

ANGELALIGN TECHNOLOGY INC.
時代天使科技有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 6699

2025 ANNUAL REPORT



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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. FENG Dai (*Chairman*) (*re-designated from non-executive Director with effect from April 23, 2026*)
Mr. HU Jiezhong (*Chief Executive Officer*)
Mr. HUANG Kun
Ms. DONG Li
Mr. SONG Xin (*resigned with effect from April 23, 2026*)

Independent Non-executive Directors

Mr. HAN Xiaojing
Mr. SHI Zi
Mr. ZHOU Hao

Audit Committee

Mr. ZHOU Hao (*Chairman*)
Mr. HAN Xiaojing
Mr. SHI Zi

Remuneration Committee

Mr. HAN Xiaojing (*Chairman*)
Mr. HU Jiezhong
Mr. HUANG Kun
Mr. SHI Zi
Mr. ZHOU Hao

Nomination Committee

Mr. FENG Dai (*Chairman*)
Ms. DONG Li (*appointed as a member of Nomination Committee with effect from June 24, 2025*)
Mr. HAN Xiaojing
Mr. SHI Zi
Mr. ZHOU Hao
Mr. SONG Xin (*ceased as a member of Nomination Committee with effect from June 24, 2025*)

Company Secretary

Mr. LEE Leong Yin (*FCG, HKFCG*) (*appointed with effect from May 15, 2025*)
Mr. ZHU Lingbo (*resigned with effect from May 15, 2025*)

Authorized Representatives

Mr. HUANG Kun
Mr. LEE Leong Yin (*FCG, HKFCG*) (*appointed with effect from May 15, 2025*)
Mr. ZHU Lingbo (*resigned with effect from May 15, 2025*)

Auditor

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

Registered Office

Maples Corporate Services Limited
PO Box 309, Umland House
Grand Cayman, KY1-1104
Cayman Islands

The Cayman Islands Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited
Boundary Hall, Cricket Square
PO Box 1093, Grand Cayman
KY1-1102 Cayman Islands

Corporate Headquarters

6/F-7/F, Building No. 7, KIC Business Center
No. 500 Zhengli Road
Yangpu District
Shanghai, PRC

Principal Banks

China Merchants Bank Co., Ltd.
China CITIC Bank Corporation Limited
BNP Paribas
Citibank

Hong Kong Legal Adviser

Baker & McKenzie
14/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Principal Place of Business in Hong Kong

Room 1920, 19/F
Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

Hong Kong Branch Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Company's Website

www.angelalign.com

Stock Short Name

Angelalign

Stock Code

6699

CHAIRMAN'S LETTER



FENG Dai

Chairman of the Board

Fourteen years ago, I walked into a small, stuffy office with old cubicles and stained carpets. Angel's chief orthodontist cheerily showed me a book of cases that featured seriously gnarled teeth, excessively receding or protruding jaws.

I wondered aloud: "Can't you focus on easier cosmetic cases first – and have some sales?"

The orthodontist whispered in response: "Look, I also want easier work and quick sales. But our aligner system was created by a group of orthodontic professors to treat complex cases. They say anyone can do simple cases."

I learned that the lead inventor and co-founder, B.K. Wang, was a leading orthodontist, university ortho chair and mentor. Wang had invented not just the Angel system but also a bracket and wire system. He was also a humanitarian activist who organized fluoride treatment for many rural communities.

Our chief ortho went on to explain. "Other aligners are tech-focused. It's always exciting for them to talk about shiny new stuff," he said. "But our founders demand clinically predictable outcomes and stability, while being easy to use. That makes life much harder for us and kind of boring for our investors."

So, I asked: "How's the company going to survive?"

He looked at me with expectant eyes and said, "I don't know. That's why you're here."

Twenty-three years since its founding, Angel is still on this same path. I've been in med-tech my whole career and I had never dealt with anything as complex as a high-end aligner supplier. It requires an Olympic-level dream team, with each operating module being best in class: treatment planning, custom manufacturing, bio-mechanics R&D, software algorithms, clinical support, specialist sales and order-to-delivery.

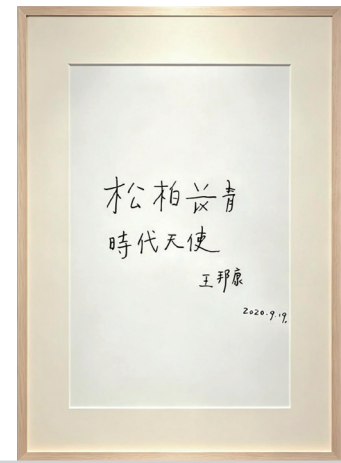
But it's even harder than that. Recently I realized that aligner development is a slow iterative learning system. It can't be built by a genius or just by throwing money at it. The product and service need to get a little bit better every day over a long period. Only by doing real cases and having demanding clinical feedback, does the system become industrial quality, with capabilities reflecting the type of cases and customers served. Our system now reflects a capability of majority difficult tooth movements and very clinically demanding customers, as a result of doing over two million such cases.

We are so fortunate to have been positioned just right from the beginning. **Angel was built by orthodontists for orthodontists with a focus on clinical excellence.** Our people, culture, products, and operating modules are finely tuned to achieve this goal together. Orthodontists rely on us for clinically meaningful treatments instead of just aesthetic fixes. Half of our cases are in the demanding category of younger patients.

Treating a lot of cases is still not enough to lead in innovation. The organization must be open and collaborative because most innovations in aligners don't originate with the "smart people" at the top or from R&D investments. They come from customers, sales reps, engineers, clinical support teams, and treatment technicians. For Angel, it's our thousands of motivated people in these roles, inspired by our management team, that have made us a leader in innovation, and successful in 60 countries.

After a long illness, Professor B.K. Wang passed away in 2022. We will always honor his role in building doctor community, innovating orthodontic technologies and spreading humanitarianism. These embody Angel's values.

Even when he was bedridden, B.K. thought a lot about Angel. He scrawled huge words for me that filled an entire page as if yelling: "You CareCapital guys make Angel amazing! Enduring!" That sheet sits on my desk to remind me every day. And that's exactly what we're doing.



Dai Feng

Dai Feng

Chairman of the Board

Angelalign Technology Inc.

CHIEF EXECUTIVE OFFICER'S LETTER



HU Jiezhang

*Executive Director, Chief Executive Officer,
Chief Technology Officer*

Dear customers, shareholders, and colleagues,

I would like to thank you for your continued trust and support over the past year and for being part of Angel's journey as we reach new milestones together. In 2025, we continued to strengthen our position as a clinically driven clear aligner company, expanding globally while deepening our capabilities in serving our doctor customers.

In 2025, we continued to receive strong positive feedback from our customers around the world. Angel recently surpassed two million total cases. This important achievement is a testament to our long-term capabilities and the respect orthodontists have for our products and services. We feel confident about our strategic direction and prospects.

The clear aligner industry has grown steadily. An experienced orthodontist in the United States told me that he expects aligners will account for 60%-to-70% of cases in his practice. A French orthodontist with two decades of experience described aligner treatment as “the direction of the orthodontic industry.” These perspectives reinforce our view that clear aligners are still in the early stages of long-term structural adoption globally. Yet orthodontists are cautious about selecting the brands they use. As a result, orthodontists tend to rely on a small number of providers with established clinical track records.

This reflects a fundamental characteristic of the aligner industry — it is a compounding system.

Aligners' value is not determined by short-term customer satisfaction or pricing strategies but by the stability and predictability of long-term treatment outcomes. Differences in product and service capabilities accumulate over the course of a treatment, which often lasts one-to-two years. Orthodontists rely on past-case experiences and peer recommendations when selecting new brands.

As a result, Angel has chosen a demanding path to establish its reputation in the marketplace. Over two decades, we have built and maintained foundational capabilities that include localized service as part of its delivery systems around the world. We also offer comprehensive clinical support and a clinically driven innovation process for new products and services. We believe this clinically driven and localized approach is fundamentally different from a standardized, technology-led model.

When we started to expand beyond mainland China three years ago, Angel launched in several markets simultaneously. We set up local teams and support systems in four major regions: EMEA (Europe, Middle East & Africa), North America, APAC (Asia Pacific) and South America. We also established treatment planning centers in Brazil and Southeast Asia. In addition, we expanded our Brazil manufacturing facility to include Angel branded products and are building our U.S. manufacturing facility.

These sites allow us to stay close to the needs of our customers and patients. We are constantly getting feedback that allows us to validate and improve our products and services and build an ever-stronger reputation among orthodontists. This strategy requires big, long-term investment and disciplined execution. But we believe that only the well-validated products and services can succeed in global competition.

We do not apply a standardized service model everywhere. We tailor our approach to local clinical cultures, treatment philosophies, and decision-making processes. For example, some European experts expect treatment plans to follow their protocols. So, we offer to train our treatment planning teams. Many U.S. orthodontists prefer in-depth discussions about complex cases so they can refine treatment strategies through multiple iterations. So, we do that, too. This kind of localized understanding has helped make us a trusted clinical partner in the diverse markets we serve around the world.

We also have developed a differentiated support system in China. In Tier 1 and Tier 2 cities, we continue to deepen our professional services and systematic capabilities by helping doctors improve efficiency and clinical performance. In broader Tier 3 and Tier 4 markets, we are committed to making service more available, expanding clinical support and improving commercial teams. This means that we maintain a consistent focus on case evaluation, treatment planning, patient communication, and careful treatment management. Our goal is to help clinicians finish each case well.

Through long-term collaboration with doctors, we have continuously applied real clinical needs to build sustainable competitive advantages. "Clinical-first" is our DNA. Clinical outcomes improve when doctors have more support. That's what we provide. We have found that innovation finds its true value when technological capabilities are combined with localized clinical support.

Take the angelButton™ as an example. The product was devised to address a demonstrated clinical need. Today, after six years of refinement, the angelButton™ has significantly improved orthodontic stability and usability. More than 100 million buttons have been shipped globally. They have become a widely adopted tool in daily clinical practice.

We also are combining cutting-edge technologies with traditional orthodontic methods. Our technology is embedded into our clinical support and manufacturing ecosystem. For example, the iOrtho platform is updated frequently to continuously integrate computational capabilities with clinical expertise. This improves diagnosis, treatment planning efficiency and quality control.

Underlying all of this is our long-standing core value: putting the customer first. This is the principle that guides our product development, operational decisions, and long-term strategy. It also drives us to take responsible actions when the industry changes.

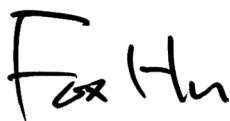
CHIEF EXECUTIVE OFFICER'S LETTER

Currently, some aligner brands have scaled back or exited markets. Doctors have increasingly turned to leading suppliers with proven long-term reliability. For Angel, this presents both an opportunity and a responsibility for us. We are committed to delivering reliable products and services to earn the trust of doctors and patients. At the same time, we are constantly looking for ways to support doctors when treatments are disrupted by supplier issues.

Our open and inclusive culture and our collaborative organizational model have opened the way for Angel to serve customers in more than 60 countries. Cross-regional and cross-functional collaboration continues to improve, integrating R&D, clinical support, and commercial, and operational resources. This organizational strength is an important competitive advantage.

