Non-executive Directors

Dr. Jian Ji
Ms. Yun Qiu
Dr. Xiang Qian

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. Jonathon Zhong Zhao currently performs these two roles. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Jonathon Zhong Zhao is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our chief executive officer. The Board also believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Independent Non-executive Directors

During the Reporting Period and up to the Latest Practicable Date, the Board at all times fulfilled the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing one-third of the board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company confirms that it considers all independent non-executive Directors are independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

The Board has also established mechanisms to ensure independent views are available to the Board, including providing the Board with sufficient resources to perform its duties and shall seek, at the Company's expense, independent professional advice to perform its responsibilities if necessary.

The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgment. All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting. The Board has conducted annual review and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the Reporting Period.

Appointment and Re-election of Directors

The Directors (including non-executive Directors) are appointed for a specific term of three years and are eligible for re-election upon expiry of their term of office in accordance with the Articles of Association.

Responsibilities of the Directors

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgment on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense, for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expense.

During the Reporting Period, all Directors namely, Dr. Jonathon Zhong Zhao, Mr. Yang Xie, Dr. Zheng Li, Mr. Stephen Hui Wang (resigned on March 31, 2025), Mr. Dongfang Li, Dr. Steven Dasong Wang, Dr. Jian Ji, Ms. Yun Qiu and Dr. Xiang Qian, have complied with the code provision C.1.4 of the CG Code and participated in continuous professional development including attending training relating to the Group's businesses, Listing Rules, legal and regulatory requirements and corporate governance practices, and reading relevant materials to keep themselves abreast of regulatory developments and changes, to develop and refresh their knowledge and skills. In addition, relevant reading materials including legal and regulatory updates have been provided to the Directors for their reference and study.

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors for the Reporting Period is summarized as follows:

Directors	Training[Note]
Executive Directors	
Dr. Jonathon Zhong Zhao *(Chairman)*	✓
Mr. Yang Xie	✓
Dr. Zheng Li	✓
Non-executive Directors	
Mr. Dongfang Li	✓
Dr. Steven Dasong Wang	✓
Mr. Stephen Hui Wang (Resigned on March 31, 2025)	✓
Independent Non-executive Directors	
Dr. Jian Ji	✓
Ms. Yun Qiu	✓
Dr. Xiang Qian	✓

Note:

During the Reporting Period, our Company arranged trainings for the Directors related to update and changes in regulatory requirements, business and market environment in a variety of ways from time to time.

Board Diversity Policy

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors when selecting the candidates for our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

As at the Latest Practicable Date, we have seven male Directors and one female Director. The Board considers that the Company has achieved gender diversity at the Board level and targets to maintain at least the current level of female representation. In recognizing the particular importance of gender diversity so as to further improve our gender diversity at the Board level and workforce, we will endeavor to ensure there is gender diversity when recruiting staff at a mid to senior level so that we will have a pipeline of female employees (including senior management) and potential successors to our Board and engage more resources in training female staff who have extensive and relevant experience in our business, with the aim of promoting them to the senior management or directorship of our Group.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience in healthcare and biotechnology. They obtained degrees in various majors including science, engineering and finance. We have three independent non-executive Directors with different industry backgrounds, representing more than one third of the members of our Board. Furthermore, our Board has a diverse age and gender representation. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our Board Diversity Policy.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

(A) at least one of the members of the Board shall be female;

(B) at least three of the members of the Board shall be non-executive Directors or independent non-executive Directors;

(C) at least one-third of the members of the Board shall be independent non-executive Directors; and

(D) at least one of the members of the Board shall have obtained accounting or other professional qualifications.

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members and will review the Board Diversity Policy from time to time to ensure its continued effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. As at December 31, 2025, the Company has achieved a 40.1%:59.9% ratio of females to males in the workforce (including senior management) and the Board considers that gender diversity across the workforce has been achieved. The Company will continue to encourage diversity at workforce level and it has put in place appropriate recruitment and selection practices such that a diverse range of candidates with different age, gender and experiences are considered. The Group has also established talent management and training programs to provide career development guidance and promotion opportunities to develop a broad and diverse pool of skilled and experienced employees.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the CG Code, our Company has formed three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Ms. Yun Qiu, Dr. Jian Ji and Dr. Xiang Qian. Ms. Yun Qiu, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairlady of the Audit Committee.

The terms of reference of the Audit Committee are in compliance with those set out in the CG Code and the relevant laws and regulations of the PRC.

The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- examining the financial information of our Company and reviewing financial reports and statements of our Company;
- examining the financial reporting system, the risk management and internal control system of our Company, overseeing their rationality, efficiency and implementation and making recommendations to our Board; and
- dealing with other matters that are authorized by the Board.

The Audit Committee held three meetings during the Reporting Period to review the annual results and annual report for the year ended December 31, 2024, the interim results and interim report for the six months ended June 30, 2025, the risk management and internal control system and the effectiveness of the Company's internal audit function, etc.

The attendance records of the Audit Committee are set out under "Attendance Record of Directors and Committee Members".

Remuneration Committee

The Remuneration Committee consists of three Directors, namely Dr. Jian Ji, Mr. Dongfang Li and Dr. Xiang Qian. Dr. Jian Ji serves as the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are in compliance with those set out in the CG Code and the relevant laws and regulations of the PRC.

The primary duties of the Remuneration Committee include, but not limited to, the following:

- advising our Board on the overall remuneration plan and structure of Directors, Supervisors and senior management and the establishment of transparent formal procedures for determining remuneration policy of our Company;
- examining the criteria of performance evaluation of Directors, Supervisors and the senior management of our Company, conducting performance evaluation and making recommendations to our Board;
- formulating individual remuneration plans for Directors, Supervisors and members of the senior management in accordance with the terms of reference of the importance of their positions, the time they spend on such positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies;
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
- dealing with other matters that are authorized by the Board, and if necessary, engaging external experts to provide relevant independent services.

The Remuneration Committee held three meetings during the Reporting Period to review the remuneration policy and structure of the Company, determine and approve the remuneration packages of all Directors, Supervisors and members of the senior management, and the grant of share options/awards (as the case may be) pursuant to the EI Schemes, the H Share Scheme, 2025 Share Incentive Scheme during the Reporting Period.

The attendance records of the Remuneration Committee are set out under "Attendance Record of Directors and Committee Members".

Details of the remuneration of the senior management by band for the year ended December 31, 2025 are set out below:

Remuneration by band (in HKD)	**Year ended December 31, 2025 *(Number of person(s))***	Year ended December 31, 2024 *(Number of person(s))*
HK$5,000,001 - HK$5,500,000	**—**	1
HK$6,000,001 - HK$6,500,000	**—**	1
HK$6,500,001 - HK$7,000,000	**—**	1
HK$7,000,001 - HK$7,500,000	**1**	—
HK$8,500,001 - HK$9,000,000	**1**	
HK$13,000,001 - HK$13,500,000	**1**	—
HK$14,500,001 - HK$15,000,000	**1**	1
	4	4

Nomination Committee

The Nomination Committee consists of three Directors, namely Dr. Jonathon Zhong Zhao, Ms. Yun Qiu and Dr. Jian Ji. Dr. Jonathon Zhong Zhao serves as the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are in compliance with those set out in the CG Code and the relevant laws and regulations of the PRC.

The primary duties of the Nomination Committee include, but not limited to, the following:

- conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management;
- overseeing the implementation of Board Diversity Policy; taking into account various factors when determining the composition of our Board, including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service tenure;
- examining the size and composition of our Board and its members in respect of their skills, knowledge, experience and diversity at least once every year, and making recommendations to our Board on any change in Board composition in accordance with our Company's strategies;
- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board; and
- dealing with other matters that are authorized by our Board.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence, time commitment and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the Reporting Period, the Nomination Committee held one meeting to review the structure, size, composition of the Board with reference to the Board Diversity Policy and nomination policy and to review the overall contribution and service to the Company and independence of the Directors.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties set out in the code provision A.2.1 of the CG Code.

During the Reporting Period, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director during their tenure of office at the Board and Board Committees meetings held during the Reporting Period is set out in the table below:

	Attendance/Number of Meetings			
	Board Meeting(s)	Audit Committee Meeting(s)	Remuneration Committee Meeting(s)	Nomination Committee Meeting(s)
Dr. Jonathon Zhong Zhao	5/5	N/A	N/A	1/1
Mr. Yang Xie	5/5	N/A	N/A	N/A
Dr. Zheng Li	5/5	N/A	N/A	N/A
Mr. Stephen Hui Wang (resigned on March 31, 2025)	1/1	N/A	N/A	N/A
Mr. Dongfang Li	5/5	N/A	3/3	N/A
Dr. Steven Dasong Wang	5/5	N/A	N/A	N/A
Ms. Yun Qiu	5/5	3/3	N/A	1/1
Dr. Jian Ji	5/5	3/3	3/3	1/1
Dr. Xiang Qian	5/5	3/3	3/3	N/A

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management

We are exposed to various risks for our operations so risk management is important for our business. In addition, we are also exposed to different financial risks, such as liquidity, credit and foreign exchange risks that arise in the ordinary course of our business. For further details, please see the section headed "Principal Risks and Uncertainties facing the Company" in the Management Discussion and Analysis. In order to identify, assess, control and monitor the risks that may cause impediments to our business, we have designed and implemented policies and procedures to help ensure effective risk management in our operations.

We have adopted a consolidated series of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an on-going basis. Our audit committee, and ultimately our Board supervises the implementation of our risk management policies. Risks identified by senior management will be analyzed on the basis of likelihood and influence, and will be properly followed up and mitigated and rectified by our Company and reported to our Board.

Our senior management implements the risk management policies, strategies and plans set by our Board. Each functional team monitors and evaluates the implementation of risk management and internal control policies and procedures on a day-to-day basis. In order to formalize risk management among our Company and set a standard level of transparency and risk management performance, the relevant teams will (i) gather information of the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, categorization and measurement of all key risks that could potentially affect their objectives; (iii) continuously monitor the key risks relating to their operation or function; (iv) implement appropriate risk control actions when necessary; and (v) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

With respect to urgent matters which arise between scheduled Board meetings, the Board secretary may also seek Board approval via telephone conference call or written Board consent. Before each Board meeting, an agenda is prepared with input from Directors, as well as from senior management. At Board meetings, depending on the agenda, heads of different departments will gather information relating to their functions and report to the Board on the relevant agenda items, as necessary. The Board secretary attends all Board meetings to ensure that there is no gap in communication between the two bodies. During Board meetings, the Board will on occasion further review and/or analyze particular issues and report their findings at the next Board meeting. Our Board believes that our corporate structure provides an appropriate system of checks and balances to improve our risk management procedures. Our Audit Committee also reviews and approves our risk management policy to ensure that it is consistent with our corporate objectives, reviews and approves our corporate risk tolerance, monitors the most crucial risks associated with our business operation and our management's handling of such risks, reviews our corporate risks in light of our corporate risk tolerance, and monitors and ensures the appropriate application of our risk management framework among our Company.

Internal Control

The Board is responsible for establishing our internal control system and reviewing its effectiveness. We regularly reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures we have implemented:

- We have adopted various measures and procedures regarding each aspect of our operations, such as protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training on these measures and procedures to our employees as part of our employee training program. We also regularly monitor the implementation of those measures and procedures through our on-site internal control team for each stage of the produce development process;

- Our Directors (who are responsible for monitoring the corporate governance of our Group) with assistance from our legal advisors, will periodically review our compliance status with all relevant laws and regulations;

- We have established the Audit Committee which shall (i) make recommendations to our Directors on the appointment and removal of external auditors; and (ii) review the financial statements and render advice in respect of financial reporting as well as oversee the risk management and internal control procedures of our Group;

- We have established an internal control and audit department, which is independent of other departments of the Company, to perform a review of the adequacy and effectiveness of the risk management and internal control systems;

- We have engaged a PRC law firm to advise us on and keep us abreast with PRC laws and regulations. We will continue to arrange various training to be provided by external legal advisors from time to time when necessary and/or any appropriate accredited institution to update our Directors, Supervisors, senior management and relevant employees on the latest applicable laws and regulations;

- We maintain strict anti-corruption policies among our sales personnel and distributors in our sales and marketing activities. We also monitor to ensure that our sales and marketing personnel comply with applicable promotion and advertising requirements, which include restrictions on promoting our products for unapproved uses or patient populations, also known as off-label use, and limitations on industry-sponsored scientific and educational activities; and

- We have a whistle-blowing policy that serves the purpose of establishing whistle-blowing procedures for employees and other relevant external parties of our Company, in order to report and escalate any suspicious misconducts. In accordance with the policy, we protect all whistle-blowers from any kind of retaliation. All the information provided by the whistle-blowers will be strictly confidential.

The Company has developed its disclosure policy which provides a general guide to the Directors, officers, senior management and relevant employees of the Company in handling and dissemination of confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited. The Board is aware of its obligations to announce any inside information in accordance with the Listing Rules.

In particular, the Group:

- has conducted its affairs with close regard to the disclosure requirements under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission in June 2012;

- has established its own disclosure obligation procedures, which set out the procedures and controls for the assessment of potential inside information and the handling and dissemination of inside information. The procedures have been communicated to the senior management and staff of the Company, and the implementation was monitored by the Company; and

- has made broad, non-exclusive disclosure of information to the public through channels such as financial reports, public announcements and its website.