We are firmly committed to delivering customer value. We will continue to strengthen our clinical support services and R&D capabilities, expand treatment indications, and improve the overall experience for doctors and patients. We will further enhance production capacity and treatment design infrastructure to improve the resilience of our supply chain. We will continue to invest in IT, compliance systems and global data security, while strengthening our intellectual property protections to support long-term growth.

We believe that long-term success in this industry is built through consistent execution, discipline, and trust from doctors. Small continuous improvements, compounded, go a long way. Angel will continue to innovate, invest with discipline, and work alongside doctors and partners to create sustainable development of the global orthodontic industry by helping clinicians achieve better outcomes.



Fox Hu

Executive Director, Chief Executive Officer, Chief Technology Officer

Angelalign Technology Inc.

RESULTS HIGHLIGHTS

2025 marked a year of continued worldwide growth and improving operating leverage for the Group. Global markets (ex-Chinese mainland) delivered strong growth from customers who value clinical excellence, while the Chinese mainland market saw a further consolidation of the company's market leadership across all customer segments.

- Our total clear aligner case volume increased by 48.1%, from approximately 359,400 in FY2024 to approximately 532,400 in FY2025.
 - (i) In global markets (ex-Chinese mainland), case volume increased by 82.1% to approximately 256,200 in FY2025, reflecting increasing adoption by orthodontists who prioritize clinical excellence and appreciate strong clinical outcomes and customer service.
 - (ii) In the Chinese mainland market case volume increased by 26.3% to approximately 276,200 in FY2025, driven by market share gains across product and customer segments, particularly in lower-tier markets and for adolescent/pediatric customers in Chinese mainland.
- Our revenue increased by 37.8% from USD268.8 million in FY2024 to USD370.3 million in FY2025.
 - (i) In global markets (ex-Chinese mainland), our revenue increased by 102.5% from USD80.5 million to USD163.0 million in FY2025.
 - (ii) In Chinese mainland market, our revenue increased by 10.1% from USD188.2 million to USD207.3 million in FY2025.
- Our gross profit increased by 38.5% from USD168.2 million in FY2024 to USD232.9 million in FY2025. Our gross profit margin for FY2025 was 62.9%, remaining stable compared with 62.6% for FY2024.
- Our adjusted segment operating results for FY2025 were as follows:
 - (i) Our adjusted segment loss in global markets (ex-Chinese mainland) narrowed from USD29.7 million in FY2024 to USD10.5 million in FY2025, benefiting from the realization of operating leverage from the Group's established global professional sales network, world-class service and clinical support infrastructure, as well as delays in the ramp-up costs of certain non-China manufacturing facilities.⁽¹⁾
 - (ii) Our adjusted segment profit in Chinese mainland market reached USD51.3 million in FY2025, compared to USD36.6 million in FY2024, as our Chinese mainland business continued to deliver steady revenue growth and benefited from economy of scale at the Group level, as administrative and research and development investments are shared across the Group's global operations.⁽¹⁾
- Our net profit increased by 163.0% from USD10.0 million for FY2024 to USD26.3 million for FY2025. The improved profitability was supported by increasing revenue and operating leverage from the Group's global infrastructure, and the timing of certain operating and legal expenses during the year.
- Our adjusted net profit increased by 63.0% from USD26.9 million for FY2024 to USD43.8 million for FY2025.⁽²⁾
- The Board has resolved to recommend the payment of a final dividend of HKD0.48 per Share and a special dividend of HKD4.99 per Share for the year ended December 31, 2025.

Note

- (1). Adjusted segment profit/loss and adjusted segment profit margin is defined as segment profit/loss and segment profit margin with adjustments of respective share-based payments. Please refer to pages 21 of this report for more details.
- (2). Adjusted net profit is defined as net profit with adjustments of share-based payments, unrealized fair value losses recognized in profit or loss in relation to unlisted equity investment, and net foreign exchange losses. Please refer to page 22 of this report for more details.

MANAGEMENT DISCUSSION AND ANALYSIS*

Business Review

During the Reporting Period, the Company's open and inclusive culture enabled an organization structure that successfully integrated its global commercial talents, R&D, and operational resources to meet customers' clinical needs. As a result, the Company was able to deliver localized solutions that address diverse clinical cultures and regulatory requirements across over 60 countries. To date, the Group has established professional clinical support and sales teams across EMEA, North America, APAC, South America and China, with very positive customer feedback. The global supply chain is being strengthened, including treatment planning centers in Brazil and Southeast Asia, and manufacturing facilities in the U.S. and Brazil, as works in progress.

These foundational capabilities supported the complex services of a premium aligner business, and enabled continued progress in worldwide growth in 2025, with total case volume reaching 532,400, representing a year-on-year increase of 48.1%. Growth was primarily driven by heightened professional recognition among premium global orthodontists and consolidation of market share leadership in Chinese mainland, particularly in lower-tier markets. As it scaled, the Group began to realize greater operating efficiency from investments made in global sales, services and centralized functions in prior years. Looking ahead, professional reputation and focus on clinical excellence is expected to enable Angel Aligner's continued growth.

1. Expanding Global Footprint while Solidifying the China Core

Global Markets (ex-Chinese mainland): Clinical confidence by top-tier orthodontists in top cities, driving word-of-mouth referrals.

In 2025, the Group achieved robust growth, with case volume increasing 82.1% year-on-year to approximately 256,200 cases. This was driven by strong clinical experiences by top orthodontists in leading global cities, including New York, London, Paris, Tokyo, Madrid, Sydney, Los Angeles, Boston, Cologne, and São Paulo, spreading the reputation of the Group's clear aligner solutions.

- **Organizational synergy and talent advantage:** Grounded in Angel's open and inclusive culture, we have brought together a distinguished global network of Key Opinion Leaders (KOLs). By balancing centralized strategic oversight with local empowerment, we have built an organization that is responsive to the local clinical requirements of our diverse markets.
- **Operational and service excellence:** We are committed to predictable service delivery and achieved strong Net Promoter Scores (NPS). By continuously improving our clinical execution, we converted clinician satisfaction into referrals, which is our core growth engine.
- **Enhancing brand equity:** we have earned the trust of doctors through our focus on clinical excellence and dedicated customer care. Angel Aligner was also certified as a "Great Place to Work" in multiple European countries, underscoring our attractiveness as an employer of choice. We remain committed to sustainability and social responsibility, including launching aligner recycling programs in various regions.

* Products and technologies mentioned in this section are available in certain countries and regions.

Chinese mainland market: Consolidating market share leadership, especially in lower-tier cities, by expanding product portfolios and clinical services

In 2025, we extended market leadership in China, especially in lower-tier cities. By deepening our focus on third- and fourth-tier cities, combined with expanding product portfolios and enhancing clinical services, total case volume reached approximately 276,200 cases, a solid year-on-year increase of 26.3%.

- **Lower-tier market focus:** Our sales and clinical support teams have deeply covered third- and fourth-tier cities. By expanding our product portfolios, providing systematic training and professional clinical support, we have empowered doctors in handling diverse cases, facilitating the standardized adoption of clear aligner therapy across a broader geographical footprint.
- **Leadership in early intervention:** We continued to champion the philosophy of early intervention to drive industry standardization. The case volume proportion of “Angel Aligner KiD” continued to rise, with its search index ranked first in its category on the major social media platform.
- **Reinforcing brand credibility:** We proactively took on the responsibility of supporting doctors in lower-tier markets who were impacted by the quality issues of other small and medium-sized brands. Our “Angelcare Initiative” has been central to this effort, providing both affordable solutions and clinical guidance to ensure their patients’ treatment journeys remain uncompromised. This ongoing commitment continuously reinforces our brand’s credibility.

2. Offering Clinically-Driven Clear Aligner Solutions

We maintain an orthodontist-centric innovation model, aligning product development closely with evolving clinical needs. Guided by Angel’s open and inclusive culture, we synergize inhouse engineering expertise with global KOL insights to build a dynamic innovation ecosystem. These efforts support the Group’s continued product expansion across treatment indications and patient segments in both global markets (ex-Chinese mainland) and Chinese mainland market.

- **Expanding the indication for adult orthodontics:** In selected markets, we introduced specialized tools such as the Angel Scissors-bite Turbo and Angel Enhanced Curve Turbo. These tools leverage physiological occlusal forces to simplify the workflow for complex cases, enhancing clinical efficiency and treatment outcomes through more precise control of tooth movement.
- **Driving breakthroughs in early intervention philosophy and technology:** Addressing the unique growth patterns of children in the mixed dentition stage, we provide doctors with a comprehensive toolkit. Our pioneered fluoride-coated aligner effectively prevents caries during orthodontic treatment. It has won continuous praise from doctors and parents since its launch in the Chinese mainland market. Furthermore, leading experts have published articles in *Orthotown and Orthodontic Practice*, sharing clinical case studies on the application of Angel Aligner KiD in complex cases.

- **Cultivating a global orthodontic community:** In 2025, we hosted over 500 professional education events worldwide. Notable highlights include the 2nd “Angel Aligner European Academic Forum”, the “Angel Ascend” customized education series in the U.S., and “Angel Aligner Innovation International Forum” in Chinese mainland. Through these initiatives, we have successfully built a bridge connecting doctors globally, driving the dissemination and adoption of cutting-edge treatment approaches and technologies.

3. Cultivating a Robust Digital Workflow to Drive End-to-End Efficiency Breakthroughs

Clear aligner treatment is fundamentally a mass-customized, end-to-end digital process. Leveraging our long-standing expertise in building a mature digital ecosystem, we integrate advanced technologies to balance high-quality operations with personalized clinical requirements. We believe continuous digital iteration secures a leading productivity advantage, driving efficiency breakthroughs across our entire workflow.

- **Empowering precision care and elevating the treatment experience:** For doctors, we launched the Case Gallery in select markets to facilitate peer-to-peer insight sharing and introduced Virtual Root 2.0 for precise 3D root-bone assessment in complex cases. To enhance the patient experience, we rolled out the myAngelSmile App in select markets, providing personalized treatment scheduling, while integrating remote monitoring solutions into iOrtho platform for streamlined and efficient follow-ups.
- **Advancing treatment design and manufacturing efficiency:** By integrating advanced computer technologies with long-standing clinical protocols, we have achieved consistent improvement in treatment planning efficiency. This advancement enhances practice productivity and delivers more predictable patient outcomes, creating a win-win-win value proposition for doctors, patients, and our internal operational efficiency. Meanwhile, the application of cutting-edge technology across all aligner manufacturing processes has led to a steady increase in our use of automation.
- **Lean operations and organizational synergy:** We leverage advanced technologies to drive operational efficiency. For instance, in Chinese mainland, our upgraded CRM system has successfully eliminated departmental silos, ensuring seamless coordination among sales, clinical, and customer service teams to provide doctors with an integrated service experience. Additionally, the newly launched “Angel Smart Assistant” answers natural language queries for treatment plan consultations and information retrieval. This innovation elevates the doctors’ experience while driving operational efficiency across our sales and customer service teams.