The Board confirms its responsibilities for risk management and internal control systems, and for reviewing the effectiveness of such risk management and internal control systems. Such systems are designed to manage rather than eliminate the risk of failing to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has an internal audit function which aims at helping the Company to accomplish its objectives by applying a systematic, disciplined approach to evaluate and improve the effectiveness of the Group's risk management and internal control systems and to resolve material internal control defects.

The Board has reviewed the effectiveness of the internal audit system and the risk management and the internal control system of the Group, including the adequacy of resources, qualifications and experience of staff in the aforementioned systems and of the Company's accounting, internal audit and financial reporting functions and the adequacy of their training programs and budget.

The Board, through a review covering all material controls, including financial, operational and compliance controls for the Reporting Period, considered that the risk management and internal control system of the Group was effective and adequate. The Board has conducted annual review on the risk management and internal control system of the Company.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2025. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report.

AUDITORS' REMUNERATION

The total fee paid/payable to the independent auditor of the Group, in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

Category of service	Fee paid/ payable *RMB'000*
Audit services	2,760
Non-audit services[Note]	1,502
Total	4,262

Note: Non-audit services are related to the 2025 ESG report, 2025 interim results review service, and financial and tax due diligence services related to mergers and acquisitions.

JOINT COMPANY SECRETARIES

Mr. Quanwei Yuan ("**Mr. Yuan**") and Ms. Kwan Sau In ("**Ms. Kwan**"), a senior manager of corporate services of Tricor Services Limited, are the joint company secretaries of the Company. The primary corporate contact person of Ms. Kwan in the Company is Mr. Yuan who is our joint company secretary and chief financial officer.

The joint company secretaries have complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training during the year ended December 31, 2025.

During the Reporting Period, all Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices related matters.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, all resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening Shareholders' General Meetings

Annual general meetings shall be convened once a year, and be held within six (6) months after the end of the previous accounting year. An extraordinary general meeting shall be convened within two (2) months from the date of occurrence of any of the following events:

- the number of Directors is less than the minimum number required by the PRC Company Law or less than two-thirds (2/3) of the number stipulated in the Articles of Association;
- the outstanding loss of the Company accounts for one-third (1/3) of the Company's total paid-up share capital;

- when Shareholders who individually or jointly holding more than ten percent (10%) of the Company's outstanding shares with voting rights request an extraordinary general meeting to be convened in writing;
- the Board deems it necessary to convene the meeting;
- the Supervisory Committee proposes to convene the meeting;
- when proposed by two or more independent non-executive directors; and
- other circumstances as stipulated by laws, administrative regulations, departmental rules and listing rules of the place where the Company's Shares are listed or the Articles of Association.

The general meeting shall be convened by the Board, and chaired by the chairman of the Board. If the chairman of the Board fails or is unable to perform his or her duties, the Board may appoint a director of the Company to convene the meeting and act as the chairman of the meeting.

In the event that no chairman is appointed, the attending shareholders shall elect one person to act as the chairman of the meeting; if for any reason, the shareholders fail to elect a chairman of the general meeting, the shareholder (including his/her proxy) holding the largest number of voting shares among the attending shareholders shall be the chairman of the general meeting.

Putting Forward Proposals at General Meetings

Shareholders who individually or collectively hold over 3% of the shares of the Company have the right to propose an extraordinary resolution and submit it to the Board in writing 10 days before the convening of the general meeting. The convener shall issue a supplemental notice of general meeting within 2 days upon receipt of the proposals and incorporate the content of the proposals into the agenda of the general meeting.

The contents of such proposals shall fall with the functions and powers of the general meeting, shall feature definite topics and specific issues for resolution, and shall be in compliance with relevant requirements of laws, administrative regulations, listing rules for stock exchanges where the Company's shares are listed and the Articles of Association.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may supervise the operations of the Company, and to make suggestions and enquiries accordingly.

Contact Details

Shareholders may send their written enquiries or requests as mentioned above to the Company as follows：

Address： No. 270, Shuyun Road, Cangqian Street, Yuhang District, Hangzhou, Zhejiang Province, China
Attention： Mr. Quanwei Yuan
E-mail： ir@zyloxtb.com
Tel： +86 571 8861 0082

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Corporate communication of the Company will be provided to Shareholders to facilitate Shareholders' understanding. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means).

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. For this purpose, the Company has set up a website www.zyloxtb.com, where relevant latest information, the up-to-date state of the Company's business operation and development, the Company's financial information and corporate governance practices and other data are available to the public.

In addition, the Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. In accordance with such policy, the Company works to maintain effective and on-going communication with Shareholders so that they, along with prospective investors, can exercise their rights in an informed manner based on a good understanding of the Group's operations, businesses and financial information.

The Company endeavors to maintain an on-going dialog with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

Based on our review of the initiatives taken by us, we are of the view that the implementation of the Shareholders' communication policy is satisfactory and effective during the Reporting Period.

Attendance of the Directors at the General Meetings

The attendance records of each Director at the general meeting of the Company during the Reporting Period are set out below:

Name of Director	Attendance/Number of General Meeting
Dr. Jonathon Zhong Zhao *(Chairman)*	2/2
Mr. Yang Xie	2/2
Dr. Zheng Li	2/2
Mr. Dongfang Li	2/2
Dr. Steven Dasong Wang	2/2
Dr. Jian Ji	2/2
Ms. Yun Qiu	2/2
Dr. Xiang Qian	2/2

CHANGES TO THE ARTICLES OF ASSOCIATION

During the Reporting Period, the Company made minor amendments to its Articles of Association, mainly concerning changes in the registered capital and share capital. For details, please refer to the announcement of the Company dated December 8, 2025. An up-to-date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

DIVIDEND POLICIES

The Company has adopted a policy on payment of dividends pursuant to code provision F.1.1 of the CG Code taking into consideration of various elements including but not limited to, among other things, the Company's profitability, operation and development plans, external financing environment, costs of capital, the Company's cash flows and other factors that the Directors may consider relevant. The policy sets out the factors in consideration, procedures, methods and intervals of the payment of dividends with an objective to provide the shareholders with continuing, stable and reasonable returns on investment while maintaining the Company's business operation and achieving its long-term development goal. Distribution of any interim or final dividends will be formulated by the Board, and will be subject to Shareholders' approval.

As at December 31, 2025, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

Independent Auditor's Report

To the Shareholders of **Zylox-Tonbridge Medical Technology Co., Ltd.**
(incorporated in the People's Republic of China with limited liability)

Opinion

What we have audited

The consolidated financial statements of Zylox-Tonbridge Medical Technology Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 103 to 187, comprise:

- the consolidated balance sheet as at December 31, 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to revenue recognition.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition Refer to Note 6 to the consolidated financial statements. For the year ended December 31, 2025, revenue from sales of medical devices was approximately RMB1,055.65 million. Sales are recognized when control of the products is transferred, being when the products are delivered to the customer or picked up by the customer at the Group's warehouse, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. We focused on this area due to the large volume of revenue transactions generated from a number of customers and significant audit effort was spent in this area.	Our procedures in relation to the revenue recognition included: 1) We assessed appropriateness of the revenue recognition policy of the Group by reviewing the sales contracts entered with the customers on a sample basis. 2) We understood, evaluated, and tested the relevant controls in respect of the Group's revenue recognition process. 3) We tested the occurrence and accuracy of revenue transactions recognized in relation to the sales of medical devices by examining, on a sample basis, the relevant supporting documents including sales orders, goods delivery notes with customers' acknowledgement and invoices. 4) We confirmed the balances of trade receivables and advance from customers with selected customers, considering the significance of the balances and the nature and characteristics of these customers. 5) We tested sales transactions recorded before and after the balance sheet date, on a sample basis, by reconciling recognized revenue with the goods delivery notes to assess whether revenue was recognized in the correct reporting periods. Based on our audit procedures performed, we found that the Group's revenue recognized was supported by the evidence that we obtained.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the consolidated 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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.

The engagement partner on the audit resulting in this independent auditor's report is NG, Tsun.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 17, 2026

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2025

	Note	Year ended December 31, 2025 RMB'000	2024 RMB'000
Revenue	6	**1,057,488**	782,476
Cost of sales	7	**(294,570)**	(222,581)
Gross profit		**762,918**	559,895
Selling and distribution expenses	7	**(194,677)**	(174,721)
Administrative expenses	7	**(121,202)**	(91,034)
Research and development expenses	7	**(246,783)**	(233,225)
Other income	9	**29,395**	20,265
Other expenses	9	**(1,163)**	(1,364)
Other losses — net	10	**(46,828)**	(43,588)
Net impairment gains/(losses) on financial assets		**14**	(44)
Finance income — net	11	**55,066**	65,170
Share of net loss of an associate accounted for using the equity method	21(c)	**—**	(1,098)
Profit before income tax		**236,740**	100,256
Income tax expense	12	**7,630**	—
Profit and total comprehensive income for the year attributable to the equity holders of the Company		**244,370**	100,256
Earnings per share attributable to the equity holders of the Company			
Basic earnings per share (in RMB per share)	13(a)	**0.7646**	0.3101
Diluted earnings per share (in RMB per share)	13(b)	**0.7552**	0.3057

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at December 31, 2025

	Note	As at December 31, 2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**666,122**	628,253
Right-of-use assets	15	**36,368**	37,251
Intangible assets	16	**40,743**	28,010
Deferred tax assets	29	**7,630**	—
Prepayments and other receivables	19	**7,640**	3,305
Financial assets at fair value through profit or loss	21	**145,870**	104,835
Term deposits	22	**722,491**	1,121,861
Total non-current assets		**1,626,864**	1,923,515
Current assets			
Inventories	18	**175,831**	205,476
Prepayments, other receivables and other current assets	19	**30,748**	39,140
Trade receivables	20	**8,329**	1,539
Financial assets at fair value through profit or loss	21	**20,087**	60,539
Term deposits	22	**1,132,210**	804,243
Cash and cash equivalents	22	**579,555**	418,108
Total current assets		**1,946,760**	1,529,045
Total assets		**3,573,624**	3,452,560
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	23	**344,132**	330,182
Share premium	23	**2,149,411**	2,090,531
Other reserves	24	**676,546**	715,713
Treasury shares	23	**(182,464)**	(100,699)
Retained earnings		**242,166**	65,277
Total equity		**3,229,791**	3,101,004

	Note	As at December 31, 2025 RMB'000	2024 RMB'000
Liabilities			
Non-current liabilities			
Deferred revenue	27	**16,746**	15,885
Lease liabilities	15	**1,349**	1,502
Total non-current liabilities		**18,095**	17,387
Current liabilities			
Trade and other payables	26	**224,902**	217,498
Contract liabilities	6	**24,257**	16,860
Borrowings	28	**60,000**	87,000
Lease liabilities	15	**2,291**	2,404
Other current liabilities	30	**14,288**	10,407
Total current liabilities		**325,738**	334,169
Total liabilities		**343,833**	351,556
Total equity and liabilities		**3,573,624**	3,452,560

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 103 to 187 were approved by the Board of Directors on March 17, 2026 and were signed on its behalf.

Jonathon Zhong Zhao
Director

Yang Xie
Director

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Treasury shares RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance as at January 1, 2024		332,401	2,270,033	1,014,452	(87,594)	(481,907)	3,047,385
Comprehensive income:							
Profit for the year		—	—	—	—	100,256	100,256
Transactions with equity holders of the Company:							
Purchase of treasury shares	*23*	—	—	—	(66,912)	—	(66,912)
Share-based compensation expenses	*25*	—	—	23,737	—	—	23,737
Transfer of treasury shares to employees upon vesting	*23,24*	—	(10,403)	(23,110)	30,051	—	(3,462)
Cancellation of treasury shares	*23*	(2,219)	(21,537)	—	23,756	—	—
Profit appropriations to statutory reserves	*24*	—	—	21,926	—	(21,926)	—
Offsetting accumulated losses	*23,24*	—	(147,562)	(321,292)	—	468,854	—
Balance as at December 31, 2024		330,182	2,090,531	715,713	(100,699)	65,277	3,101,004
Balance as at January 1, 2025		**330,182**	**2,090,531**	**715,713**	**(100,699)**	**65,277**	**3,101,004**
Comprehensive income:							
Profit for the year		**—**	**—**	**—**	**—**	**244,370**	**244,370**
Transactions with equity holders of the Company:							
Purchase of treasury shares	*23*	**—**	**—**	**—**	**(118,975)**	**—**	**(118,975)**
Share-based compensation expenses	*25*	**—**	**—**	**28,701**	**—**	**—**	**28,701**
Transfer of treasury shares to employees upon vesting	*23,24*	**—**	**58,880**	**(102,662)**	**51,160**	**—**	**7,378**
Profit appropriations to statutory reserves	*24*	**—**	**—**	**34,794**	**—**	**(34,794)**	**—**
Issuance of treasury shares	*23*	**13,950**	**—**	**—**	**(13,950)**	**—**	**—**
Cash dividends	*34*	**—**	**—**	**—**	**—**	**(32,687)**	**(32,687)**
Balance as at December 31, 2025		**344,132**	**2,149,411**	**676,546**	**(182,464)**	**242,166**	**3,229,791**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	Year ended December 31, 2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	31(a)	**321,044**	127,434
Interest received		**63,818**	46,642
Net cash generated from operating activities		**384,862**	174,076
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		**(111,222)**	(191,339)
Purchase of term deposits		**(811,121)**	(927,967)
Proceeds from the maturity or redemption of term deposits		**874,406**	410,789
Purchase of financial assets at fair value through profit or loss	3.3(c)	**(628,540)**	(460,760)
Proceeds from sales of financial assets at fair value through profit or loss	3.3(c)	**627,312**	361,231
Proceeds from disposal of property, plant and equipment		**420**	74
Dividends received from financial assets at fair value through profit or loss		**3,103**	504
Receipt of government grants related to assets		**965**	7,211
Payment for acquisition of an associate		**—**	(1,098)
Net cash used in investing activities		**(44,677)**	(801,355)
Cash flows from financing activities			
Proceeds from borrowings	31(c)	**139,000**	87,000
Repayment of borrowings	31(c)	**(166,000)**	(50,000)
Interest paid for borrowings	31(c)	**(880)**	(1,904)
Principal elements of lease payments	31(c)	**(3,495)**	(4,581)
Interest elements of lease payments	15(c) 31(c)	**(143)**	(271)
Proceeds from transfer of treasury shares as a result of exercise of H Share Scheme and Pre-IPO Share Option Scheme		**9,805**	55
Payments of withholding individual income tax for H Share Scheme and Pre-IPO Share Option Scheme		**(621)**	(5,366)
Cash paid for purchase of treasury shares	23	**(118,975)**	(66,912)
Dividends paid to the Company's shareholders	34	**(32,687)**	—
Net cash used in financing activities		**(173,996)**	(41,979)
Net increase/(decrease) in cash and cash equivalents		**166,189**	(669,258)
Cash and cash equivalents at the beginning of the year		**418,108**	1,086,579
Exchange (losses)/gains on cash and cash equivalents		**(4,742)**	787
Cash and cash equivalents at the end of the year	22	**579,555**	418,108

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 General information

Zylox-Tonbridge Medical Technology Co., Ltd. (the "**Company**", or "**Zylox-Tonbridge Medical**") was incorporated in Hangzhou, Zhejiang Province of the People's Republic of China (the "**PRC**") on November 6, 2012 as a limited liability company. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on July 5, 2021.

The Company and its subsidiaries (together, the "**Group**") provide solutions to patients and physicians with the product portfolio covering peripheral vascular interventional devices and neurovascular interventional devices in the PRC and other countries.

These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

These consolidated financial statements were approved for issue by the Board of Directors on March 17, 2026.

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRS accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 below.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2025:

- Lack of Exchangeability — Amendments to IAS 21.

The amendments listed above do not have material impact on the amounts recognized in prior periods or for the current period.

2 Basis of preparation (Continued)

(b) New standards, amendments to accounting standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group are as follows:

	New standards, amendments	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Annual Improvements	Annual Improvements to IFRS Accounting Standards–Volume 11	January 1, 2026
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to IAS 21	Amendments on Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective, except for IFRS 18 which will impact the presentation of profit and loss statements. The Group is still in progress of evaluating the impact of IFRS 18.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by management of the Group. The Group currently does not use any derivative financial instruments to hedge certain risk exposure.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the Group entities' Functional Currency. Functional Currency of the Group is RMB.

The Group mainly operates in the PRC with most of the transactions settled in RMB. The Group currently does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group's exposure to foreign exchange risk mainly arises from certain cash and cash equivalents and term deposits denominated in USD and HKD. As at December 31, 2025, if the USD or HKD strengthened/weakened by 5% against the RMB with all other variables held constant, profit before income tax for the year would have been RMB15,550,000 higher/lower (2024: RMB11,057,000).

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets and liabilities, except for cash and cash equivalents (Note 22), term deposits (Note 22), borrowings (Note 28) and lease liabilities (Note 15). Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

The Group's interest rate risk mainly arises from borrowings. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. As at December 31, 2025, all the Group's borrowings were carried at fixed rates, which exposed the Group to fair value interest rate risk.

Management does not anticipate significant impact on interest-bearing assets and liabilities resulted from the changes in interest rates, because the interest rates of bank deposits are not expected to change significantly.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk mainly arises from cash and cash equivalents, term deposits, trade receivables and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet.

(i) Risk management

To manage this risk, cash and cash equivalents and term deposits are mainly placed with state-owned banks or reputable commercial banks which are high-credit-quality financial institutions.

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. The credit period granted to the customers is usually around 5 to 90 days and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors.

For other financial assets carried at amortized cost, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

(ii) Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss assessment include cash and cash equivalents, term deposits, trade receivables and other receivables.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Cash and cash equivalents and term deposits

The Group expects that there is no significant credit risk associated with cash and cash equivalents and term deposits since they are deposited at state-owned banks or reputable commercial banks which are high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default, and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents and term deposits are also subject to the impairment requirements of IFRS 9, while the identified impairment loss is immaterial.

Trade receivables

For trade receivables, management makes periodic assessments as well as individual assessment on the recoverability based on historical settlement records and past experience and adjusts for forward-looking information. The Group has applied simplified approach in calculating expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

The expected loss rates are based on payment pattern of debtors with similar risk profiles and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product index ("**GDP**"), consumer price index ("**CPI**") of the country in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

The loss allowance as at December 31, 2025 was determined as follows for trade receivables.

	As at December 31, 2025		
	Gross carrying amount *RMB'000*	**Expected credit loss rate**	**Loss allowance *RMB'000***
Within 3 months	**8,379**	**0.60%**	**(50)**

The loss allowance as at December 31, 2024 was determined as follows for trade receivables.

	As at December 31, 2024		
	Gross carrying amount *RMB'000*	Expected credit loss rate	Loss allowance *RMB'000*
Within 3 months	1,553	0.90%	(14)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Movements in allowance for impairment of trade receivables are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**(14)**	(20)
(Increase)/decrease in loss allowance	**(36)**	6
At the end of the year	**(50)**	(14)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 3 years past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables

Management has assessed that, for the year ended December 31, 2025, other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by management.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables (Continued)

The loss allowance as at December 31, 2025 and 2024 was determined as follows for other receivables.

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Expected credit loss rate	**0.65%**	1.36%
Gross carrying amounts — other receivables	**6,112**	6,605
Loss allowance	**(40)**	(90)

Movements on the Group's allowance of impairment of other receivables are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**(90)**	(40)
Decrease/(increase) in loss allowance	**50**	(50)
At the end of the year	**(40)**	(90)

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 3 years past due.

Impairment losses on other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's non-derivative financial liabilities that will be settled into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The following table presents the Group's contractual maturities of financial liabilities as at December 31, 2025:

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Total *RMB'000*
As at December 31, 2025				
Trade and other payables (excluding accrued taxes other than income tax and staff salaries and welfare payables)	**131,783**	**—**	**—**	**131,783**
Borrowings (including interests)	**61,189**	**—**	**—**	**61,189**
Lease liabilities (including interests)	**2,428**	**1,695**	**40**	**4,163**
	195,400	**1,695**	**40**	**197,135**

The following table presents the Group's contractual maturities of financial liabilities as at December 31, 2024:

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Total *RMB'000*
As at December 31, 2024				
Trade and other payables (excluding accrued taxes other than income tax and staff salaries and welfare payables)	145,436	—	—	145,436
Borrowings (including interests)	88,050	—	—	88,050
Lease liabilities (including interests)	2,509	1,043	507	4,059
	235,995	1,043	507	237,545

3 Financial risk management (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

The Group monitors capital (including share capital, share premium, capital reserve and other reserves) by regularly reviewing the gearing ratio, which is calculated by dividing the sum of borrowings and lease liabilities by total equity. As a part of this review, the Company considers the cost of capital and the risks associated with the issued share capital and share premium. In the opinion of the directors of the Company, the Group's capital risk is low.

As at December 31, 2025 and 2024, the gearing ratios were as follows:

	As at December 31,	
	2025	2024
Gearing ratio	**1.97%**	2.93%

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the Group's assets that were measured at fair value as at December 31, 2025:

	Level 1 ***RMB'000***	**Level 2** ***RMB'000***	**Level 3** ***RMB'000***	**Total** ***RMB'000***
Financial assets:				
Financial assets at FVPL	**—**	**—**	**165,957**	**165,957**

The following table presents the Group's assets that were measured at fair value as at December 31, 2024:

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Financial assets:				
Financial assets at FVPL	—	—	165,374	165,374

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements for the years ended December 31, 2025 and 2024.

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of the financial assets which are measured at amortized cost, approximates their carrying amount as at December 31, 2025 and 2024.

There were no changes in valuation techniques for the years ended December 31, 2025 and 2024.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended December 31, 2025 and 2024:

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Opening balance	**165,374**	102,054
Additions	**628,540**	460,760
Disposals	**(627,312)**	(361,231)
Net fair value losses recognized in profit or loss *(Note 10)*	**(645)**	(36,209)
Closing balance	**165,957**	165,374

The finance department of the Group manages the valuation exercise of the investments on a case by case basis. At least once half year, the team will use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(c) Fair value measurements using significant unobservable inputs (level 3) (Continued)

The following table summarizes the quantitative information about the significant unobservable inputs (except the latest financing information of funding companies) used in recurring level 3 fair value measurements.

Description	At December 31, 2025 *RMB'000*	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Investments in venture funds	**105,921**	**Net asset value, determined by the fair value of the investees of the funds mainly based on the latest round financing and business performances of the investees**	**N/A**	**The higher the net asset value, the higher the fair value.**
Strategic investment	**39,949**	**Expected volatility**	**42.67%**	**The higher the expected volatility, the lower the fair value.**
		Risk-free rate	**1.50%**	**The higher the risk-free rate, the lower the fair value.**
Wealth management products	**20,087**	**Expected return rate**	**0.50%~2.60%**	**The higher the expected return rate, the higher the fair value.**

Description	At December 31, 2024 *RMB'000*	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Investment in venture funds	79,543	Net asset value, determined by the fair value of the investees of the funds mainly based on the latest round financing and business performances of the investees	N/A	The higher the net asset value, the higher the fair value.
Wealth management products	60,539	Expected return rate	1.00%~3.05%	The higher the expected return rate, the higher the fair value.
Strategic investment	25,292	Discount for lack of marketability ("**DLOM**")	35%	The higher the DLOM, the lower the fair value.
		Discount rate	18%	The higher the discount rate, the lower the fair value.

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(c) Fair value measurements using significant unobservable inputs (level 3) (Continued)

If the fair values of financial assets at FVPL held by the Group had been 10% higher/lower, the profit before income tax for the year ended December 31, 2025 would have been RMB16,597,000 higher/lower (2024: RMB16,537,000).

4 Critical accounting estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Research and development expenses

Development costs incurred on the Group's pipeline products are capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine whether the criteria are met for capitalization. All development expenses were expensed when incurred during the year.

(b) Recognition of share-based compensation expenses

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. At the end of each reporting period, the Group revises estimated number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

(c) Fair value measurement of FVPL

The fair value assessment of FVPL that are measured at Level 3 fair value hierarchy requires estimates, which include risk-free rates, expected volatility and other assumptions. Changes in these assumptions and estimates could materially affect the respective fair value of these investments.

(d) Deferred income tax

Deferred income tax assets are recognized if such amounts can be offset by future taxable income, and as a result, management judges the possibility of future taxable income. The Group continues to review the judgment of deferred income tax and recognize deferred income tax assets if it is possible to realize taxable income in the future.

5 Segment

Management of the Company has determined the operating segment based on the reports reviewed by the chief operating decision-maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive director of the Company. On this basis, the Group has determined that it only has one operating segment which is the sales of neurovascular and peripheral vascular interventional devices during the year.

(a) Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the years ended December 31, 2025 and 2024 is set out below:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Customer A	**490,908**	403,744
Customer B	**440,202**	87,397
Customer C	**—**	224,177
	931,110	715,318

(b) Geographical information

(i) Revenue from external customers

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
The PRC	**1,008,841**	759,899
Others	**48,647**	22,577
	1,057,488	782,476

The revenue information above is based on the locations of the customers.

(ii) Non-current assets

Majority of the non-current assets of the Group are physically located in the PRC.

6 Revenue

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
At a point in time		
— Revenue from sales of goods	**1,055,648**	780,930
— Others	**1,840**	1,546
	1,057,488	782,476

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Revenue from sales of goods		
— Neurovascular interventional devices	**676,253**	528,511
— Peripheral vascular interventional devices	**379,395**	252,419
	1,055,648	780,930

(a) The Group recognized the following liabilities related to the contracts with customers:

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Contract liabilities	**24,257**	16,860

Contract liabilities represent advances from customers and are recognized when payments are received before the transfer of goods. Management expects that the transaction price allocated to the unsatisfied contracts as at December 31, 2025 and 2024 will be recognized as revenue within one year.

(b) Revenue recognized that was included in the balance of contract liabilities at the beginning of the year:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Revenue from sales of goods	**16,860**	19,922

6 Revenue (Continued)

(c) Accounting policy of revenue recognition

Revenue is recognized when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the promised products or services is transferred to customers. Revenue is measured as the amount of consideration the Group expects to receive in exchange for transferring products or services to a customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Depending on the terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with using the same approach as for trade receivables. In contrast, a receivable represents the Group's unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due. There is normally no significant cost to obtain contract.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is a description of the accounting policy for the principal revenue stream of the Group.