4. Innovation Through Clinical Challenges: Evolving into a Premier Global R&D Platform for the Orthodontic Profession

Driven by real-world clinical pain points, we translate continuous R&D investment and deep clinical insights into cutting-edge technology trends. We fully incorporate feedback from global orthodontists to develop innovative solutions that deliver both clinical value and market competitiveness.

- **Global academic-industry collaboration:** We have established close partnerships with over 40 renowned universities across Europe, the Americas, APAC and China, integrating digital orthodontic technologies into the global professional education system. In North America, we collaborated with experts from West Virginia University on early interceptive orthodontic clinical research. In Chinese mainland, we partner with top-tier institutions such as the Ninth People's Hospital (SJTU), Wuhan University, and West China Hospital of Stomatology to drive the clinical translation of research outcomes.
- **Forward-looking technological positioning:** We actively track cutting-edge technologies and, on occasion, secure our future through strategic investments. During the Reporting Period, we completed a strategic investment in the direct 3D printing field, gaining in-depth insights into industry trends and building sustainable technological advantages through research collaborations.
- **Intellectual property (“IP”) and compliance development:** IP development is a core priority for our global expansion. We have continuously invested resources to strengthen our legal and risk control framework, and enhanced our capabilities in IP application, maintenance and enforcement globally through increased legal expenditure. Meanwhile, certain intellectual property-related matters remained at preliminary procedural stages during FY2025, resulting in a relatively limited financial impact within the reporting period.

5. Building a Diversified and Resilient Supply Chain Amid Geopolitical Risks

Against the complex and volatile global geopolitical landscape, we have taken proactive and prudent measures to develop a diversified global supply network, enhancing supply chain resilience, and strengthening the security foundation for global operations.

- **Treatment planning centers:** Our treatment planning centers in Brazil and Southeast Asia have expanded. Recruitment and training milestones were achieved on schedule, with design quality consistently meeting our high standards. These centers are now providing high-quality clinical design support to the U.S. market.
- **Clear aligner production facilities:** Our manufacturing facility in Brazil is now manufacturing Angel branded clear aligners, laying a solid production base for business expansion in South America. Meanwhile, we are building a small-scale aligner manufacturing operation to explore automated production pathways in our US manufacturing facility.
- **Global data compliance framework:** The company upholds the highest standards for patient privacy and data security. We have proactively engaged professional third-party consultants, law firms and auditors to conduct data compliance assessments, ensuring full alignment with global data protection regulations, including U.S. HIPAA, EU GDPR, as well as China's PIPL and DSL.

Outlook

The global clear aligner industry continues to benefit from long-term structural growth as aligner treatment adoption increases worldwide. While macroeconomic and regulatory environments remain dynamic, we believe the Group is well positioned to capture these opportunities through continued product innovation, clinical capabilities and global operational expansion. We will capture market opportunities through disciplined and efficient execution, and address the diverse clinical needs of doctors worldwide through continuous product innovation, high-standard medical design, and reliable manufacturing and delivery capabilities. As we expand our global footprint, we remain focused on several strategic priorities that support our long-term growth and operational resilience:

- Strengthen R&D capabilities to continue innovating clear aligner treatment solutions, expanding indications, and improving treatment outcomes;
- Increase investment in IT, legal and operational teams and infrastructure to ensure full compliance with the data security and privacy regulations in major jurisdictions;
- Enhance legal capabilities and allocate additional resources to further strengthen IP compliance, IP innovation, and to vigorously defend our IP rights;
- Optimize clinical capabilities to improve our users' experience and satisfaction, further building out our global sales, training and customer support teams and infrastructure;
- Expand production capacity and improve production efficiency to meet growing market demand, in particular, setting up and operating our global treatment planning centers and manufacturing sites to ensure resilience and reliability of our supply chain;
- Expand our sales network, reinforce brand recognition, and increase market influence among KOLs and the academics.

We will continue to monitor developments in the global macroeconomic environment, regulatory policies and geopolitical landscape, including potential impacts from healthcare policy changes in Chinese mainland, international trade dynamics and evolving data protection regulations. These factors could lead to a decline in orthodontic treatment volumes, which might adversely impact our performance. Therefore, we will monitor these global dynamics and assess their potential impact on our business. We will develop timely strategies to address these uncertainties and challenges to ensure sustainable growth of our business.

Financial Review

The following discussions are based on the financial information and notes set out in other sections of this report and should be read in conjunction with them.

Revenue

Our revenue increased by 37.8% from USD268.8 million for FY2024 to USD370.3 million for FY2025. The following table sets forth a breakdown of our revenue, both in absolute amounts and as a percentage of total revenue, by business line for the years indicated.

	Year ended December 31,			
	2025		2024	
	USD'000	%	USD'000	%
Clear aligner treatment solutions	198,251	53.5	179,625	66.8
Sales of clear aligners	154,384	41.7	74,008	27.6
Sales of other products	15,508	4.2	12,729	4.7
Other services	2,138	0.6	2,425	0.9
Total	370,281	100.0	268,787	100.0

- Clear aligner treatment solutions.* Revenue generated from clear aligner treatment solutions mainly represents the revenue generated from provision of clear aligner treatment solutions services to our clients in the Chinese mainland market. Our revenue generated from the provision of clear aligner treatment solutions increased by 10.4% from USD179.6 million in FY2024 to USD198.3 million in FY2025, primarily due to the growth in case volume in the Chinese mainland market with our continued market share gains in lower-tier markets and early treatment segment, particularly in lower-tier markets, partially offset by the decline in the average selling price of clear aligners resulting from changes in product mix. Our revenue is also affected by the frequency of delivery of clear aligners and the number of sets contained in each delivered batch, which are typically dependent on the product line involved and the complexity of the relevant treatment plan, subject to a number of factors, such as specific demand of our dental professionals and our production capacity in the Reporting Period.
- Sales of clear aligners.* Revenue generated from sales of clear aligners mainly represents the revenue generated from sales of clear aligners to our clients in the global markets (ex-Chinese mainland). Our revenue generated from sales of clear aligners increased significantly by 108.6% from USD74.0 million in FY2024 to USD154.4 million in FY2025, mainly attribute to the substantial growth in case volume with the increased adoption by orthodontists who prioritize clinical excellence and appreciate strong clinical outcomes and customer service across the global markets (ex-Chinese mainland).
- Sales of other products.* Revenue generated from sales of other products mainly represents the revenue generated from the sales of MOOELI, oral consumer goods and other products. Our revenue generated from sales of other products increased by 22.0% from USD12.7 million in FY2024 to USD15.5 million in FY2025, primarily due to the sales increase in oral consumer goods.
- Other services.* Revenue generated from other services primarily represented service fees generated by our dental clinic for the provision of orthodontics and cosmetic dentistry services and other dental services to patients. Our revenue generated from other services decreased by 12.5% from USD2.4 million in FY2024 to USD2.1 million in FY2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of revenue

Our cost of revenue increased by 36.6% from USD100.6 million in FY2024 to USD137.4 million in FY2025, which was generally in line with the development of our business.

Gross profit and gross profit margin

Our gross profit increased by 38.5% from USD168.2 million in FY2024 to USD232.9 million in FY2025. The gross profit margin for FY2025 was 62.9%, as compared with 62.6% for FY2024.

Selling and marketing expenses

Our selling and marketing expenses increased by 15.7% from USD105.0 million in FY2024 to USD121.5 million in FY2025. The selling and marketing expenses ratio, which is selling and marketing expenses as a percentage of total revenue, has decreased from 39.1% in FY2024 to 32.8% in FY2025, primarily attributable to the realization of operating leverage through the Group's established global sales network.

Administrative expenses

Our administrative expenses increased by 13.0% from USD46.2 million in FY2024 to USD52.2 million in FY2025. The administrative expenses ratio, which is administrative expenses as a percentage of total revenue, has decreased from 17.2% in FY2024 to 14.1% in FY2025, reflecting the improved operating efficiency during the Reporting Period as the Group continued to leverage shared administrative functions across a larger global business base.

Research and development expenses

Our research and development expenses were USD27.6 million in FY2025, as compared with USD21.3 million in FY2024, reflecting the Group's continued investment in research and development to expand treatment capabilities, support new product solutions and strengthen clinical innovation across global markets (ex-Chinese mainland).

Net impairment losses on financial assets

We recorded net impairment losses on financial assets of USD8.2 million in FY2025, as compared with USD0.2 million in FY2024, primarily due to the increase in provision for loss allowances on trade receivables and other receivables as a result of deteriorating financial condition of certain counterparties.

Other income

We recorded other income of USD12.6 million in FY2025, as compared with USD12.5 million in FY2024, primarily due to the increase on interest on term deposits with initial terms over three months.

Other losses – net

We had other losses – net of USD5.4 million in FY2025, as compared with other losses – net of USD1.6 million in FY2024, primarily due to the decrease of the fair value of certain financial assets.

We have purchased and disposed some wealth management products during the Reporting Period, the profits of which were also recorded in other (losses)/gains – net. None of the purchase or sale of wealth management products during the Reporting Period is large enough to constitute notifiable transactions as defined under Chapter 14 of the Listing Rules.

Finance income

Our finance income decreased by 47.1% from USD7.0 million in FY2024 to USD3.7 million in FY2025, primarily due to the decrease in interest income on bank deposits as we purchased more term deposits products with initial terms over three months, the interest on which was recorded in other income.

Finance costs

Our finance costs increase by 13.3% from USD1.5 million in FY2024 to USD1.7 million in FY2025, primarily due to increase in interest expenses on bank borrowings.

Share of results of investments accounted for using the equity method

We recorded a share of loss of investment accounted for using the equity method of USD0.8 million in FY2025, as compared with a loss of USD0.1 million in FY2024, primarily reflecting the loss collected from our investments accounted for using the equity method.

Profit before income tax

As a result of the foregoing, we recorded profit before tax of USD31.7 million in FY2025, compared to USD11.7 million in FY2024.

Income tax expense

Our income tax expense was USD5.4 million in FY2025, as compared with USD1.7 million in FY2024, primarily due to the increase in profit before income tax.

Profit for the year

As a result of the foregoing, our net profit increased by 163.0% from USD10.0 million in FY2024 to USD26.3 million in FY2025. The net profit margin for FY2025 was 7.1%, as compared with 3.7% for FY2024.

Liquidity, capital resources and capital structure

In FY2025, our primary use of cash was to fund our working capital requirements and other recurring expenses. We financed our capital expenditures and working capital requirements primarily through cash generated from our operating activities and the proceeds from the Global Offering.

We have continued to maintain a healthy and sound financial position and have followed a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved. Our current assets reached USD500.8 million as at December 31, 2025, as compared to USD491.7 million as at December 31, 2024.

Cash and cash equivalents and term deposits with initial terms over three months

Our cash and cash equivalents primarily consisted of cash at banks. Meanwhile, to enhance our treasury management efficiency while satisfying the needs of our daily operation, we purchased several term deposits products with initial terms over three months with higher yields during the Reporting Period. The total of our cash and cash equivalents and term deposits reached USD444.9 million as at December 31, 2025.

The following table sets forth our cash flows for the years indicated.

	Year ended December 31,	
	2025	2024
	USD'000	USD'000
Net cash generated from operating activities	78,567	16,917
Net cash used in investing activities	(156,112)	(138,825)
Net cash used in financing activities	(26,415)	(28,460)
Net decrease in cash and cash equivalents	(103,960)	(150,368)
Cash and cash equivalents at beginning of the year	227,103	379,734
Exchange gains/(losses) on cash and cash equivalents	3,563	(2,263)
Cash and cash equivalents at the end of the year	126,706	227,103

Exposure to exchange rate fluctuation

Our businesses are principally conducted in RMB, USD, EUR and Brazilian Real (“BRL”). The majority of our assets are denominated in USD and RMB. We are mainly subject to foreign exchange risks arising from translation exposure and commercial transactions made under foreign currencies. We do not have other significant exposure to foreign exchange risks.

We recognized net foreign exchange gain of USD0.8 million in FY2025, as compared to net foreign exchange gain of USD2.9 million in FY2024. In addition, in FY2025, we recorded exchange differences on translation of the Company of USD0.8 million as other comprehensive income, as compared with USD2.9 million in FY2024, primarily due to the exchange rate fluctuation.

We have not implemented any hedging arrangements. We are managing our foreign exchange risks by closely monitoring the movements of the foreign currency rates, and will make certain arrangements to hedge the risks when necessary according to our treasury management strategy. Cash repatriation from the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. We did not have other significant exposure to foreign exchange risk.

Capital expenditure

In FY2025, our total capital expenditure amounted to USD28.2 million, which primarily consisted of the cash paid for the purchase of property, plant and equipment in our manufacturing facilities.

Capital commitments

Our capital commitments primarily consisted of acquisitions of property, plant and equipment and intangible asset. The following table sets forth a summary of our capital commitments as of the dates indicated.

	As at December 31,	
	2025	2024
	USD'000	USD'000
Property, plant and equipment	2,578	1,788
Intangible asset	1,276	521
Total	3,854	2,309

Contingent liabilities

As at December 31, 2025, we did not have any material contingent liabilities. Please refer to Note 36 to the financial information for further details of the contingencies.

Future plans for material investments and capital assets

Save as disclosed in this report, as at December 31, 2025, we did not have other substantial future plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries and affiliated companies

Save as disclosed in this report, in FY2025, we did not have any other material acquisitions or disposals of subsidiaries and affiliated companies.

Significant investments and acquisition of capital assets

On August 25, 2025, Wuxi EA, a wholly owned subsidiary of the Company, has entered into an investment agreement with Shanghai Maxflex and its then existing shareholders, including entities controlled by CareCapital Group, the Group and other shareholders of Shanghai Maxflex who are independent third parties pursuant to which Wuxi EA has conditionally agreed to subscribe for 5% of the enlarged registered share capital of Shanghai Maxflex at a consideration of RMB10.0 million in cash. Upon the completion of the Investment, the Group will be beneficially interested in 9.7% equity interest in Shanghai Maxflex. For details, please refer to the announcements of the Company dated August 25, 2025 and September 2, 2025.

Save as disclosed in this report, in FY2025, we did not make any significant investments nor made any significant acquisition of capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Charge on the Group's assets

As at December 31, 2025, we had pledged certain property, plant and equipment in Brazil with a net carrying value of BRL28.0 million, equivalent to USD5.1 million for the banking facilities granted to Aditek to finance its daily working capital and capital expenditure plans.

Save as disclosed above, as at December 31, 2025, we had no other charges on our assets.

Bank borrowings and gearing ratio

As at December 31, 2025, our bank borrowings amounted to USD2.5 million, all of which consisted of bank borrowings made by Aditek (denominated in BRL). The gearing ratio as at December 31, 2025 is 0.5%, which represents the percentage of bank borrowings to total equity.

Key financial indicators

The following table sets forth certain of our key financial ratios as of the dates and for the years indicated.

	As at/for the year ended	
	December 31,	
	2025	2024
Profitability ratios		
Gross profit margin ⁽¹⁾	62.9%	62.6%
Net profit margin ⁽²⁾	7.1%	3.7%
Adjusted net profit margin ⁽³⁾	11.8%	10.0%
Liquidity ratios		
Current ratio ⁽⁴⁾	3.0	3.8

(1) The calculation of gross profit margin is based on gross profit divided by revenue for the year indicated and multiplied by 100.0%.

(2) The calculation of net profit margin is based on net profit divided by revenue for the year indicated and multiplied by 100.0%.

(3) The calculation of adjusted net profit margin, a non-IFRS measure, is based on adjusted net profit divided by revenue for the year indicated and multiplied by 100.0%.

(4) The calculation of current ratio is based on current assets divided by current liabilities.

NON-IFRS MEASURES

To supplement our condensed consolidated financial statements which are presented in accordance with the IFRS, we use adjusted EBITDA and adjusted net profit as additional financial measures, which are not required by or presented in accordance with the IFRS. To help the users of the financial statements to have a better understanding on the operating results of the Company, we define: (1) adjusted EBITDA as EBITDA (which is profit before income tax plus depreciation of property, plant and equipment, depreciation of right-of-use assets, and amortization of intangible assets, less interest income recorded as finance income) for the year with adjustments of certain items which are not considered indicative of our operating performance including share-based payments, unrealized fair value losses recognized in profit or loss in relation to unlisted equity investment, and net foreign exchange losses, and (2) adjusted net profit as profit for the year adjusted by certain items which are not considered indicative of our operating performance, including share-based payments, amortization of intangible assets related to certain acquisitions, unrealized fair value losses recognized in profit or loss in relation to unlisted equity investment, and net foreign exchange losses.

We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management does not consider indicative of our operating performance.

The following table reconciles our adjusted segment profit for the years indicated.

	Year ended December 31, 2025		Year ended December 31, 2024	
	Chinese mainland market <i>USD'000</i>	Global markets (ex- Chinese mainland) <i>USD'000</i>	Chinese mainland market <i>USD'000</i>	Global markets (ex- Chinese mainland) <i>USD'000</i>
Segment profit/(loss)	46,394	(14,757)	26,846	(31,155)
<i>Add:</i>				
Share-based payments	4,912	4,221	9,789	1,501
Adjusted segment profit/(loss)	51,306	(10,536)	36,635	(29,654)

NON-IFRS MEASURES

The following table reconciles our adjusted EBITDA and adjusted net profit for the years indicated.

	Year ended December 31, 2025	Year ended December 31, 2024
	<i>USD'000</i>	<i>USD'000</i>
Profit for the year	26,327	10,016
<i>Add:</i>		
Income tax expenses	5,365	1,651
Profit before income tax	31,692	11,667
<i>Add:</i>		
(Finance income-net)	(1,946)	(5,458)
Depreciation of property, plant and equipment	10,857	8,859
Depreciation of right-of-use assets	5,167	4,661
Amortization of intangible assets	2,403	2,139
EBITDA	48,173	21,868
<i>Add:</i>		
Share-based payments	9,133	11,290
Unrealized fair value losses recognized in profit or loss in relation to unlisted equity investment	6,580	1,663
Net foreign exchange losses	754	2,922
Adjusted EBITDA	64,640	37,743
Profit for the year	26,327	10,016
<i>Add:</i>		
Share-based payments	9,133	11,290
Unrealized fair value losses recognized in profit or loss in relation to unlisted equity investment	6,580	1,663
Amortization in relation to acquisition	976	964
Net foreign exchange losses	754	2,922
Adjusted net profit	43,770	26,855

DIRECTORS AND SENIOR MANAGEMENT

Directors

Executive directors

Mr. FENG Dai (馮岱), aged 50, is our chairman of the Board and re-designated and appointed as an executive Director with effect from April 23, 2026. Mr. Feng is primarily responsible for strategy, corporate governance, risk management and business development of our Group. Mr. Feng joined our Group in May 2012.

Since 2015, Mr. Feng has been a co-founder of CareCapital Advisors, an investor and strategy advisor in oral health innovations, overseeing a portfolio of technology companies, and advising entrepreneurs as well as academic and industry leaders. He also serves as a member of the Board of Fellows of the Harvard School of Dental Medicine, as the Co-Chairman of the International Orthodontic Foundation, and from 2018 to 2023 as a director of the Board of The Forsyth Institute, a leading oral health research organization in Boston. He also served as an independent director for WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司) (stock codes: 2359.HK; 603259.SH) from December 2018 to January 2025 and Sling Group Holdings Limited (stock code: 8285.HK) from December 2017 to August 2024, respectively. He was employed from 2004 to 2014 at Warburg Pincus, a private equity partnership, and served as its partner for healthcare venture and growth investing in Asia. He was previously employed at Goldman Sachs, an investment bank, in various years between 1997 and 2004.

Mr. Feng graduated from Harvard University with a bachelor's degree in engineering sciences in 1997.

Mr. HU Jiezhang (胡杰章), aged 51, is our executive Director, chief executive officer and chief technology officer, and is primarily responsible for the overall strategic planning and daily operations of our Group, including promoting the development of our digital technology. Mr. Hu joined our Group and was appointed as a non-executive Director in December 2020, and was re-designated and appointed as an executive Director, a member of the Remuneration Committee and the chief executive officer with effect from July 2023.

Mr. Hu has served as a venture partner and managing director of CareCapital Advisors Limited, an investor and strategic advisor in oral health, overseeing a portfolio of technology and clinical companies worldwide, and guiding oral health entrepreneurs and leaders since January 2018. Mr. Hu currently serves as non-executive chairman of Shanghai CareCapital Dental Devices Co., Ltd., a leading distribution group of dental products based out of China. Prior to that, Mr. Hu was a vice president at Zoom Commerce Ltd. from June 2016 to January 2018. Mr. Hu also served as a vice president at Beyondsoft Corporation, a company listed on the Shenzhen Stock Exchange (stock code: 002649), from December 2012 to May 2016. Mr. Hu also worked for several other companies, including served as a vice president at Achievo Information Technology (Shenzhen) Co., Ltd. from May 2007 to November 2012, as a general manager at Guangzhou Jie'ao Computer Technology Co., Ltd. from February 2003 to April 2007, and as a technical director at Zoom Commerce Ltd. from November 1999 to January 2003.

Mr. Hu graduated from Nanjing University with a bachelor's degree in applied physics in July 1995.

Mr. HUANG Kun (黃琨), aged 43, is our executive Director and the president of global business (ex-Chinese mainland), and is primarily responsible for the internationalization strategies and global business operation and expansion of our Group. Mr. Huang joined our Group 11 years ago in January 2015 and was appointed as a non-executive Director in November 2018 and a member of the Remuneration Committee in June 2021, and was re-designated and appointed as an executive Director and the president of global business (ex-Chinese mainland) with effect from September 2023. Currently, he also serves as a director of certain of our subsidiaries, including Wuxi EA, Shanghai EA Medical Instruments Co., Ltd. and Angelalign Technology Pte. Ltd.