For the year ended December 31, 2025, revenue of the Group mainly arose from sales of medical devices. Sales are recognized when control of the products has been transferred, being when the products are delivered to the customer or picked up by the customer at the Group's warehouse, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been transferred to the customer or be picked up by the customer at the Group's warehouse, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

7 Expenses by nature

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Employee benefits expenses *(Note 8)*	**312,509**	281,256
Change of work in process and finished goods	**6,166**	(30,473)
Raw materials and consumables used		
— Cost of sales	**185,350**	180,581
— Research and development expenses	**49,069**	34,871
Testing and clinical trial fees	**86,351**	81,653
Market development expenses	**67,690**	51,269
Professional services	**34,588**	24,091
Depreciation of property, plant and equipment *(Note 14)*	**32,421**	31,405
Utilities and office expenses	**29,195**	20,576
Taxes and surcharges	**18,043**	7,511
Travelling and transportation expenses	**17,631**	15,556
Depreciation of right-of-use assets *(Note 15)*	**4,103**	5,179
Less: Depreciation of right-of-use assets capitalized in property, plant and equipment *(Note 14(i))*	**(289)**	(440)
Auditor's remuneration		
— Audit service	**2,760**	2,580
— Non-audit service	**1,502**	930
Write-down of inventories to net realizable value *(Note 18)*	**2,556**	—
Impairment losses on intangible assets *(Note 16)*	**985**	6,738
Amortization of intangible assets *(Note 16)*	**819**	1,012
Others	**5,783**	7,266
Total cost of sales, selling and distribution expenses, administrative expenses and research and development expenses	**857,232**	721,561

8 Employee benefits expenses

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Wages, salaries, housing benefits, other social insurance and employee welfare	**197,180**	174,062
Discretionary bonuses	**75,789**	73,237
Share-based compensation expenses *(Note 25)*	**28,701**	23,737
Pension cost — defined contribution plan (i)	**10,839**	10,220
	312,509	281,256

(i) As stipulated by rules and regulations in mainland China, the Group has participated in state-sponsored defined contribution retirement plans for its employees in mainland China. The Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

For the years ended December 31, 2025 and 2024, no forfeited contributions were utilized by the Group to reduce its contributions.

9 Other income and expenses

Other income

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Government grants (i)	**21,462**	13,921
Dividends from financial assets at FVPL	**3,103**	—
Input VAT super-credit	**2,170**	3,179
Rental income	**2,393**	2,746
Others	**267**	419
	29,395	20,265

9 Other income and expenses (Continued)

Other expenses

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment *(Note 14)*	**(577)**	(691)
Other expenses	**(586)**	(673)
	(1,163)	(1,364)

(i) The government grants mainly represent subsidies received from the government in relation to the support on certain research and development projects. There are no unfulfilled conditions or other contingencies attached to these grants.

10 Other losses — net

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Donations	**(38,646)**	(8,100)
Foreign exchange (losses)/gains — net	**(7,157)**	1,506
Net fair value losses from financial assets at FVPL *(Note 3.3(c))*	**(645)**	(36,209)
Losses on disposal of property, plant and equipment	**(90)**	(46)
Others	**(290)**	(739)
	(46,828)	(43,588)

11 Finance income — net

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Finance income:		
Bank interest income	**56,089**	67,345
Finance costs:		
Interest expense on bank borrowings	**(880)**	(1,904)
Interest expense on lease liabilities *(Note 15(c))*	**(143)**	(271)
	(1,023)	(2,175)
Finance income — net	**55,066**	65,170

12 Income tax expense

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Current income tax expense	**—**	—
Deferred income tax credit	**(7,630)**	—
	(7,630)	—

The Group's principal applicable taxes and tax rates are as follows:

(i) Mainland China

Pursuant to the PRC Corporate Income Tax Law and the respective regulations (the "**CIT Law**"), the Group is subject to corporate income tax at a rate of 25% on the taxable income other than the Company and its subsidiary, Ton-bridge Medical Technology Co., Ltd. ("**Ton-bridge Medical Technology**"), Ton-Bridge Medical Technology (Suzhou) Co., Ltd. ("**Ton-bridge Medical (Suzhou)**"), and Zhejiang Guichuang Medical Technology Co., Ltd. ("**Zhejiang Guichuang Medical Technology**"). The Company, Ton-bridge Medical Technology and Ton-bridge Medical (Suzhou) were accredited as "High and New Technology Enterprise" ("**High-New Tech Enterprise**") and were eligible for a corporate income tax rate of 15% for the years ended December 31, 2025 and 2024. Zhejiang Guichuang Medical Technology was accredited as High-New Tech Enterprise and was eligible for a corporate income tax rate of 15% for the year ended December 31, 2025.

12 Income tax expense (Continued)

(i) Mainland China (Continued)

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC that have been effective from 2023 onwards, manufacturing enterprises are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses.

The tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extending the expiry date of tax losses of High-New Tech Enterprise, the expiry date of the unused tax losses of the Company, Ton-bridge Medical Technology, Ton-bridge Medical (Suzhou) and Zhejiang Guichuang Medical Technology extends from 5 years to 10 years.

(ii) Hong Kong

Hong Kong profits tax rate is 8.25% for assessable profits on the first HKD2,000,000 and 16.5% for any assessable profits in excess. No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax for the year ended December 31, 2025.

According to the Hong Kong tax laws and regulations, the tax losses are carried forward and deducted for income tax purposes, without expiry date.

A reconciliation of the expected income tax calculated at the applicable tax rate and profit before income tax, with the actual income tax is as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Profit before income tax	**236,740**	100,256
Tax calculated at statutory tax rates applicable to each Group entity	**34,358**	12,573
Tax effect of:		
Expenses not deductible for tax purpose	**3,278**	4,744
Extra deduction for research and development expenses	**(21,017)**	(31,422)
Temporary differences not recognized as deferred tax assets	**1,129**	13,270
Recognition of deferred tax assets on previously unrecognized tax losses	**(7,630)**	—
Previously unrecognized tax losses utilized	**(35,984)**	(24,072)
Tax losses not recognized as deferred tax assets	**18,236**	24,907
Income tax expense	**(7,630)**	—

12 Income tax expense (Continued)

(iii) Unrecognized tax losses and temporary differences

The Group has not recognized any deferred tax assets in respect of the following items:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Deductible losses (a)	**120,251**	122,511
Deductible temporary differences	**5,151**	96,019
	125,402	218,530

(a) As at December 31, 2025 and 2024, the Group had unused tax losses of approximately RMB958,317,000 and RMB1,075,939,000 that could be carried forward against future taxable income, respectively. A deferred tax asset of RMB7,630,000 (2024: nil) has been recognized in respect of such tax losses due to the predictability of future taxable income. Except for the Company's subsidiaries Zylox Tonbridge Medical Limited, Zenith Medical Technologies Pte. Ltd, and Zenith Medical Technologies B.V., whose tax losses will be carried forward indefinitely, the Group's tax losses carried forward will expire between 2026 and 2033.

13 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit of the Group attributable to equity holders of the Company by weighted average number of ordinary shares outstanding during the financial year excluding treasury shares.

The calculations of basic earnings per share are based on:

	Year ended December 31,	
	2025	2024
Profit attributable to equity holders of the Company *(RMB'000)*	**244,370**	100,256
Weighted average number of ordinary shares in issue during the year *(thousand)*	**319,612**	323,320
Basic earnings per share *(RMB per share)*	**0.7646**	0.3101

13 Earnings per share (Continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The share options and awarded shares granted under Pre-IPO Share Option Scheme and H Share Scheme by the Company have potential dilutive effect on earnings per share. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the rights attached to outstanding shares under Pre-IPO Share Option Scheme and H Share Scheme. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the vesting of outstanding shares under Pre-IPO Share Option Scheme and H Share Scheme.

The calculation of the diluted earnings per share for the year ended December 31, 2025 and 2024 is shown as follows:

	Year ended December 31,	
	2025	2024
Profit attributable to equity holders of the Company *(RMB'000)*	**244,370**	100,256
Weighted average number of ordinary shares in issue *(thousand)*	**319,612**	323,320
Adjustments for share-based awards *(thousand)*	**3,992**	4,670
Weighted average number of ordinary shares for diluted earnings per share *(thousand)*	**323,604**	327,990
Diluted earnings per share *(RMB per share)*	**0.7552**	0.3057

14 Property, plant and equipment

	Buildings *RMB'000*	Office equipment and furniture *RMB'000*	Equipment and instruments *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Leasehold improvements *RMB'000*	Landscape *RMB'000*	Total *RMB'000*
As at January 1, 2024								
Cost	160,120	7,979	76,313	5,120	322,958	32,243	5,963	610,696
Accumulated depreciation	(12,562)	(4,717)	(29,511)	(3,068)	—	(19,813)	(2,485)	(72,156)
Net book value	147,558	3,262	46,802	2,052	322,958	12,430	3,478	538,540
Year ended December 31, 2024								
Opening net book value	147,558	3,262	46,802	2,052	322,958	12,430	3,478	538,540
Additions	85	499	11,924	677	108,335	409	—	121,929
Disposals	—	(7)	(57)	(56)	—	—	—	(120)
Depreciation charge *(Note 7)* *(Note 9)*	(8,039)	(1,549)	(12,018)	(948)	—	(8,349)	(1,193)	(32,096)
Closing net book value	139,604	2,205	46,651	1,725	431,293	4,490	2,285	628,253
As at December 31, 2024								
Cost	160,205	8,382	87,359	5,065	431,293	32,652	5,963	730,919
Accumulated depreciation	(20,601)	(6,177)	(40,708)	(3,340)	—	(28,162)	(3,678)	(102,666)
Net book value	139,604	2,205	46,651	1,725	431,293	4,490	2,285	628,253

14 Property, plant and equipment (Continued)

	Buildings *RMB'000*	Office equipment and furniture *RMB'000*	Equipment and instruments *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Leasehold improvements *RMB'000*	Landscape *RMB'000*	Total *RMB'000*
As at January 1, 2025								
Cost	160,205	8,382	87,359	5,065	431,293	32,652	5,963	730,919
Accumulated depreciation	(20,601)	(6,177)	(40,708)	(3,340)	—	(28,162)	(3,678)	(102,666)
Net book value	139,604	2,205	46,651	1,725	431,293	4,490	2,285	628,253
Year ended December 31, 2025								
Opening net book value	139,604	2,205	46,651	1,725	431,293	4,490	2,285	628,253
Additions	—	1,695	12,527	1,014	55,390	742	—	71,368
Disposals	—	(19)	(462)	—	(20)	—	—	(501)
Transfer upon completion	469,626	—	1,492	—	(471,118)	—	—	—
Depreciation charge *(Note 7)* *(Note 9)*	(12,294)	(1,094)	(13,319)	(766)	—	(4,332)	(1,193)	(32,998)
Closing net book value	596,936	2,787	46,889	1,973	15,545	900	1,092	666,122
As at December 31, 2025								
Cost	629,831	9,745	100,620	6,079	15,545	33,431	5,963	801,214
Accumulated depreciation	(32,895)	(6,958)	(53,731)	(4,106)	—	(32,531)	(4,871)	(135,092)
Net book value	596,936	2,787	46,889	1,973	15,545	900	1,092	666,122

(i) For the years ended December 31, 2025 and 2024, the Group had capitalized the depreciation of right-of-use assets amounting to RMB289,000 and RMB440,000 respectively.

14 Property, plant and equipment (Continued)

(a) Depreciation of property, plant and equipment has been charged to the consolidated statement of comprehensive income as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Cost of sales *(Note 7)*	**16,971**	17,586
Administrative expenses *(Note 7)*	**8,813**	6,069
Research and development expenses *(Note 7)*	**6,389**	7,461
Other expenses *(Note 9)*	**577**	691
Selling and distribution expenses *(Note 7)*	**248**	289
Total	**32,998**	32,096

(b) Accounting policy for property, plant and equipment

Property, plant and equipment are stated at historical cost or acquisition cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvement, the shorter lease term as follows:

— Buildings	Shorter of the unexpired term of land use right and their estimated useful lives, being no more than 50 years after the date of completion
— Equipment and instruments	3–10 years
— Office equipment and furniture	3–5 years
— Motor vehicles	4–5 years
— Leasehold improvements	Shorter of remaining lease term or estimated useful lives
— Landscape	5 years

14 Property, plant and equipment (Continued)

(b) Accounting policy for property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 39.4).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in "Other losses — net" in the consolidated statement of comprehensive income.

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at historical cost or acquisition cost less provision for impairment loss, if any. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and intangible assets and depreciated in accordance with the policy as stated above.