DIRECTORS AND SENIOR MANAGEMENT

Since 2015, Mr. Huang has been a co-founder of CareCapital Advisors, an investor and strategic advisor in oral health, overseeing a portfolio of technology and clinical companies worldwide, and guiding oral health entrepreneurs and leaders. Mr. Huang also serves as the co-chairman of the board of International Orthodontics Foundation Limited, a not-for-profit research and education organization devoted to improving orthodontic care worldwide, and a director of Purgo Biologics, a bone regenerative materials company based in Seoul. Prior to that, Mr. Huang served as a vice president of Warburg Pincus, a private equity partnership, from July 2011 to March 2015 and as a senior investment manager of Orchid Asia Investment Consulting (Shanghai) Co., Ltd. from June 2007 to June 2011.

Mr. Huang graduated from Tsinghua University with a bachelor's degree in finance in July 2005.

Ms. DONG Li (董莉), aged 55, is an executive Director and the chief financial officer of the Company. Ms. Dong was first appointed as an independent non-executive Director in May 2021. She was subsequently re-designated as an executive Director and appointed as the chief financial officer with effect from April 2023. She has also served as a member of the Nomination Committee since June 2025.

Ms. Dong currently serves as an independent non-executive director of Yixin Group Limited, a company listed on the Stock Exchange (stock code: 2858), a position she has held since November 2017. She also serves as an independent non-executive director of Bestsenic (Shanghai) Co., Ltd., a company listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688608), since October 2025. Previously, Ms. Dong served as an independent non-executive director of Telink Semiconductor (Shanghai) Co., Ltd., a company listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688591), from January 2021 to December 2023. She also served as an independent non-executive director of 58.com Inc., a company formerly listed on the New York Stock Exchange (ticker: WUBA), from April 2020 to September 2020. Prior to joining the Company, Ms. Dong served as chief financial officer and executive director of RDA Microelectronics, Inc., a company formerly listed on NASDAQ (ticker: RDA), from November 2007 to July 2015. Earlier in her career, she held various finance positions at Hewlett-Packard in China from 1992 to 2005, with her final role being Finance Operations Manager of Hewlett-Packard Technology (Shanghai) Co., Ltd.

Ms. Dong obtained a bachelor's degree in economics from Nanjing University of Science and Technology in July 1992. She further obtained a master of business administration (MBA) degree from China Europe International Business School in April 2004. She is an accountant certified by the Ministry of Finance of the PRC since October 1994.

Independent non-executive directors

Mr. HAN Xiaojing (韩小京), aged 71, is our independent non-executive Director, and is primarily responsible for supervising and providing independent opinion to our Board. Mr. Han has been appointed as our independent non-executive Director since May 2021. Mr. Han has been appointed as the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee, respectively, effective from June 16, 2021.

Mr. Han is the founding partner of Commerce & Finance Law Offices and has been an attorney there since May 1992. Mr. Han is admitted to practicing law in the PRC and has more than 30 years of experience in the legal profession. Mr. Han has also been an independent non-executive director at Sino-Ocean Group Holding Limited, a real estate company listed on the Stock Exchange (stock code: 3377), Far East Horizon Limited, a company listed on the Stock Exchange (stock code: 3360) and Vital Mobile Holdings Limited, a company listed on the Stock Exchange (stock code: 6133), since June 2007, March 2011 and June 2019, respectively. He served as a supervisor at Ping An Bank Company Limited, a company listed on the Shenzhen Stock Exchange (stock code: 000001), from October 2020 to January 2026.

Mr. Han graduated from Hubei Finance College (currently known as Zhongnan University of Economics and Law) with a bachelor's degree in law in July 1982. He further obtained a master's degree in law from China University of Political Science and Law in July 1985.

Mr. SHI Zi (石子), aged 56, is our independent non-executive Director, and is primarily responsible for supervising and providing independent opinion to our Board. Mr. Shi has been appointed as our independent non-executive Director since May 2021. Mr. Shi has been appointed as a member of the Audit Committee, the Remuneration Committee and the Nomination Committee, respectively, effective from June 16, 2021.

Mr. Shi has been the executive director and general manager of Shenzhen Qianhai E-Cloud Technology Company Limited since January 2015. He also worked as a senior partner at Junsan Capital Management Company Limited from September 2009 to September 2014 and a vice president of the group at SF Express (Group) Company Limited from July 2007 to November 2009. Prior to that, Mr. Shi served as the director of the information technology department and the director of factory affairs at Hitachi Global Storage Technologies (Shenzhen) Company Limited (formerly known as Shenzhen IBM Technology Products Company Limited) from January 1999 to July 2007.

Mr. Shi graduated from Tsinghua University with a bachelor's degree in electrical engineering in July 1993. He further obtained a master's degree in business administration from Tsinghua Shenzhen International Graduate School in July 2006.

Mr. ZHOU Hao (周浩), aged 49, is our independent non-executive Director, and is primarily responsible for supervising and providing independent opinion to our Board. Mr. Zhou has been appointed as our independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee and Remuneration Committee since April 2023.

Mr. Zhou has served as an independent non-executive director of WuXi XDC Cayman Inc., a company listed on the Stock Exchange (stock code: 2268) since November 2023, an independent non-executive director of Bairong Inc., a company listed on the Stock Exchange (stock code: 6608) since March 2021, and an independent non-executive director of Meitu, Inc., a company listed on the Stock Exchange (stock code: 1357) since November 2016.

From June 2011 to September 2019, Mr. Zhou was the chief financial officer of 58.com Inc., (NYSE: WUBA), a company that operates online marketplace serving local merchants and consumers in the PRC, and was subsequently re-designated as the head of international business in September 2019 and the chief strategic officer in April 2020. In November 2020, he was redesignated as the chief strategy officer of Anjuke, the housing subsidiary of 58.com Inc. and served the role until March 2023. Prior to that, in September 2010, Mr. Zhou joined CITIC Pharmaceutical Co Ltd., a pharmaceutical service provider that supplies medicine and related consumables to hospitals as the chief financial officer. From May 2009 to September 2010, Mr. Zhou was the vice president of finance and the chief financial officer at Wuxi PharmaTech (Cayman) Inc., (NYSE: WX). Before then, in January 2007, Mr. Zhou joined General Electric (China) Co., Ltd. as a financial manager.

Mr. Zhou received his bachelor's degree from Shanghai International Studies University in July 1998.

DIRECTORS AND SENIOR MANAGEMENT

Senior Management

Mr. FENG Dai (馮岱), aged 50, is our chairman of the Board and an executive Director. Please refer to “Directors and Senior Management – Directors” for his biographical details.

Mr. HU Jiezhong (胡杰章), aged 51, is our executive Director, chief executive officer and chief technology officer. Please refer to “Directors and Senior Management – Directors” for his biographical details.

Mr. HUANG Kun (黃琨), aged 43, is our executive Director and the president of global business (ex-Mainland China). Please refer to “Directors and Senior Management – Directors” for his biographical details.

Ms. DONG Li (董莉), aged 55, is our executive Director and chief financial officer. Please refer to “Directors and Senior Management – Directors” for her biographical details.

Mr. Richard Hirschland, aged 64, is our senior vice president and global chief commercial officer, and is primarily responsible for commercial operations of our Group outside of China. Mr. Hirschland participated in our business operation as an advisor since January 2023, and joined our Group in August 2024.

Mr. Hirschland has more than 25 years of experience in global commercial operations in oral healthcare industries. Prior to joining our Group, from January 2019 to June 2020, Mr. Hirschland worked as vice-president and general manager, imaging business unit at Envista (NYSE: NVST), a company focusing on oral healthcare related services and solutions, which spun off from Danaher Corporation (NYSE: DHR), a conglomerate with a focus on biotechnology, diagnostics, and life sciences businesses. From 2016 to 2019, and from 2020 to 2023 Mr. Hirschland served as a senior advisor to CareCapital and Carlyle, which are global private equity firms, working on oral healthcare related projects. From 2007 to 2015, Mr. Hirschland served as the president of the Carestream Dental Division of Carestream Health, Inc., a global business comprised of digital equipment, practice management software and consumables. Prior to that, from 1983 to 2007, Mr. Hirschland worked in a number of areas including the dental business for Eastman Kodak Company, with his last position being a corporate vice president.

Mr. Hirschland graduated from Cornell University with a bachelor’s degree in operations research in May 1983, and obtained a master’s degree in engineering from Cornell University in August 1993.

Mr. SONG Xin (宋鑫), aged 39, is our chief strategy officer. Mr. Song joined our Group in August 2011, and has served as an executive Director from April 2021 to April 2026. Prior to joining our Group, Mr. Song had served as a regional manager at Guizhou Tongjitang Pharmaceutical Co., Ltd. from March 2009 to July 2011.

Mr. Song graduated from Henan University of Technology with his bachelor’s degree in bio-technology in July 2008, and graduated from Fudan University with an EMBA degree in July 2024.

Company Secretary

Mr. LEE Leong Yin (李亮賢) was appointed as the company secretary of the Company since May 2025. Mr. Lee is currently a senior manager in the Company Secretarial Services Department of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Mr. Lee has over 15 years of experience in the corporate secretarial field. Mr. Lee has been providing professional corporate service to Hong Kong listed companies as well as multinational, private and offshore companies. Mr. Lee is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

REPORT OF THE DIRECTORS

The Board is pleased to present this Directors' Report together with the consolidated financial statements of the Group for the year ended December 31, 2025.

Principal Activities

The Company was incorporated in the Cayman Islands on November 29, 2018, as an exempted company with limited liability under the Cayman Companies Act. The Company is an investment holding company. The Group is a global service provider of clear aligner technology, production and sales. The Company was listed on the Main Board of the Stock Exchange on June 16, 2021 with stock code 6699.

The activities and particulars of the Company's principal subsidiaries are set out in Note 38 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year ended December 31, 2025 by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and Note 5 to the consolidated financial statements. There were no significant changes in the nature of the Company's principal activities during the Reporting Period.

Business Review and Results and Future Development

A review of the business of the Group during the Reporting Period is provided in the section headed "Management Discussion and Analysis – Business Review" of this annual report. An analysis of the Group's performance during the Reporting Period is provided in the section headed "Management Discussion and Analysis – Financial Review" of this annual report.

The results of the Group for the Reporting Period are set out in the consolidated financial statements in this annual report.

The future development in the Company's business is provided in the sections headed "Management Discussion and Analysis – Business Review" and "Management Discussion and Analysis – Outlook" of this annual report.

Principal Risks and Uncertainties Facing the Group

We are subject to market risks brought by, among others, uncertainties of the economic outlook, evolving regulations and policies. Please refer to the section headed "Management Discussion and Analysis – Outlook" for more information.

Major Customers and Suppliers

For the Reporting Period,

- (i) the Group's largest supplier accounted for 15.2% (2024: 11.1%) of its total purchases, and the five largest suppliers accounted for 51.8% of its total purchases (2024: 35.0%); and
- (ii) the Group's largest customer accounted for 2.2% (2024: 2.5%) of its total sales, and the five largest customers accounted for 9.5% of its total sales (2024: 11.1%).

REPORT OF THE DIRECTORS

Save as one of our five largest customers, which is an entity controlled by CareCapital Group and one of our five largest suppliers, which is an associate (as defined under Listing Rules) of one of our substantial shareholders, none of the Directors or any of their close associates or any Shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers for 2025.