15 Right-of-use assets

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Right-of-use assets		
— Land use rights (a)	**32,642**	33,374
— Buildings (b)	**3,726**	3,877
	36,368	37,251

15 Right-of-use assets (Continued)

(a) Land use rights

(i) The Group's interests in land use rights represent prepaid operating lease payments for land located in the PRC and the lease term is 50 years. The movements of land use rights are analyzed as follows:

	Land use rights *RMB'000*
As at January 1, 2024	
Cost	36,581
Accumulated amortization	(2,476)
Net book value	34,105
Year ended December 31, 2024	
Opening net book value	34,105
Amortization charge *(Note 7)*	(731)
Closing net book value	33,374
As at December 31, 2024 and as at January 1, 2025	
Cost	**36,581**
Accumulated amortization	**(3,207)**
Net book value	**33,374**
Year ended December 31, 2025	
Opening net book value	**33,374**
Amortization charge *(Note 7)*	**(732)**
Closing net book value	**32,642**
As at December 31, 2025	
Cost	**36,581**
Accumulated amortization	**(3,939)**
Net book value	**32,642**

15 Right-of-use assets (Continued)

(b) Buildings

(i) The Group leases offices mainly for own use. Information about leases for which the Group is a lessee is presented below:

	Buildings *RMB'000*
As at January 1, 2024	
Cost	18,030
Accumulated depreciation	(12,315)
Net book value	5,715
Year ended December 31, 2024	
Opening net book value	5,715
Additions	2,610
Depreciation charge *(Note 7)*	(4,448)
Closing net book value	3,877
As at December 31, 2024 and as at January 1, 2025	
Cost	**12,697**
Accumulated depreciation	**(8,820)**
Net book value	**3,877**
Year ended December 31, 2025	
Opening net book value	**3,877**
Additions	**3,738**
Early termination of lease	**(518)**
Depreciation charge *(Note 7)*	**(3,371)**
Closing net book value	**3,726**
As at December 31, 2025	
Cost	**9,401**
Accumulated depreciation	**(5,675)**
Net book value	**3,726**

15 Right-of-use assets (Continued)

(b) Buildings (Continued)

(ii) Lease liabilities recognized in the balance sheets:

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Lease liabilities		
— current	**2,291**	2,404
— non-current	**1,349**	1,502
	3,640	3,906

(iii) Present value of lease liabilities due:

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**2,291**	2,404
Between 1 and 2 years	**1,310**	1,002
Between 2 and 5 years	**39**	500
	3,640	3,906

15 Right-of-use assets (Continued)

(c) Depreciation charge of right-of-use assets and other amounts that have been recognized in the financial statements are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Depreciation charge recognized in:		
Cost of sales *(Note 7)*	**1,386**	2,075
Selling and distribution expenses *(Note 7)*	**895**	976
Administrative expenses *(Note 7)*	**850**	812
Research and development expenses *(Note 7)*	**683**	876
	3,814	4,739
Depreciation charge capitalized in:		
Property, plant and equipment *(Note 7)*	**289**	440
	4,103	5,179
Other amounts recognized in:		
Interest expense *(Note 11)*	**143**	271
Expense relating to short-term leases	**1,264**	1,393
The cash outflow for leases as operating activities	**(1,330)**	(1,736)
The cash outflow for leases as financing activities	**(3,638)**	(4,852)

16 Intangible assets

	Non-proprietary technologies *RMB'000*	Software *RMB'000*	Technologies under research and development *RMB'000*	Patents *RMB'000*	Total *RMB'000*
As at January 1, 2024					
Cost	26,670	2,596	6,980	929	37,175
Accumulated amortization	(26,670)	(773)	—	(46)	(27,489)
Net book value	—	1,823	6,980	883	9,686
Year ended December 31,2024					
Opening net book value	—	1,823	6,980	883	9,686
Additions	—	391	25,589	94	26,074
Amortization charge *(Note 7)*	—	(926)	—	(86)	(1,012)
Impairment *(Note 7)*	—	—	(6,738)	—	(6,738)
Closing net book value	—	1,288	25,831	891	28,010
As at December 31, 2024 and as at January 1, 2025					
Cost	**26,670**	**2,987**	**32,569**	**1,023**	**63,249**
Accumulated amortization	**(26,670)**	**(1,699)**	**—**	**(132)**	**(28,501)**
Impairment *(Note 7)*	**—**	**—**	**(6,738)**	**—**	**(6,738)**
Net book value	**—**	**1,288**	**25,831**	**891**	**28,010**
Year ended December 31,2025					
Opening net book value	**—**	**1,288**	**25,831**	**891**	**28,010**
Additions	**—**	**558**	**13,979**	**—**	**14,537**
Amortization charge *(Note 7)*	**—**	**(717)**	**—**	**(102)**	**(819)**
Impairment *(Note 7)*	**—**	**(172)**	**(100)**	**(713)**	**(985)**
Closing net book value	**—**	**957**	**39,710**	**76**	**40,743**
As at December 31, 2025					
Cost	**26,670**	**3,545**	**46,548**	**1,023**	**77,786**
Accumulated amortization	**(26,670)**	**(2,416)**	**—**	**(234)**	**(29,320)**
Impairment *(Note 7)*	**—**	**(172)**	**(6,838)**	**(713)**	**(7,723)**
Net book value	**—**	**957**	**39,710**	**76**	**40,743**

16 Intangible assets (Continued)

(a) Amortization of intangible assets has been charged to the consolidated statement of comprehensive income as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Administrative expenses *(Note 7)*	**766**	659
Research and development expenses *(Note 7)*	**53**	353
	819	1,012

(b) The addition of technologies under research and development in 2025 included the license acquired from Lumivascular, Inc..

(c) The Company has performed impairment test for the technologies under research and development acquired from Avinger, Inc. (Technology A), and Lumivascular, Inc. (Technology B). The recoverable amount is determined based on the higher of value-in-use and fair value less costs of disposal calculations.

The key assumptions based on management's best estimates as adopted for the recoverable amount calculations are as follows:

Technology A

	As at December 31,	
	2025	2024
Pre-tax discount rate	**20.3%**	18.4%
Revenue growth rate	**2%–100%**	2%–100%

Technology B

	As at December 31,	
	2025	2024
Pre-tax discount rate	**21.7%**	—
Revenue growth rate	**0%–100%**	—

16 Intangible assets (Continued)

(c) The Company has performed impairment test for the technologies under research and development acquired from Avinger, Inc. (Technology A), and Lumivascular, Inc. (Technology B). The recoverable amount is determined based on the higher of value-in-use and fair value less costs of disposal calculations. (Continued)

Based on the results of the above assessment, the Company has determined that the recoverable amount of Technology A and Technology B amounts to RMB58,208,000 and RMB25,801,000 respectively, which exceed the respective carrying amounts RMB20,589,000 and RMB11,432,000. Therefore, the Company concluded that no impairment is required to be recognized for Technology A and Technology B as at December 31, 2025 (as at December 31, 2024: nil). There were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment write-down.

The Company has also performed impairment tests for the remaining technologies not ready for use, patents and software, and concluded that a provision for impairment of RMB985,000 is required to be recognized as at December 31, 2025 (as at December 31, 2024: RMB6,738,000).

(d) Accounting policy for intangible assets

(i) Research and development expenditures

Research and development costs comprise all costs that are directly attributable to research and development activities (relating to the design and testing of new or improved high end medical instruments) or that can be allocated on a reasonable basis to such activities. Research and development costs are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the medical instruments so that it will be available for use or sale;
- management intends to complete the medical instruments, and use or sell it;
- the ability to use or sell the medical instruments;
- it can be demonstrated how the medical instruments will generate economic benefits;
- there are adequate technical, financial and other resources to complete the development and the ability to use or sell the medical instruments; and
- the expenditure attributable to the medical instruments during its development can be reliably measured.

Other development expenditures that do not meet these criteria are charged to expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

16 Intangible assets (Continued)

(d) Accounting policy for intangible assets (Continued)

(ii) Non-proprietary technologies

Non-proprietary technologies are initially recorded at cost and are amortized on a straight-line basis over their useful lives of 10 years. The Group determined the non-proprietary technologies to have a useful life of 10 years based on periods that the Group's in-house research and development capabilities and manufacturing process can benefit from the non-proprietary technologies.

(iii) Technologies under research and development

Technologies acquired separately are measured at cost on initial recognition. Technologies under research and development are mainly for in-licenses and in-process research and development ("**IPR&D**") (including exclusive rights to localize, manufacture and commercialize certain medical product). Research or development expenditures incurred after the acquisition of technologies are accounted for in accordance with the capitalization policy in Note 16(d)(i). Under certain agreements, the Group also pays royalty fees to licensors based on sales. Royalty fees are recorded in cost of revenue as incurred.

The intangible assets that have a finite useful life are carried at cost less accumulated amortization. Amortization is calculated using the straight–line method to allocate the cost of technologies over their estimated useful lives from the point at which the asset is ready for use. The Group determined the acquired technologies to have a useful life based on periods that acquired technologies can generate economic benefits under current business needs. The estimated life of an intangible asset is reviewed annually to determine whether the life assessment continues to be supportable.

(iv) Software and patents

Separately acquired software and patents are shown at historical cost less accumulated amortization and accumulated impairment if any. These intangible assets have a finite useful life and amortization is calculated using the straight-line method to allocate the cost of these intangible assets over their estimated useful lives, and recorded as amortization in the consolidated statement of comprehensive income.

The Group amortizes software and patents with a limited useful life using the straight-line method over the following periods:

— Software	2–3 years
— Patents	10 years

16 Intangible assets (Continued)

(d) Accounting policy for intangible assets (Continued)

(v) Impairment test

The intangible assets are assessed to be either finite or not ready for use. An intangible asset related to IPR&D that is not ready for use is subject to annual impairment test, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The impairment test was performed by engaging an independent valuer to estimate the recoverable amount, which is determined based on the higher of the value-in-use (VIU) and the fair value less costs of disposal. The estimated revenue of each medical device is based on management's expectations of timing of commercializing related products. The pre-tax discount rates used reflect specific risks relating to the relevant medical devices that would be considered by market participants.

17 Financial instruments by category

	As at December 31,	
	2025	2024
Financial assets	***RMB'000***	*RMB'000*
Financial assets at amortized cost		
Term deposits *(Note 22)*	**1,854,701**	1,926,104
Cash and cash equivalents *(Note 22)*	**579,555**	418,108
Trade receivables *(Note 20)*	**8,329**	1,539
Prepayments, other receivables and other current assets (excluding non-financial assets) *(Note 19)*	**6,072**	6,515
	2,448,657	2,352,266

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Financial assets at FVPL *(Note 21)*	**165,957**	165,374

17 Financial instruments by category (Continued)

	As at December 31,	
	2025	2024
Financial liabilities	***RMB'000***	*RMB'000*
Financial liabilities at amortized cost		
Trade and other payables (excluding non-financial liabilities) *(Note 26)*	**131,783**	145,436
Borrowings *(Note 28)*	**60,000**	87,000
Lease liabilities *(Note 15)*	**3,640**	3,906
	195,423	236,342

18 Inventories

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Raw materials	**92,373**	113,296
Finished goods	**76,922**	75,585
Work in progress	**9,092**	16,595
Less: Write-down of inventories to net realizable value	**(2,556)**	—
	175,831	205,476

During the year ended December 31, 2025, an inventory write-down to net realizable value of RMB2,556,000 (2024: nil) was recognized in the consolidated statement of comprehensive income.

(a) Accounting policy for inventories

Inventories including raw materials, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Costs comprise direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting discounts. Net realizable 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.

19 Prepayments, other receivables and other current assets

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Included in non-current assets		
Prepayments:		
Prepayments for purchase of property, plant and equipment	**5,588**	2,971
Prepayments for purchase of intangible assets	**1,505**	—
Other receivables:		
Deposits for leases	**547**	334
Total	**7,640**	3,305
Included in current assets		
Prepayments:		
Prepayments for purchase of goods	**9,952**	18,266
Prepayments for purchase of services	**6,897**	5,150
Other receivables:		
Rental related receivable	**1,637**	1,962
Deposits for industrial land project performance guarantee and leases	**820**	1,180
Others	**3,108**	3,129
Less: loss allowance	**(40)**	(90)
Others:		
Value-added tax recoverable	**8,374**	9,543
Total	**30,748**	39,140

20 Trade receivables

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Trade receivables from contracts with customers (a)	**8,379**	1,553
Less: loss allowance	**(50)**	(14)
	8,329	1,539

(a) The Group applies the IFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables. Note 3.1 provides details of the calculation of the allowance.

20 Trade receivables (Continued)

(a) (Continued)

As at December 31, 2025 and 2024, the aging analysis of the trade receivables based on invoice date were as follows:

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Up to 3 months	**8,379**	1,553

The carrying amounts of the Group's trade receivables are denominated in RMB and approximate their fair values. The maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables mentioned above.

As at December 31, 2025, a provision of RMB50,000 was recognized against the gross amounts of trade receivables.

21 Financial assets at fair value through profit or loss

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Included in non-current assets		
Investment in venture funds (a)	**105,921**	79,543
Strategic investment (b)	**39,949**	25,292
Preferred shares (c)	**—**	—
	145,870	104,835
Included in current assets		
Wealth management products (d)	**20,087**	60,539
	165,957	165,374

21 Financial assets at fair value through profit or loss (Continued)

(a) The Company has made several investments in private funds that specialize in healthcare, acquiring non-voting participating shares in each fund.

(b) On February 5, 2024, the Company entered into a strategic investment agreement with a private company, making a cash contribution of RMB 25,000,000 to subscribe for approximately 8% of its registered capital. In 2025, the Company made an additional investment totalling RMB 15,000,000. As of December 31, 2025, the cumulative investment stood at RMB 40,000,000, representing 10.74% of the private company's registered capital without any board seats.

(c) On March 4, 2024, the Group entered into agreements with Avinger Inc. ("**Avinger**"), investing US$7.5 million to subscribe for shares and acquire an exclusive license for its products in China. The license fee of approximately RMB20,589,000 was capitalized as an intangible asset. The investments in preferred shares and common shares were classified as FVPL and investments accounted for using the equity method respectively. Due to Avinger's subsequent cessation of trading, a fair value loss of approximately RMB31,575,000 was recognized on the preferred shares, and a loss of RMB1,098,000 was recognized for the common shares for the year ended December 31, 2024.

(d) The Group entered into contracts to subscribe for wealth management products from banks with expected but not guaranteed rates of return ranging from 0.50% to 2.60% per annum for the year ended December 31, 2025 (2024: 1.00% to 3.05%).

The Group managed and evaluated the performance of these investments on a fair value basis, in accordance with the Group's risk management and investment strategy and hence they were designated as financial assets at FVPL as at December 31, 2025. The fair values of these investments are measured using a valuation technique with unobservable inputs. The major assumptions used in the valuation are set out in Note 3.3(c).

22 Cash and cash equivalents and term deposits

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Cash at bank and other financial institution	**2,434,256**	2,344,212
Less: Term deposits with initial term of over three months (a)	**(1,854,701)**	(1,926,104)
	579,555	418,108

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Cash and cash equivalents and term deposits are denominated in:		
— RMB	**2,162,944**	2,172,247
— USD	**260,916**	148,969
— HKD	**8,108**	19,841
— EUR	**2,288**	3,155
	2,434,256	2,344,212

(a) The directors of the Company considered that the carrying amount of the term deposits with initial terms of over three months approximated to their fair value as at December 31, 2025.

Term deposits with remaining maturity period over 1 year of amount RMB722,491,000 are classified as "non-current assets" as at December 31, 2025 (as at December 31, 2024: RMB1,121,861,000).

23 Share capital, share premium and treasury shares

	Number of Ordinary shares	Share capital *RMB'000*	Share premium *RMB'000*	Treasury shares *RMB'000*	Total *RMB'000*
As at January 1, 2024	332,401,001	332,401	2,270,033	(87,594)	2,514,840
Purchase of treasury shares (a)	—	—	—	(66,912)	(66,912)
Transfer of treasury shares to employees upon vesting (b)	—	—	(10,403)	30,051	19,648
Cancellation of treasury shares	(2,219,000)	(2,219)	(21,537)	23,756	—
Offsetting accumulated losses	—	—	(147,562)	—	(147,562)
As at December 31, 2024	**330,182,001**	**330,182**	**2,090,531**	**(100,699)**	**2,320,014**
Purchase of treasury shares (a)	**—**	**—**	**—**	**(118,975)**	**(118,975)**
Transfer of treasury shares to employees upon vesting (b)	**—**	**—**	**58,880**	**51,160**	**110,040**
Issuance and repurchase of shares *(Note 25)*	**13,950,000**	**13,950**	**—**	**(13,950)**	**—**
As at December 31, 2025	**344,132,001**	**344,132**	**2,149,411**	**(182,464)**	**2,311,079**

23 Share capital, share premium and treasury shares (Continued)

(a) Movements in the treasury shares

	Number of shares	Value *RMB'000*
Opening balance as at January 1, 2024	(8,355,500)	(87,594)
Acquisition of shares	(6,582,000)	(66,912)
Transfer of treasury shares to employees upon vesting (b)	2,333,525	30,051
Cancellation of treasury shares	2,219,000	23,756
Balance as at December 31, 2024	(10,384,975)	(100,699)
Acquisition of shares	(6,488,500)	(118,975)
Issuance and repurchase of shares	(13,950,000)	(13,950)
Transfer of treasury shares to employees upon vesting (b)	5,234,650	51,160
Balance as at December 31, 2025	**(25,588,825)**	**(182,464)**

(b) For the year ended December 31, 2025, the Company transferred 5,234,650 treasury shares of the Company (for the year ended December 31, 2024: 2,333,525) to the share awardees upon vesting of the awarded shares. The related costs of the awarded shares vested are debited to "Other reserves", with a corresponding adjustment made to "Share premium".

24 Other reserves

	Capital reserve RMB'000	Share-based compensation expenses RMB'000	PRC statutory reserves RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2024	656,572	312,828	—	45,052	1,014,452
Share-based compensation expenses *(Note 25)*	—	23,737	—	—	23,737
Transfer of treasury shares to employees upon vesting *(Note 23(b))*	—	(23,110)	—	—	(23,110)
Profit appropriations to statutory reserves (a)	—	—	21,926	—	21,926
Offsetting accumulated losses	(321,292)	—	—	—	(321,292)
As at December 31, 2024	335,280	313,455	21,926	45,052	715,713
As at January 1, 2025	**335,280**	**313,455**	**21,926**	**45,052**	**715,713**
Share-based compensation expenses *(Note 25)*	**—**	**28,701**	**—**	**—**	**28,701**
Transfer of treasury shares to employees upon vesting *(Note 23(b))*	**—**	**(102,662)**	**—**	**—**	**(102,662)**
Profit appropriations to statutory reserves (a)	**—**	**—**	**34,794**	**—**	**34,794**
As at December 31, 2025	**335,280**	**239,494**	**56,720**	**45,052**	**676,546**

(a) In accordance with the Company Law of the PRC and the stipulated provisions of the articles of association of subsidiaries with limited liabilities in the PRC, appropriation of net profit (after offsetting accumulated losses from prior years) should be made by these companies to their respective statutory surplus reserve before distributions are made to the equity holders. The percentage of appropriation to statutory surplus reserve is 10%, until the balance of the statutory surplus reserve reaches 50% of the registered capital. The Group has appropriated statutory surplus reserve with amount of RMB34,794,000 for the year ended December 31, 2025 (for the year ended December 31, 2024: RMB21,926,000).

25 Share-based payments

(a) Employee Incentive Scheme and H Share Scheme

(i) Employee Incentive Scheme

Certain eligible employees of the Group were granted with shares of the Company through Hangzhou Guiqiao Enterprise Management Partnership (Limited Partnership) as rewards for their services and in exchange for their full-time devotion and professional expertise. During the year ended December 31, 2025, no shares were awarded to certain employees under employee Incentive Scheme.

(ii) H Share Scheme

The Board has resolved at meetings of the Board held on August 30, 2021 and August 19, 2025 respectively for the adoption of the H Share Scheme. The H Share Scheme had been approved by the Shareholders at the extraordinary general meetings held on September 23, 2021 and October 24, 2025 respectively. The H Share Scheme is a share award of H Shares and the Trust scheme was established by the Company to award certain eligible employees. During the year ended December 31, 2025, 20,438,500 shares have been purchased and were held under the H Share Scheme, of which, 18,009,062 shares were granted to certain employees.

(iii) Under these employee incentive schemes, the employees were required to complete a service period and meet specified performance targets, if any.

The fair value of services received in return for a share award granted is measured by reference to the fair value of the share award granted less the consideration received by the Group. The fair value of the share award granted for the year ended December 31, 2025 was measured using the share price as at the grant date, which was HK$10.90 and HK$23.08. (2024: HK$9.65 and HK$12.21).

(iv) Movements in the number of shares granted but not vested for the years ended 2025 and 2024 are as follows:

	Year ended December 31,	
	2025	2024
	'000	*'000*
At the beginning of the year	**1,559**	4,872
Granted during the year	**18,009**	1,277
Vested during the year	**(6,716)**	(4,496)
Forfeited during the year	**(142)**	(94)
At the end of the year	**12,710**	1,559

25 Share-based payments (Continued)

(b) Pre-IPO Share Option Scheme

On January 18, 2021, the Board of Directors ratified and adopted an equity-settled Pre-IPO Share Option Scheme with an aggregate of 4,788,547 options funded by Domestic Shares of the Company. All the options were granted to certain eligible employees of the Group (collectively, the "**Grantees**") in June 2021 and will be vested in batches on vesting dates and shall be subject to the Group's and the relevant Grantee's performance target.

Pursuant to the extraordinary general meeting dated December 19, 2024, the Company resolved to utilize treasury shares to fulfil the exercise of share options granted under the Pre-IPO Share Option Scheme, in accordance with the specific grants and conditions stipulated therein. As at December 31, 2025, 3,735,067 share options have been exercised using treasury shares and 155,628 share options have been fully exercisable.

(i) The movements in the number of share options outstanding and their related exercise prices under the Pre-IPO Share Option Scheme are as follows:

	Exercise price per share option *RMB*	2025 Number of options	2024 Number of options
As at January 1	2.13	**4,597,006**	4,692,777
Cancelled during the period	2.13	**(706,311)**	(95,771)
Exercised during the period	2.13	**(3,735,067)**	—
As at December 31	2.13	**155,628**	4,597,006
Exercisable at December 31	2.13	**155,628**	4,597,006

(ii) Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price per share *RMB*	Share options as at December 31, 2025	Share options as at December 31, 2024
June 10, 2021	January 17, 2031	2.13	**155,628**	4,597,006

The remaining contractual life of outstanding share options was approximately 5 years and 6 years as at December 31, 2025 and 2024.

25 Share-based payments (Continued)

(b) Pre-IPO Share Option Scheme (Continued)

(iii) Fair value of options granted

The fair value at grant date is independently determined using binomial model, and the significant inputs are listed as below:

	Pre-IPO Share Option Scheme
Expected price volatility	59%
Expected option life (year)	10
Risk free interest rate	3.38%
Fair value of ordinary shares *(RMB)*	25.68–25.90

(c) Expenses arising from share-based payment transactions

Total expense for the share-based payments has been charged to the consolidated statement of comprehensive income as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Administrative expenses	**13,222**	5,071
Selling and distribution expenses	**8,700**	15,400
Research and development expenses	**6,388**	3,102
Cost of sales	**391**	164
Total	**28,701**	23,737

25 Share-based payments (Continued)

(d) Accounting policy for share-based payments

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from eligible employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of equity instruments is recognized as an expense on the consolidated financial statements. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions; (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions; (e.g., profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred.

If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Group accounts for the cancellation or settlement as an acceleration of vesting, and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

25 Share-based payments (Continued)

(d) Accounting policy for share-based payments (Continued)

Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase in investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

26 Trade and other payables

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Trade payables (a)	**62,188**	59,045
Staff salaries and welfare payables	**74,803**	67,383
Payables for purchase of property, plant and equipment	**53,427**	74,911
Payables to suppliers of services	**14,297**	10,324
Accrued taxes other than income tax	**18,316**	4,679
Others	**1,871**	1,156
	224,902	217,498

(a) The aging analysis of trade payables based on invoice date at the respective balance sheet dates is as follows:

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**62,188**	59,045

27 Deferred revenue

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Included in non-current liabilities		
Government grants related to assets:	**16,746**	15,885

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred revenue and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

28 Borrowings

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Current		
Bank borrowings — secured	**50,000**	87,000
Bank borrowings — unsecured	**10,000**	—
	60,000	87,000

(a) As at December 31, 2025, the Group has entered into loan agreements with a total amount of RMB 60,000,000 and all the amounts were drawn down, bearing interest at a rate of 2.11% per annum. (As at December 31, 2024: 2.90% to 3.40% per annum). Certain self-developed patents of the Group (with carrying value of nil as at December 31, 2024 and 2025) have been pledged as collateral under loan agreements.

(b) As at December 31, 2025 and 2024, the Group's borrowings were repayable as follows:

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**60,000**	87,000

29 Deferred income tax

(a) Deferred tax assets

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
The balance comprises temporary differences attributable to:		
Unused tax losses	**7,630**	—
Lease liabilities	**374**	575
Other	**—**	10
	8,004	585
Set-off of deferred tax liabilities pursuant to set-off provisions	**(374)**	(585)
Net deferred tax assets	**7,630**	—

29 Deferred income tax (Continued)

(a) Deferred tax assets (Continued)

Movements	Unused tax losses *RMB'000*	Lease liabilities *RMB'000*	Other *RMB'000*	Total *RMB'000*
As at January 1, 2024	—	961	45	1,006
— to profit or loss	—	(386)	(35)	(421)
As at December 31, 2024	—	575	10	585

Movements	**Unused tax losses *RMB'000***	**Lease liabilities *RMB'000***	**Other *RMB'000***	**Total *RMB'000***
As at January 1, 2025	**—**	**575**	**10**	**585**
— to profit or loss	**7,630**	**(201)**	**(10)**	**7,419**
As at December 31, 2025	**7,630**	**374**	**—**	**8,004**

(b) Deferred tax liabilities

	As at December 31,	
	2025 *RMB'000*	2024 *RMB'000*
The balance comprises temporary differences attributable to:		
Right-of-use assets	**374**	585
Set-off of deferred tax assets pursuant to set-off provisions	**(374)**	(585)
Net deferred tax liabilities	**—**	—

Movements	**Right-of-use assets *RMB'000***
As at January 1, 2024	1,006
— to profit or loss	(421)
As at December 31, 2024	585

29 Deferred income tax (Continued)

(b) Deferred tax liabilities (Continued)

Movements	Right-of-use assets *RMB'000*
As at January 1, 2025	**585**
— to profit or loss	**(211)**
As at December 31, 2025	**374**

30 Other current liabilities

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Provisions for sales rebates	**11,184**	7,743
Others	**3,104**	2,664
	14,288	10,407

31 Cash generated from operations

(a) Reconciliation of profit before income tax to net cash generated in operations

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Profit for the year before income tax	**236,740**	100,256
Adjustments for:		
— Depreciation of property, plant and equipment *(Note 7) (Note 9)*	**32,998**	32,096
— Amortization of intangible assets and depreciation of right-of-use assets *(Note 7)*	**4,633**	5,751
— Net impairment (gains)/losses on financial assets	**(14)**	44
— Impairment losses on intangible assets *(Note 7)*	**985**	6,738
— Write-down of inventories to net realizable value *(Note 7)*	**2,556**	—
— Share of net loss of an associate accounted for using the equity method	**—**	1,098
— Losses on disposal of property, plant and equipment and other non-current assets	**90**	46
— Share-based compensation expenses *(Note 25)*	**28,701**	23,737
— Net fair value losses from financial assets at fair value through profit or loss *(Note 10)*	**645**	36,209
— Dividends received from financial assets at fair value through profit or loss *(Note 9)*	**(3,103)**	—
— Finance income — net *(Note 11)*	**(55,066)**	(65,170)
— Amortization of deferred revenue	**(104)**	—
— Net foreign exchange losses/(gains)	**5,131**	(578)
	254,192	140,227
Changes in working capital:		
— Inventories	**27,089**	(38,934)
— Trade receivables	**(6,826)**	(351)
— Prepayments, other receivables and other current assets	**6,423**	1,550
— Trade and other payables	**40,166**	24,942
	66,852	(12,793)
Cash generated from operations	**321,044**	127,434

31 Cash generated from operations (Continued)

(b) Non-cash investing and financing activities

For the years ended December 31, 2025 and 2024, the Group did not have any material non-cash investing and financing activities.