Key Relationships with its Employees, Customers and Suppliers

For details of relationship with the employees, customers and suppliers, please refer to the "Major Customers and Suppliers" and "Employee, Training and Remuneration Policies" section in this annual report and 2025 Environmental, Social and Governance Report dated April 24, 2026.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 12 to the consolidated financial statements.

Share Capital

During the Reporting Period, the Company has issued Shares underlying the restricted share units granted under the Post-IPO RSU Scheme of the Company.

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 21 to the consolidated financial statements.

Debentures

The Company did not issue any debentures during the Reporting Period.

Distributable Reserves

The Company's reserves available for distribution to its Shareholders as of December 31, 2025 amounted to USD 397.2 million. Movement in the Company's reserves for the year ended December 31, 2025 is set out in Note 38 to the consolidated financial statements of the Group included in this annual report.

Equity-Linked Agreements

Save as disclosed in the section headed "Share Award Schemes" below, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

Directors and Senior Management

The Directors and senior management during the Reporting Period and up to the date of this Directors' Report were:

Executive Directors

Mr. FENG Dai (*Chairman*) (*re-designated from non-executive Director with effect from April 23, 2026*)
Mr. HU Jiezhong
Mr. HUANG Kun
Ms. DONG Li
Mr. SONG Xin (*resigned as an executive director with effect from April 23, 2026*)

Independent non-executive Directors

Mr. HAN Xiaojing
Mr. SHI Zi
Mr. ZHOU Hao

Senior management

Mr. FENG Dai
Mr. HU Jiezhong
Mr. HUANG Kun
Ms. DONG Li
Mr. Richard Hirschland
Mr. SONG Xin (*resigned as an executive director with effect from April 23, 2026*)

Biographical Details of Directors and senior management are set out in “Director and Senior Management” of this report.

From the date of the Company’s 2025 interim report on September 22, 2025 to the date of this annual report, save as disclosed in “Director and Senior Management” of this annual report, there were no changes to information which are required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

Directors’ Service Contracts

Our executive Directors, Mr. FENG Dai, Mr. HU Jiezhong, Mr. HUANG Kun, and Ms. DONG Li, have entered into service contracts with our Company with effect on April 23, 2026, July 31, 2023, September 1, 2023 and April 3, 2026, respectively. We have issued letters of appointment to our independent non-executive Directors, Mr. ZHOU Hao, Mr. HAN Xiaojing and Mr. SHI Zhi, with effect on April 11, 2026, March 19, 2024 and March 19, 2024, respectively. The service contracts with each of our executive Directors and the letters of appointment with each of our independent non-executive Directors are for a fixed term of three years commencing from the date on which the service contract and/or letter of appointment was taken into effect. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms. The service contracts and the letters of appointment may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

REPORT OF THE DIRECTORS

Save as disclosed above, none of the Directors has a service contract and/or the letter of appointment with members of the Group that is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' Interest in Competing Business

Save as disclosed in the section headed "Relationship with our Controlling Shareholders – Non-competition Undertaking" in the Prospectus, none of the Directors were interested in any business which competes or is likely to compete with the businesses of the Group during the Reporting Period.

Significant Contracts

Save as disclosed in Note 39 to the consolidated financial statements of the Group included in this annual report, none of the Directors or their respective connected entities (as defined in the Listing Rules) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group subsisting during or at the end of the Reporting Period to which the Company or any of its subsidiaries was a party.

During the Reporting Period, save as disclosed in the section headed "Report of the Directors – Continuing Connected Transactions" in this annual report and the announcements of the Company dated February 19, 2025, April 22, 2025, April 29, 2025, June 24, 2025, August 25, 2025 and September 2, 2025, the Group has not entered into any contract of significance with the controlling shareholders of the Company or any of their respective subsidiaries.

Continuing Connected Transactions

Among the related party transactions disclosed in Note 35 to the consolidated financial statements, the following transactions constitute continuing connected transactions of the Company under Rule 14A.31 of the Listing Rules and are required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules.

The Company confirmed that for the related party transactions falling under the definition of "connected transaction" or "continuing connected transaction" (as the case may be) in Chapter 14A of the Listing Rules during the Reporting Period, it had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. We set out below the information required to be disclosed in compliance with Chapter 14A of the Listing Rules during the Reporting Period.

Clear aligners purchase and sales framework agreement

On October 24, 2023, Wuxi EA and CC Dental entered into a clear aligners purchase and sales framework agreement (the "**2024-2026 Clear Aligners Purchase and Sales Framework Agreement**") for a term of three years commencing from January 1, 2024 to December 31, 2026. Please refer to the announcement of the Company dated October 24, 2023 and the circular of the Company dated December 1, 2023 for details.

Fees charged by the Group with all the distributors (including independent distributors) for purchases of its clear aligners and oral care products and services shall be primarily determined based on the general guide on sales price of such goods as provided by the Group from time to time to the distributors (including independent distributors). The Group, on annual basis, will first determine the general guide sales price with the distributors (including independent distributors) based on arm's length negotiations after taking into account of primarily (i) the estimated gross profit of its products and services for such year and the estimated market demand in such year; (ii) the total sales volume the counterparty agreed to purchase from the Group; and (iii) the estimated industry position and sales capacity of the Group. The Company then applies the same pricing policy and form of distributorship agreement for all its transactions with CC Dental Group as other distributors (including independent distributors). The Company may adjust the sales price to certain distributors (including independent distributors) based on the type of relevant end customers of such distributors to facilitate the marketing and promotion of the Company's brand name and products. The sales prices with CC Dental Group are in line with the pricing policy and general guide sales price with other distributors, and the Company has not provided any special discount to CC Dental Group. The Group settled payment directly with CC Dental Group for the goods purchase price and CC Dental Group paid the Group on a monthly basis or instantly. Specific price and payment will be made according to the respective contracts as further entered into between CC Dental Group and the Group under the 2024-2026 Clear Aligners Purchase and Sales Framework Agreement, which shall be generally the same as the contracts between the Group and other independent distributors.

The annual caps for the transactions under the 2024-2026 Clear Aligners Purchase and Sales Framework Agreement shall be RMB222.0 million, RMB260.0 million and RMB291.0 million for the years of 2024, 2025 and 2026, respectively.

CC Dental Group is controlled by CareCapital Group, the controlling shareholder of the Company. Mr. FENG Dai, the chairman and an executive Director of the Company, is the ultimate controlling person of CareCapital Group. Accordingly, CC Dental Group is a connected person of the Company under Rule 14A.07 of the Listing Rules and the transactions with CC Dental Group constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The 2025 annual cap under the 2024-2026 Clear Aligners Purchase and Sales Framework Agreement was RMB260.0 million. The actual aggregate transaction amount incurred in accordance with the 2024-2026 Clear Aligners Purchase and Sales Framework Agreement for the year ended December 31, 2025 was RMB140.5 million.

Maxflex Product Purchase Cooperation Framework Agreement

On February 19, 2025, Wuxi EA, a wholly-owned subsidiary of the Company, entered into a product purchase cooperation framework agreement (the "**Maxflex Product Purchase Cooperation Framework Agreement**") with Shanghai Maxflex, an associate (as defined under the Listing Rules) of CareCapital Group, pursuant to which Wuxi EA shall purchase from Shanghai Maxflex certain raw materials for the production of clear aligners. The Maxflex Product Purchase Cooperation Framework Agreement has a term commencing on February 19, 2025 to December 31, 2027. Please refer to the announcement of the Company dated February 19, 2025 for details.

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The purchase price of the raw materials shall be determined by Wuxi EA and Shanghai Maxflex through fair negotiations on an arm's length basis comprehensively with reference to the prevailing market competition conditions. In particular, such price shall be as competitive as prices provided by Shanghai Maxflex to other third-party buyers. The Group shall only purchase raw materials from Shanghai Maxflex at comparable market prices not higher than those offered to such other third-party buyers. Comparable market prices refer to the prices arrived at with reference to those charged or quoted by at least two independent third parties offering the same or similar raw materials with a comparable scale of raw material sales in areas where such materials were then sold under normal trading conditions.

The specific purchase price and settlement arrangement will be subject to the relevant terms of the respective contracts as further entered into between Wuxi EA and Shanghai Maxflex under the Maxflex Product Purchase Cooperation Framework Agreement, which shall generally be in line with the business practice between Shanghai Maxflex and its other third-party buyers.

The annual caps for the transactions under the Maxflex Product Purchase Cooperation Framework Agreement shall be RMB30.0 million, RMB42.0 million and RMB58.8 million for the years of 2025, 2026 and 2027, respectively.

Shanghai Maxflex is directly and indirectly owned by the CareCapital Group, the controlling Shareholder of the Company, as to 30%. As such, Shanghai Maxflex is a connected person of the Company under Rule 14A.07 of the Listing Rules, and the transactions contemplated under the Maxflex Product Purchase Cooperation Framework Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

The 2025 annual cap under the Maxflex Product Purchase Cooperation Framework Agreement was RMB30.0 million. The actual aggregate transaction amount incurred in accordance with the Maxflex Product Purchase Cooperation Framework Agreement for the year ended December 31, 2025 was RMB15.0 million.

Kaihao Product Purchase Cooperation Framework Agreement

On June 24, 2025, Wuxi EA, a wholly-owned subsidiary of the Company, entered into a product purchase cooperation framework agreement with Shanghai Kaihao (the "**Kaihao Product Purchase Cooperation Framework Agreement**"), an associate (as defined under the Listing Rules) of Ms. Li Huamin, a substantial Shareholder of the Company. The Kaihao Product Purchase Cooperation Framework Agreement has a term commencing on July 1, 2025 to December 31, 2026. Please refer to the announcement of the Company dated June 24, 2025 for details.

Pursuant to the Kaihao Product Purchase Cooperation Framework Agreement, Wuxi EA shall purchase from Shanghai Kaihao certain raw materials for the production of clear aligners in accordance with the written contracts as shall be further entered into between Shanghai Kaihao and Wuxi EA from time to time.

The purchase price of the raw materials shall be determined through fair negotiations on an arm's length basis by Wuxi EA and Shanghai Kaihao with reference to the prevailing market competition conditions comprehensively. In particular, such price shall be based on the market guideline price given to other third-party buyers by Shanghai Kaihao and shall not be less favorable than the prices or conditions offered by Shanghai Kaihao to other third-party buyers. Shanghai Kaihao is entitled to adjust the purchase price according to the market conditions, if there is adjustment, Shanghai Kaihao and Wuxi EA shall negotiate to reach consensus. The Group shall only purchase raw materials from Shanghai Kaihao at comparable market prices not higher than those offered to such other third-party buyers. Comparable market prices refer to the prices arrived at with reference to those charged or quoted by at least two independent third parties offering the same or similar raw materials with a comparable scale of raw material sales in areas where such materials were then sold under normal trading conditions.

The specific purchase price and settlement arrangement will be subject to the relevant terms of the respective contracts as further entered into between Wuxi EA and Shanghai Kaihao under the Product Purchase Cooperation Framework Agreement, which shall generally be in line with the business practice between Shanghai Kaihao and its other third-party buyers.

The annual caps for the transactions under the Kaihao Product Purchase Cooperation Framework Agreement shall be RMB35.0 million for the six months ended December 31, 2025 and RMB65.0 million for the year ending December 31, 2026, respectively.

Shanghai Kaihao is owned as to 40.0% by Ms. Li, a substantial Shareholder of the Company. As such, Shanghai Kaihao is a connected person of the Company under Rule 14A.07 of the Listing Rules, and the transactions contemplated under the Kaihao Product Purchase Cooperation Framework Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

The cap for the six months ended December 31, 2025 under the Kaihao Product Purchase Cooperation Framework Agreement was RMB35.0 million. The actual aggregate transaction amount incurred in accordance with the Kaihao Product Purchase Cooperation Framework Agreement for the six months ending December 31, 2025 was RMB24.6 million.

Annual review by independent non-executive Directors and the auditor

The independent non-executive Directors have reviewed the continuing connected transactions mentioned above pursuant to Rule 14A.55 of the Listing Rules and confirmed that the aforesaid continuing connected transactions:

- (i) were entered into in the ordinary and usual course of business of the Group;
- (ii) were on normal commercial terms or better to the Group; and
- (iii) were in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company has been engaged to report on the continuing connected transactions of the Company in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their conclusions in respect of the aforesaid continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. In respect of the aforesaid continuing connected transactions, the auditor of the Company has confirmed that:

- (i) nothing has come to their attention that cause them to believe that the aforesaid continuing connected transactions have not been approved by the Board;
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that such transactions were not, in all material respects, in accordance with the pricing policies of the Group;

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- (iii) nothing has come to their attention that causes them to believe that the aforesaid continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the aforesaid continuing connected transactions; and
- (iv) with respect to the aggregate actual transaction amount of each of the aforesaid continuing connected transactions, nothing has come to their attention that causes them to believe that such actual transaction amounts have exceeded the relevant annual caps.

Internal control measures

The Company has adopted the following internal control and corporate governance measures to closely monitor connected transactions and ensure future compliance with the Listing Rules:

- (i) the Company has adopted and implemented a management system on connected transactions and the Board and various internal departments of the Company are responsible for the control and daily management in respect of the continuing connected transactions;
- (ii) the Board and various internal departments of the Company are jointly responsible for evaluating the terms of the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;
- (iii) the Board and various internal departments of the Company are regularly monitoring the connected transactions and the management of the Company will regularly review the pricing policies to ensure the connected transactions to be performed in accordance with the relevant agreements;
- (iv) the Company has adopted and implemented a distributor management policy on managing all its distributors, which governs the entire process of engaging and changing distributors and relevant arrangements, pursuant to which, all the distributors are subject to the same requirements such as qualification, compliance, settlement, performance review process. The Company has also adopted internal policy managing the sales prices with the distributors (including distributors who are connected persons of the Company), which requires the Company to apply the same pricing policy and guide price to all its distributors and to determine its general sales guide on annual basis. The management and internal business department are primarily responsible for determining the sales prices with all the distributors and monitoring the implementation of the distributor management and pricing policy;
- (v) the Company has engaged independent auditor which will, and the independent non-executive Directors also will, conduct annual review on the connected transactions to ensure that the transactions contemplated thereunder have been conducted pursuant to the requirements of the Listing Rules and have fulfilled the relevant disclosure requirements; and
- (vi) the Company will continue to comply with the relevant requirements under Chapter 14A of the Listing Rules for the continuing connected transactions, and comply with the conditions prescribed under the waiver submitted to the Stock Exchange in connection with the continuing connected transactions in this regard.

Other Connected Transactions

During the Reporting Period, the Company made other connected transactions falling under the definition of “connected transaction” in Chapter 14A of the Listing Rules and are required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules as follows:

Investment in a connected entity

On August 25, 2025, Wuxi EA, a wholly owned subsidiary of the Company, has entered into an investment agreement with Shanghai Maxflex and its then existing shareholders, including entities controlled by CareCapital Group and the Group, pursuant to which Wuxi EA has conditionally agreed to subscribe for 5% of the enlarged registered share capital of Shanghai Maxflex at a consideration of RMB10.0 million in cash. Upon the completion of the investment, the Group was beneficially interested in approximately 9.7% equity interest in Shanghai Maxflex.

CareCapital Group, the Controlling Shareholder of the Company, directly and indirectly owns as to over 30% equity interest in Shanghai Maxflex as of the date of the investment. As such, Shanghai Maxflex is a connected person of the Company under Rule 14A.07 of the Listing Rules, and the transactions contemplated under the investment agreement constitute connected transactions under Chapter 14A of the Listing Rules.

For details, please refer to the announcements of the Company dated August 25, 2025 and September 2, 2025.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the emoluments of the Directors and five highest paid individuals are set out in Notes 39 and 8 to the consolidated financial statements.

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

Employees, Training and Remuneration Policies

As of December 31, 2025, we had 4,312 employees. The staff costs including Directors’ emoluments and share-based payment expenses were approximately USD 166.6 million in the year ended December 31, 2025.

Our employees’ compensation includes basic salary, performance-based cash bonuses, incentive shares and other incentives. We determine our employees’ compensation based on each employee’s performance, qualifications, position and seniority.

We recognize the importance of keeping the Directors updated with the latest information of duties and obligations of a director of a company whose shares are listed on the Stock Exchange and the general regulatory and environmental requirements for such listed company. To meet this goal, we are committed to the continuing education and development of our Directors and employees.

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The Directors and senior management receive remuneration from the Company in the form of fees, salaries, contributions to pension schemes, discretionary bonuses, allowances and other benefits in kind. The Board has established the Remuneration Committee to review and recommend the remuneration and compensation packages of the Directors and senior management of the Company, and the Board, with the advice from the Remuneration Committee, will review and determine the remuneration and compensation packages taking into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management and performance of the Group.

In accordance with the labour laws and regulations in China and other countries we operated in, our local corporate entities have respectively established labour relationships with the local employees and, where applicable, entered into labour contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with applicable regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans.

To incentivize the employees and promote the long-term growth of the Company, we have also conditionally adopted the Pre-IPO Share Award Schemes, the Post-IPO Share Option Scheme and the Post-IPO RSU Scheme to provide equity incentive to our employees, Directors and senior management. Please refer to “Report of the Directors – Share Award Schemes” in this annual report for details.

We provide pre-employment and regular continuing management and technical training to our employees, which we believe are effective in equipping them with the skill set and work ethics that we require.

We believe that we maintain a good working relationship with our employees and we had not experienced any material labor disputes or any difficulty in recruiting staff for our operations during the Reporting Period.

Environmental Policies and Performance

It is our corporate and social responsibility in promoting a sustainable and environmental-friendly environment. We strive to minimize our environmental impact and to build our corporation in a sustainable way.

We are subject to environmental protection and occupational health and safety laws and regulations in China and other countries we operated in. In 2025, we complied with the relevant environmental and occupational health and safety laws and regulations in China and other countries we operated in all material aspects and we did not have any incidents or complaints that had a material and adverse effect on our business, results of operations and financial condition.

The Company has prepared an environmental, social and governance report in accordance with Appendix C2 of the Listing Rules. Please refer to our 2025 Environmental, Social and Governance Report dated April 24, 2026.

The Group's Subsidiaries and Facilities

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 37 to the consolidated financial statements.

As of December 31, 2025, we owned the land use rights of one parcel of land with a site area of approximately 68,883.3 square meters. As of the same date, we operated our businesses through 6 owned properties with a total gross floor area of approximately 474.48 square meters, and 27 leased properties with a total gross floor area of approximately 38,641.4 square meters. All such properties have been used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are primarily used as office premises, manufacturing facilities and research and development center for our business operations.

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures

As of December 31, 2025, to the best knowledge of the Directors, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (i) 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 they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director/Chief Executive	Nature of Interest	Number of Shares held ⁽¹⁾	Approximate percentage of Interest ⁽¹⁾
Mr. FENG Dai ⁽²⁾	Interest in controlled corporation	87,168,400 (L)	51.04%
Mr. HUANG Kun ⁽³⁾	Interest in controlled corporation	717,200 (L) 500,000 (S)	0.42% 0.29%
Mr. SONG Xin ⁽⁴⁾	Interest in controlled corporation	1,415,300 (L)	0.83%
	Beneficial owner	492,810 (L)	0.29%
Ms. DONG Li ⁽⁵⁾	Beneficial owner	1,440,771 (L)	0.84%

The letter "L" denotes the person's long position in the Shares and the letter "S" denotes the person's short position in the Shares.

- (1) The calculation is based on the total number of 170,772,622 Shares in issue as of December 31, 2025, without taking into account any Shares that may be issued under the Share Award Schemes.
- (2) CareCapital Orthotech Limited is wholly-owned by CareCapital EA, Inc., which is in turn owned by CareCapital Dental Holdings Limited and CareCapital Moonstone Holdings Limited, a wholly-owned subsidiary of CareCapital Dental Holdings Limited. CareCapital Dental Holdings Limited is controlled by CareCapital Management Group LLC, which is wholly-owned by Mr. FENG Dai, the ultimate controlling person of CareCapital Group. As such, Mr. Feng is deemed to be interested in all the shareholding of the Company held by CareCapital Orthotech Limited, and such interest represents a deemed interest arising from the voting rights attached to the relevant shares. Please refer to the disclosure of interest filings in respect of the Company's securities by such person on April 22, 2024, May 20, 2024, June 26, 2024 and September 24, 2024 for details.
- (3) Noble Affluent Limited is wholly-owned by Mr. HUANG Kun, and thus Mr. Huang is deemed to be interested in all the shareholding of the Company held by Noble Affluent Limited. Please refer to the disclosure of interest filings in respect of the Company's securities by such person on May 13, 2024 and December 13, 2024 for details.
- (4) Ascend Benefit Limited is wholly-owned by Mr. SONG Xin, and thus Mr. Song is deemed to be interested in all the shareholding of the Company held by Ascend Benefit Limited. Please refer to disclosure of interest filings in respect of the Company's securities by such person on November 24, 2025 for details. Mr. Song resigned as an executive Director with effect from April 23, 2026.
- (5) Please refer to the disclosure of interest filings in respect of the Company's securities by Ms. Dong on November 24, 2025 for details.