(c) Changes in liabilities from financing activities

	Liabilities	
	Lease Liabilities ***RMB'000***	**Borrowings** ***RMB'000***
As at January 1, 2025	**3,906**	**87,000**
Financing cash flows	**(3,638)**	**(27,880)**
New leases	**3,738**	**—**
Other changes		
Interest expenses *(Note 11)*	**143**	**880**
Early termination of lease	**(509)**	**—**
As at December 31, 2025	**3,640**	**60,000**

	Liabilities	
	Lease Liabilities *RMB'000*	Borrowings *RMB'000*
As at January 1, 2024	5,877	50,000
Financing cash flows	(4,852)	35,096
New leases	2,610	—
Other changes		
Interest expenses *(Note 11)*	271	1,904
As at December 31, 2024	3,906	87,000

32 Commitments and contingent liabilities

(a) Capital commitments

Capital expenditures contracted for at each balance sheet date, but not yet incurred are as follows:

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Investment in a venture fund	**279,127**	158,667
Property, plant and equipment	**2,969**	12,789
	282,096	171,456

(b) Operating lease commitments

Minimum lease payments under non-cancellable leases (short-term or low-value lease) for at the end of each reporting period but not recognized in the financial statements are as follows:

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Operating lease contract	**591**	241

(c) The Group had no material contingent liabilities as at December 31, 2025 and 2024.

33 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

There were no significant transactions carried out between the Group and its related parties in the ordinary course of business for the years ended December 31, 2025 and 2024.

(a) Key management compensation

Key management includes directors, supervisors and senior management. The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Share-based compensation expenses	**17,747**	10,674
Discretionary bonuses	**12,943**	10,839
Wages, salaries, housing benefits, other social insurance and employee welfare	**9,145**	9,138
Pension cost — defined contribution plan	**122**	113
	39,957	30,764

34 Dividend

A final dividend in respect of the year ended December 31, 2024 of RMB0.10 per share was proposed pursuant to a resolution passed by the Board on April 25, 2025 and approved by the shareholders at the annual general meeting of the Company held on May 30, 2025. Such dividend amounted to RMB32,687,000 was paid during the year ended December 31, 2025.

The Board has resolved to propose the distribution of a final dividend of RMB0.22 per share for the year ended December 31, 2025 with a total amount of approximately RMB74,203,000, subject to the approval of shareholders at the 2025 Annual General Meeting.

35 Subsequent events

On January 16, 2026, the Company entered into the Sale and Purchase Agreement with E-Med Solutions ("**E-Med**", the seller) to acquire 49% equity interests in Optimed Medizinische Instrumente GmbH ("**Optimed**", the target) for a preliminary estimated total consideration of up to EUR 23.03 million (equivalent to approximately RMB187.26 million), subject to further adjustment. The Company has also been granted the option, which is exercisable at the discretion of the Company, to acquire the remaining equity interests in Optimed from its other shareholders.

36 Balance sheet and reserves movements of the Company

Balance sheet of the Company

	Note	As at December 31, 2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Investments in subsidiaries	37	**908,255**	814,359
Property, plant and equipment		**161,105**	163,940
Right-of-use assets		**1,391**	2,537
Intangible assets		**13,016**	14,575
Deferred tax assets		**1,527**	—
Prepayments and other receivables		**3,743**	1,123
Financial assets at fair value through profit or loss	21	**145,870**	104,835
Term deposits		**612,820**	1,105,578
Total non-current assets		**1,847,727**	2,206,947
Current assets			
Inventories		**86,378**	96,008
Prepayments, other receivables and other current assets		**433,814**	374,707
— Due from subsidiaries		**421,998**	364,000
— Due from third parties		**11,816**	10,707
Trade receivables		**2,991**	2,267
— Due from subsidiaries		**953**	1,122
— Due from third parties		**2,038**	1,145
Financial assets at fair value through profit or loss	21	**20,087**	60,539
Term deposits		**945,114**	702,837
Cash and cash equivalents		**212,077**	92,328
Total current assets		**1,700,461**	1,328,686
Total assets		**3,548,188**	3,535,633
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	23	**344,132**	330,182
Share premium	23	**2,149,411**	2,090,531
Other reserves		**864,114**	929,123
Treasury shares	23	**(182,464)**	(100,699)
Retained earnings		**143,576**	81,469
Total equity		**3,318,769**	3,330,606

36 Balance sheet and reserves movements of the Company (Continued)

Balance sheet of the Company (Continued)

	Note	As at December 31, 2025 RMB'000	2024 RMB'000
Liabilities			
Non-current liabilities			
Lease liabilities		**423**	1,502
Total non-current liabilities		**423**	1,502
Current liabilities			
Trade and other payables		**152,774**	107,501
Contract liabilities		**8,694**	4,157
Borrowings	*28*	**60,000**	87,000
Lease liabilities		**957**	965
Other current liabilities		**6,571**	3,902
Total current liabilities		**228,996**	203,525
Total liabilities		**229,419**	205,027
Total equity and liabilities		**3,548,188**	3,535,633

The balance sheet of the Company was approved by the Board of Directors on March 17, 2026 and was signed on its behalf.

Jonathon Zhong Zhao
Director

Yang Xie
Director

36 Balance sheet and reserves movements of the Company (Continued)

A summary of the Company's reserves is as follows:

	Share premium *RMB'000*	Other reserves *RMB'000*	Treasury shares *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
Balance as at January 1, 2024	2,270,033	917,485	(87,594)	(147,563)	2,952,361
Comprehensive income:					
Profit for the year	—	—	—	90,522	90,522
Transactions with equity holders of the Company:					
Purchase of treasury shares	—	—	(66,912)	—	(66,912)
Share-based compensation expenses	—	23,737	—	—	23,737
Transfer of treasury shares to employees upon vesting	(10,403)	(21,151)	30,051	—	(1,503)
Cancellation of treasury shares	(21,537)	—	23,756	—	2,219
Profit appropriations to statutory reserves	—	9,052	—	(9,052)	—
Offsetting accumulated losses with share premium	(147,562)	—	—	147,562	—
Balance as at December 31, 2024	2,090,531	929,123	(100,699)	81,469	3,000,424
Balance as at January 1, 2025	**2,090,531**	**929,123**	**(100,699)**	**81,469**	**3,000,424**
Comprehensive income:					
Profit for the year	**—**	**—**	**—**	**105,327**	**105,327**
Transactions with equity holders of the Company:					
Purchase of treasury shares	**—**	**—**	**(118,975)**	**—**	**(118,975)**
Share-based compensation expenses	**—**	**28,701**	**—**	**—**	**28,701**
Transfer of treasury shares to employees upon vesting	**58,880**	**(104,243)**	**51,160**	**—**	**5,797**
Profit appropriations to statutory reserves	**—**	**10,533**	**—**	**(10,533)**	**—**
Issuance of treasury shares	**—**	**—**	**(13,950)**	**—**	**(13,950)**
Cash dividends	**—**	**—**	**—**	**(32,687)**	**(32,687)**
Balance as at December 31, 2025	**2,149,411**	**864,114**	**(182,464)**	**143,576**	**2,974,637**

37 Material subsidiaries

(a) The Group's principal subsidiaries as at December 31, 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly or indirectly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Company name	Country/Place and date of incorporation/ establishment and category of legal entity	Issued ordinary/ Registered share capital	Effective interests held by the Group % as at December 31,		Direct or Indirect	Principal activities and place of operation
			2025	2024		
Ton-Bridge Medical Technology	The PRC, February 26, 2016, limited liability company	RMB 230,000,000	100%	100%	Direct	Research and development and production of neurovascular medical devices in Mainland China
Zylox Tonbridge Medical Limited	Hong Kong, March 17, 2021, limited liability company	USD 16,000,000	100%	100%	Direct	Import of materials and purchase of services in Hong Kong
Zhejiang Guichuang Medical Technology Co., Ltd.	The PRC, July 22, 2021, limited liability company	RMB 50,000,000	100%	100%	Direct	Technical consultation and services, research and development, production and sales of medical devices in Mainland China
Ton-Bridge Medical Technology (Suzhou) Co., Ltd.	The PRC, August 24, 2021, limited liability company	RMB 10,000,000	100%	100%	Indirect	Research and development, production and sales of medical devices in Mainland China
Hangzhou Guiqiao Medical Technology Co., Ltd.	The PRC, October 9, 2021, limited liability company	RMB 30,000,000	100%	100%	Direct	Research and development, production and sales of medical devices in Mainland China

37 Material subsidiaries (Continued)

(a) (Continued)

Company name	Country/Place and date of incorporation/ establishment and category of legal entity	Issued ordinary/ Registered share capital	Effective interests held by the Group % as at December 31,		Direct or Indirect	Principal activities and place of operation
			2025	2024		
Zhiyu Medical Technology (Guangzhou) Co., Ltd.	The PRC, October 9, 2021, limited liability company	RMB 5,000,000	100%	100%	Indirect	Research and development, production and sales of medical devices in Mainland China
Zenith Medical Technologies Pte. Ltd.	Singapore, November 21, 2022, limited liability company	USD 9,000,000	100%	100%	Direct	Investment holding
Zenith Medical Technologies B.V.	Netherlands, December 1, 2022, limited liability company	EUR 1	100%	100%	Indirect	Sales of medical devices in Europe

(i) None of the subsidiaries had issued any debt securities at the end of the year.

37 Material subsidiaries (Continued)

(b) Investments in subsidiaries

	As at December 31,	
	2025	2024
	RMB'000	*RMB'000*
Interests in subsidiaries	**832,192**	748,883
Deemed capital contribution to subsidiaries (i)	**76,063**	65,476
	908,255	814,359

(i) The amounts represent the equity-settled share-based payments in respect of the respective share options granted by the Company to certain employees of the specified subsidiaries for employees' services rendered to the respective subsidiaries under the Company's employee option plan as disclosed in Note 25(a) and 25(b). Since the subsidiaries have no obligation to reimburse such expense, the amounts are treated as deemed capital contribution by the Company to the subsidiaries and included in the Company's cost of investments in subsidiaries.

38 Benefits and interests of directors

(a) Emoluments of directors, supervisors and chief executive

The remuneration of each director and supervisor paid or payable for the years ended December 31 2025 is set out below:

	Fees *RMB'000*	Salaries *RMB'000*	Discretionary bonuses *RMB'000*	Share-based compensation expenses *RMB'000*	Pension cost — defined contribution plan *RMB'000*	Social security costs, housing benefits and employee welfare *RMB'000*	Total *RMB'000*
For the year ended December 31, 2025							
Chairman and chief executive officer of the Board							
Jonathon Zhong Zhao (趙中)	—	3,000	4,811	4,431	—	—	12,242
Non-executive directors							
Dongfang Li (李東方)	—	—	—	—	—	—	—
Steven Dasong Wang (王大松)	—	—	—	—	—	—	—
Stephen Hui Wang (王暉) (i)	—	—	—	—	—	—	—
Executive directors							
Yang Xie (謝陽)	—	2,000	2,573	1,989	47	87	6,696
Zheng Li (李崢)	—	2,000	3,718	2,442	52	58	8,270
Independent non-executive directors							
Jian Ji (計劍)	200	—	—	—	—	—	200
Yun Qiu (邱妘)	200	—	—	—	—	—	200
Xiang Qian (錢湘) (iii)	200	—	—	—	—	—	200
	600	7,000	11,102	8,862	99	145	27,808
Supervisors							
Changan Ma (馬長安)	—	446	373	50	47	83	999
Tao Liu (劉濤)	—	800	—	21	70	95	986
Hongbo Wang (王宏波)	—	443	191	37	52	58	781
	600	8,689	11,666	8,970	268	381	30,574

38 Benefits and interests of directors (Continued)

(a) Emoluments of directors, supervisors and chief executive (Continued)

The remuneration of each director and supervisor paid or payable for the years ended December 31, 2024 is set out below:

	Fees *RMB'000*	Salaries *RMB'000*	Discretionary bonuses *RMB'000*	Share-based compensation expenses *RMB'000*	Pension cost — defined contribution plan *RMB'000*	Social security costs, housing benefits and employee welfare *RMB'000*	Total *RMB'000*
For the year ended December 31, 2024							
Chairman and chief executive officer of the Board							
Jonathon Zhong Zhao (趙中)	—	3,000	3,008	7,661	—	—	13,669
Non-executive directors							
Dongfang Li (李東方)	—	—	—	—	—	—	—
Steven Dasong Wang (王大松)	—	—	—	—	—	—	—
Stephen Hui Wang (王暉) (i)	—	—	—	—	—	—	—
Executive directors							
Yang Xie (謝陽)	—	2,000	2,450	405	44	84	4,983
Zheng Li (李崢)	—	2,000	2,919	1,159	51	54	6,183
Independent non-executive directors							
Jian Ji (計劍)	200	—	—	—	—	—	200
Yun Qiu (邱耘)	200	—	—	—	—	—	200
Hongze Liang (梁洪澤) (ii)	83	—	—	—	—	—	83
Xiang Qian (錢湘) (iii)	117	—	—	—	—	—	117
	600	7,000	8,377	9,225	95	138	25,435
Supervisors							
Changan Ma (馬長安)	—	439	167	22	44	80	752
Tao Liu (劉濤)	—	1,200	—	242	68	92	1,602
Hongbo Wang (王宏波)	—	424	396	45	51	54	970
	600	9,063	8,940	9,534	258	364	28,759

38 Benefits and interests of directors (Continued)

(a) Emoluments of directors, supervisors and chief executive (Continued)

(i) Mr. Stephen Hui Wang (王暉) resigned as a non-executive director on March 31, 2025.

(ii) Mr. Hongze Liang (梁洪澤) retired as an independent non-executive director on June 6, 2024.

(iii) Dr. Xiang Qian (錢湘) was appointed as an independent non-executive director on June 6, 2024.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 3 directors for the years ended December 31, 2025 and 2024 respectively. Their emoluments are reflected in the analysis presented in Note 38(a). The emoluments of the remaining 2 individuals for the years ended December 31, 2025 and 2024 respectively are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Share-based compensation expenses	**12,353**	5,765
Salaries, wages, housing fund and other social insurance	**2,940**	2,592
Discretionary bonuses	**2,810**	2,835
Pension cost — defined contribution plan	**91**	91
	18,194	11,283

The emoluments fell within the following bands:

	Year ended December 31,	
	2025	2024
Emolument bands		
HK$5,000,001–HK$5,500,000	**1**	—
HK$5,500,001–HK$6,000,000	**—**	1
HK$6,000,001–HK$6,500,000	**—**	1
HK$14,500,001–HK$15,000,000	**1**	—
	2	2

38 Benefits and interests of directors (Continued)

(c) Directors' retirement benefits

None of the directors received or will receive any retirement benefits for the years ended December 31, 2025 and 2024.

(d) Directors' termination benefits

None of the directors received or will receive any termination benefits for the years ended December 31, 2025 and 2024.

(e) Consideration provided to third parties for making available directors' services

For the years ended December 31, 2025 and 2024, the Group did not pay consideration to any third parties for making available directors' services.

(f) Information about loans, quasi-loans and other dealings in favor of directors, bodies corporate controlled by or entities connected with directors

There were no loans, quasi-loans and other dealings in favor of directors, controlled body corporates by and connected entities with such directors for the years ended December 31, 2025 and 2024.

(g) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time for the years ended December 31, 2025 and 2024.

39 Summary of other potentially material accounting policies

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

39.1 Principles of consolidation and equity accounting

39.1.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

39.1.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Group on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

39.1.3 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see Note 39.1.4 below), after initially being recognized at cost.

39 Summary of other potentially material accounting policies (Continued)

39.1 Principles of consolidation and equity accounting (Continued)

39.1.4 *Equity method*

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 39.4.

39.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director of the Company.

39 Summary of other potentially material accounting policies (Continued)

39.3 Foreign currency translations

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**Functional Currency**"). The consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within "Other losses — net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

39.4 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

39 Summary of other potentially material accounting policies (Continued)

39.5 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

(i) Those to be measured subsequently at fair value (either through other comprehensive income ("**OCI**"), or through profit or loss), and

(ii) Those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("**FVOCI**").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

39 Summary of other potentially material accounting policies (Continued)

39.5 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

(ii) FVOCI: Assets that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in "Other losses — net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other losses — net", and impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

(iii) FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net in the consolidated statement of comprehensive income within "Other losses — net" in the period in which it arises.

For the years ended December 31, 2025 and 2024, no amount had been recognized in respect of financial assets at FVOCI.

39 Summary of other potentially material accounting policies (Continued)

39.5 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in "Other losses — net" in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment of financial assets

The Group assesses the expected credit losses associated with its debt instruments carried at amortized cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

At each reporting date, the Group shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Impairment on other receivables from third parties and related parties are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If no significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as 12-month expected credit losses.

39.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where the Group currently has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

39 Summary of other potentially material accounting policies (Continued)

39.7 Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 39.5 (iv) for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

39.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash at bank and deposits held at call with financial institutions (excluding term deposits with a term over 3 months).

39.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of equity instruments are shown in equity as a deduction, net of tax, from the proceeds.

Where any the Group purchases the Company's equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity as "Treasury shares" until the shares are cancelled or reissued.

39.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

39 Summary of other potentially material accounting policies (Continued)

39.11 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

39.12 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

39 Summary of other potentially material accounting policies (Continued)

39.13 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

39 Summary of other potentially material accounting policies (Continued)

39.14 Employee benefits

(a) Pension, housing funds, medical insurances and other social insurances obligations

Employees of the Group's subsidiaries which operate in the PRC are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas (the "**PRC Pension Scheme**"). The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

Employees of the Group are entitled to participate in various government supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

The Group also participates in a pension scheme under the rules and regulations of Mandatory Provident Fund Scheme (the "**MPF Scheme**") for all its qualifying employees in Hong Kong. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000. Contributions to the MPF Scheme vest immediately.

There are no forfeited contributions (by employers on behalf of employees who leave the scheme prior to full vesting in such contributions) to offset existing contributions under the defined contribution schemes.

(b) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheets.

39 Summary of other potentially material accounting policies (Continued)

39.15 Leases as lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercise that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implied in the lease, if that rate can be determined, or the respective incremental borrowing rate, which is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are subject to impairment (Note 39.5). Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months without a purchase option.

39 Summary of other potentially material accounting policies (Continued)

39.16 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

39.17 Interest income

Interest income from financial assets at FVPL is included in "Other losses — net" on these assets.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

39.18 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

39 Summary of other potentially material accounting policies (Continued)

39.19 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

39.20 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The earnings attributable to equity holders of the Company;
- By the weighted average number of ordinary shares outstanding during the financial year (excluding treasury shares).

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic loss per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that will have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Definitions

"Articles of Association"	the articles of association of the Company (as amended from time to time)
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Award(s)"	the H Share(s) awarded to a Selected Participant in accordance with the terms of the Share Award Scheme
"BGC"	balloon guiding catheter, a large lumen catheter with a compliance balloon at the distal tip of the catheter, intending to facilitate the insertion and guidance of an intravascular catheter
"Board of Directors" or "Board"	our board of Directors
"CE"	Conformité Européenne
"CE Mark"	a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area
"CG Code"	the "Corporate Governance Code" contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Company", "Zylox-Tonbridge", "our Company", "Group", "our Group", "We" "our" or "us"	Zylox-Tonbridge Medical Technology Co., Ltd. (歸創通橋醫療科技股份有限公司), a limited liability company incorporated in the PRC on November 6, 2012 and the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 2190) and which includes its subsidiaries (from time to time) as required by the context
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Core Products"	Thrombite CRD and UltraFree DCB, the designated "core products" as defined under Chapter 18A of the Listing Rules
"CRD"	clot retriever device, a minimally invasive device to capture and remove the clot blocking blood vessels to treat neurovascular diseases such as acute ischemic stroke
"CTO"	chronic total occlusion
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)

"DCB"	drug-coated balloon, angioplasty balloons (usually semi-compliant) coated with a cytotoxic chemotherapeutic agent
"Director(s)"	the director(s) of the Company or any one of them
"Domestic Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.0 each, which are subscribed for or credited as paid in Renminbi
"DVT"	deep vein thrombosis, occurring when a blood clot forms in one or more of the deep veins in the body, usually in the leg
"Frost & Sullivan"	Frost & Sullivan International Limited, an independent market, research and consulting company
"Frost & Sullivan Report"	the report commissioned by the Company and independently prepared by Frost & Sullivan, a summary of which is set forth in the section headed "Industry Overview" in the Prospectus
"Employee Incentive Platforms"	Hangzhou Fujiang Investment Partnership (Limited Partnership) (杭州涪江投資合夥企業(有限合夥)), Zhuhai Guichuang Investment Center (Limited Partnership) (珠海歸創投資中心(有限合夥)) (formerly known as Zhuhai Guichuang Equity Investment Center (Limited Partnership) (珠海歸創股權投資中心(有限合夥))), Zhuhai Tongqiao Investment Center (Limited Partnership) (珠海通橋投資中心(有限合夥)) and Hangzhou Guiqiao Enterprise Management Partnership (Limited Partnership) (杭州歸橋企業管理合夥企業(有限合夥)) (formerly known as Ningbo Guiqiao Enterprise Management Partnership (Limited Partnership)* (寧波歸橋企業管理合夥企業(有限合夥)))
"EUR"	Euro
"Global Offering"	the Hong Kong Public Offering and the International Offering (each as defined in the Prospectus)
"H Share(s)"	the overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
"H Share Scheme"	the 2021 H Share Award and Trust Scheme adopted by the Company on September 23, 2021
"2024 Share Award Scheme"	the 2024 Share Award Scheme adopted by the Company on December 19, 2024
"2025 Share Incentive Scheme"	the 2025 Share Incentive Scheme adopted by the Company on October 24, 2025

"HKD" or "HK$"	Hong Kong dollars and cents, both are the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"ischemic stroke"	a stroke caused by a blockage in an artery that supplies blood to the brain
"ISR"	in-stent restenosis
"IVC"	inferior vena cava, a large vein that carries the deoxygenated blood from the lower and middle body into the right atrium of the heart
"IVCF"	inferior vena cava filter, a medical device implanted into the inferior vena cava to prevent blood clots from moving through blood into the lungs
"IVCS"	iliac vein compression syndrome, a syndrome in which the iliac vein is compressed by the iliac artery that spans from its front, resulting in changes such as intraluminal adhesion, luminal stenosis, or occlusion of the vein, which in turn causes obstruction of the iliac vein flow, producing a range of clinical symptoms
"Latest Practicable Date"	April 15, 2026, being the latest practicable date prior to the printing of this report for the purpose of ascertaining certain information contained herein
"Listing" or "IPO"	the listing of the H Shares on the Main Board of the Stock Exchange on July 5, 2021
"Listing Date"	the date on which our H Shares are listed and from which dealings are permitted to take place on the Stock Exchange, being July 5, 2021
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended or supplemented from time to time)
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" in force during the year ended December 31, 2023 as contained in Appendix 10 to the then applicable Listing Rules (i.e. the new Appendix C3 to the Listing Rules with effect from December 31, 2023)
"NMPA"	National Medical Products Administration of the People's Republic of China

"Nomination Committee"	the nomination committee of the Board
"Over-allotment Option"	the over-allotment option which had been granted by the Company to the relevant underwriters to allot and issue up to an aggregate of 9,000,000 additional H Shares, representing 15% of the offer shares initially available under the Global Offering
"PE"	pulmonary embolism, a blockage in one of the pulmonary arteries in the lungs. Caused by blood clots that travel to the lungs from deep veins in the legs or, rarely, from veins in other parts of the body
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法)
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme of our Company approved and adopted by the Board on January 18, 2021, as amended from time to time
"Prospectus"	the prospectus issued by the Company dated June 22, 2021
"PTA"	percutaneous transluminal angioplasty, a percutaneous interventional procedure that can open up blocked peripheral arteries using a catheter with a balloon at the end of it, allowing blood to circulate unobstructed
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the one-year period from January 1, 2025 to December 31, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (as amended from time to time)
"Shareholder(s)"	the shareholder(s) of the shares of the Company
"Single Largest Group of Shareholders"	refers to Dr. Jonathon Zhong Zhao (趙中), Dr. Shengping Sam Zhong (鍾生平), Dr. Zheng Li (李崢), Ms. Na Wei (衛娜), Zhuhai Tongqiao Investment Center (Limited Partnership) (珠海通橋投資中心(有限合夥)), Hangzhou Fujiang Investment Partnership (Limited Partnership) (杭州涪江投資合夥企業(有限合夥)), Zhuhai Guichuang Investment Center (Limited Partnership) (珠海歸創投資中心(有限合夥)), (formerly known as Zhuhai Guichuang Equity Investment Center (Limited Partnership) (珠海歸創股權投資中心(有限合夥))), Hangzhou Guiqiao Enterprise Management Partnership (Limited Partnership) (杭州歸橋企業管理合夥企業(有限合夥)) (formerly known as Ningbo Guiqiao Enterprise Management Partnership (Limited Partnership)* (寧波歸橋企業管理合夥企業(有限合夥))), WEA Enterprises, LLC and Hangzhou Yuyihui Enterprise Management Partnership (Limited Partnership) (杭州語意慧企業管理合夥企業(有限合夥)) (formerly known as Huzhou Yuyihui Enterprise Management Partnership (Limited Partnership) (湖州語意慧企業管理合夥企業(有限合夥))

"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"Supervisory Committee"	the supervisory committee of the Company
"Taiwan"	Taiwan, China
"Unlisted Foreign Shares"	ordinary share(s) issued by the Company, with a nominal value of RMB1.0 each, which is/are subscribed for or credited as paid in a currency other than Renminbi, held by foreign investors and not listed on any stock exchange
"USD"	United States dollars, the lawful currency of the United States of America
"Waiver Period"	a period from September 5, 2022 to July 4, 2024 in which the Company was waived by the Stock Exchange from strict compliance with Rules 3.28 and 8.17 of the Listing Rules regarding the eligibility of Mr. Yuan to act as a company secretary of the Company
"%"	percent