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Save as disclosed above, as of December 31, 2025, none of the Directors or chief executive 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 would be 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 they were taken or deemed to have taken under such provisions of the SFO); or which would be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares (Other than Directors and Chief Executive)

As of December 31, 2025, to the best knowledge of the Directors, the following persons, other than Directors or chief executive of the Company, had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long Positions in the Shares and Underlying Shares of the Company

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of Interest ⁽¹⁾
CareCapital Orthotech Limited ⁽²⁾	Beneficial Owner	87,168,400 (L)	51.04%
CareCapital EA, Inc. ⁽²⁾	Interest in controlled corporation	87,168,400 (L)	51.04%
CareCapital Moonstone Holdings Limited ⁽²⁾	Interest in controlled corporation	87,168,400 (L)	51.04%
CareCapital Dental Holdings Limited ⁽²⁾	Interest in controlled corporation	87,168,400 (L)	51.04%
CareCapital Management Group LLC ⁽²⁾	Interest in controlled corporation	87,168,400 (L)	51.04%
Ms. LI Huamin ⁽³⁾	Founder of a discretionary trust	21,158,362 (L)	12.39%
		15,443,605 (S)	9.04%
	Beneficial Owner	6,002 (L)	0.004%
Shore Lead Limited ⁽³⁾	Interest in controlled corporation	21,158,362 (L)	12.39%
		15,443,605 (S)	9.04%
Sky Honour Enterprises Limited ⁽³⁾	Beneficial Owner	21,158,362 (L)	12.39%
		15,443,605 (S)	9.04%
JPMorgan Chase & Co.	Interest in controlled corporation	19,139,532 (L)	11.21%
		11,824,088 (S)	6.92%
	Investment manager	2,364,000 (L)	1.38%
		4,340 (S)	0.003%
Person having a security interest in shares	1,200 (L)	0.001%	
	Approved lending agent	635,106 (P)	0.37%
The Goldman Sachs Group, Inc.	Interest in controlled corporation	8,569,399 (L)	5.02%
		4,690,465 (S)	2.75%

The letter “L” denotes the person’s long position in the Shares; the letter “S” denotes the person’s short position in the Shares; and the letter “P” denotes the Shares held by a lending agent on behalf of its clients that are available for lending.

- (1) The calculation is based on the total number of 170,772,622 Shares in issue as of December 31, 2025, without taking into account any Shares that may be issued under the Share Award Schemes.
- (2) See “Report of the Directors – Directors’ and Chief Executive’s Interests and Short Positions in the Shares, Underlying Shares and Debentures” in this annual report for more information.
- (3) Sky Honour Enterprises Limited is controlled by Shore Lead Limited, a company wholly-owned by Ms. LI Huamin. Ms. LI is the founder and settlor of her family trust. As such, Ms. Li is deemed to be interested in all the shareholding of the Company held by Sky Honour Enterprises Limited. Please refer to the disclosure of interest filings in respect of the Company’s securities by such persons on March 3, 2025, July 25, 2025 and August 19, 2025 for details.

Save as disclosed above, as of December 31, 2025, the Directors and the chief executive of the Company are not aware of any other person, other than the Directors or chief executive of the Company, who had an interest or short position in the Shares or underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

Directors’ Rights to Acquire Shares or Debentures

Save as disclosed in this annual report during and at the end of the Reporting Period, neither the Company nor any of its subsidiaries was a party to any arrangement that would enable the Directors or any of their respective spouses or children under the age of 18 to acquire benefits by means of acquisition of the shares in, or debentures of, the Company or any other body corporate.

Purchase, Sale or Redemption of the Company’s Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period, including sale of treasury shares (as defined in the Listing Rules).

As at the end of the Reporting Period, the Company did not hold any treasury shares (including any treasury shares held or deposited in CCASS (as defined in the Listing Rules)).

Share Award Schemes

Pre-IPO Share Award Schemes

The Shareholders have adopted and approved the Share Award Scheme I, Share Award Scheme II and Share Award Scheme III on December 21, 2020, as amended.

Summary of major terms of the Pre-IPO Share Award Schemes are as follows:

(i) *Purposes of Pre-IPO Share Award Schemes*

The purpose of the Pre-IPO Share Award Schemes is to, among others, motivate senior managers, core employees and other participants through the establishment of an incentive mechanism for sharing interests and risks among shareholders, senior managers and core employees, to provide such employees with the opportunity to participate in the growth and profitability of the Group, and to attract and retain talented personnel for the realization of the Group's long-term development goals.

(ii) *Participants of Pre-IPO Share Award Schemes*

The participants of Share Award Scheme I are senior management and core employees of the Group, determined by a committee or person as authorized by the Board (the "**ESOP Committee**") in its sole discretion with reference to the employee's working performance, contribution to the Company and other factors.

The participants of Share Award Scheme II and Share Award Scheme III – Pool A shall be determined by the ESOP Committee and shall: (i) be a senior manager, director of a department or core employee of the Company or its subsidiaries; (ii) have positive contribution to the Company with outstanding working performance; and (iii) be currently working for the Company or its subsidiaries with a signed employment contract.

The participants of Share Award Scheme III – Pool B shall be determined by the Board and shall be employees, executives, officers or directors (including independent non-executive directors) of the Company or any of the subsidiaries of the Group, any advisors, consultants, agents, suppliers, customers, distributors or such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group.

(iii) *Maximum number of Shares available for issue under the Pre-IPO Share Award Schemes*

The aggregate numbers of Shares for all the restricted share units (the "**RSU**") as the awards (the "**Awards**") pursuant to the Share Award Scheme I, Share Award Scheme II and Share Award Scheme III – Pool A are 19,069,300 Shares, 4,706,400 Shares and 5,289,900 Shares, respectively.

Unless further approval of the Board, the maximum number of Shares in respect of which options (the "**Options**") may be granted under the Share Award Scheme III-Pool B shall be the number of shares as determined and approved by the Board from time to time (the "**Scheme Limit**"). As at the date (the "**Offer Date**") of offering any proposed Options, the maximum number of Shares in respect of which Options may be granted is such number of Shares less the aggregate of the following Shares as at that Offer Date: (a) the number of Shares which have been issued and allotted pursuant to the exercise of any Options; and (b) the number of cancelled Shares.

(iv) Limit for each participant

Under the Pre-IPO Share Award Schemes, there is no specific limit on the maximum number of Awards and Options which may be granted to a single eligible participant.

(v) Remaining life of the Pre-IPO Share Award Schemes

Each of the Pre-IPO Share Award Schemes shall be valid and effective for a period of ten (10) years commencing on the respective adoption date of each scheme and has a remaining life of approximately five years.

(vi) Exercise of Options

Under the Share Award Scheme III – Pool B, the Option may be exercisable during the period to be notified by the Board to the grantee provided that such period of time shall not exceed a period of ten years commencing on the date upon which such Option is deemed to be granted and accepted. The exercise price of such Options was US\$1.2 per Share. Such exercise price was determined based on the grantee's work experience, responsibilities, and remuneration package and the Company's financial performance and potential growth.

(vii) Vesting condition

Under the Share Award Scheme I, the incentive Shares shall be subject to a lock-up period commencing from the date of grant of the Awards to the date that is the later of (i) expiry of the mandatory lock-up period under applicable laws and regulations or (ii) the date of initial public offering of the Shares. Upon and after expiry of the lock-up period, in compliance with relevant laws, regulations and regulatory documents, the disposal of Shares by each Participant shall be subject to certain further restrictions: (i) within one year, the number of disposed Shares shall not exceed 50% of the total number of incentive Shares held by him or her under the Share Award Scheme I; (ii) within two years, the number of disposed Shares shall not exceed 80% of the total number of incentive Shares held by him or her under the Share Award Scheme I; and (iii) after two years, all the incentive Shares held by him or her under the Share Award Scheme I are free to be disposed of.

The Awards under the Share Award Scheme II and the Share Award Scheme III – Pool A shall be subject to a vesting period of four (4) years starting from the date of grant.

Under the Share Award Scheme III – Pool B, the Company granted Options for 300,000 Shares as underlying Shares on October 9, 2020 and such Options shall vest in the following schedule: (i) 20% upon the Listing and (ii) each 20% on the last day of each year commencing from October 1, 2020.

(viii) Subscription price

No consideration is paid for grant of the Awards under the Share Award Scheme I, Share Award Scheme II and the Share Award Scheme III – Pool A. Such purchase prices were determined with reference to, among other things, the contributions made by the grantees, the purpose of the share award schemes, and prevailing compensation and pre-IPO share award schemes of similar positions in the market. No consideration is paid for grant of the Options for 300,000 Shares as underlying Shares under the Share Award Scheme III – Pool B.

For more information on the Pre-IPO Share Award Schemes, please refer to "Appendix IV Statutory and General Information – D. Share Award Schemes" in the Prospectus.

Details of Awards and Options granted under the Pre-IPO Share Award Schemes are set out below:

Share Award Scheme I, Share Award Scheme II and Share Award Scheme III – Pool A

All the Awards had been granted before the Listing and are fully vested under the Share Award Scheme I, the Share Award Scheme II and the Share Award Scheme III – Pool A. No further Awards have been or will be granted under the Share Award Scheme I, the Share Award Scheme II and the Share Award Scheme III – Pool A after the Listing.

Share Award Scheme III – Pool B

Under the Share Award Scheme III – Pool B, Options were granted to a senior management of the Company (who is not a Director, chief executive or substantial shareholder of the Company, or their respective associates) with rights to subscribe for an aggregate of 300,000 new Shares upon exercise of such Options. No consideration is paid for grant of such Options.

Under the Share Award Scheme III – Pool B, all Options granted had been fully vested and exercised. No further Options have been or will be granted under the Share Award Scheme III – Pool B after the Listing.

As of the date of this annual report, all the Shares underlying the aforementioned Awards and Options have been issued. No further Awards and Options may be granted under the Pre-IPO Share Award Schemes after the Listing.

Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was conditionally approved and adopted by the Shareholders on May 20, 2021 and amended on June 29, 2023, June 28, 2024 and August 25, 2025. The terms of the Post-IPO Share Option Scheme are subject to Chapter 17 of the Listing Rules.

Summary of major terms of the Post-IPO Share Option Scheme are as follows:

(i) Purposes of Post-IPO Share Option Scheme

The purpose of this Post-IPO Share Option Scheme is to attract, retain and motivate employees, Directors and such other participant, and to provide a means of compensating them through the grant of options pursuant to the terms of the Post-IPO Share Option Scheme (the “**Options**”) for their contribution to the growth and profits of our Group, and to allow such employees, Directors and other persons to participate in the growth and profitability of our Group.

(ii) Participants of Post-IPO Share Option Scheme

Participants of the Post-IPO Share Option Scheme included employees or directors of any member of the Group.

(iii) Maximum number of Shares available for issue under the Post-IPO Share Option Scheme

The maximum number of Shares underlying all the Options that may be granted under the Post-IPO Share Option Scheme is 10,145,867 Shares (the “**Post-IPO Share Option Scheme Limit**”), representing 5.94% of the aggregate Shares in issue as at December 31, 2025. As of the date of this annual report, there are 10,135,490 Shares available for issue under the Post-IPO Share Option Scheme, representing 5.9% of the issued share capital of the Company as of the date of this annual report.

The Shares which may be issued in respect of all Options and Awards to be granted under the Post-IPO Share Option Scheme and the Post-IPO RSU Scheme of the Company (including Options or Awards have been cancelled but excluding those lapsed in accordance with the terms of the respective share schemes) shall not exceed 13,527,822 Shares.

The Company may seek approval of the Shareholders in general meeting for refreshing the Post-IPO Share Option Scheme Limit every three years and the Post-IPO Share Option Scheme Limit as refreshed shall not exceed 6% of the total number of Shares in issue as at May 23, 2024.

As at January 1, 2025 and December 31, 2025, there were 6,099,471 and 4,820,036 Shares available for future grant under the Post-IPO Share Option Scheme, respectively.

(iv) Limit for each participant

Where any grant of Options to a substantial Shareholder or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued in respect of all Options and Awards granted to such person in the relevant period representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue, such further grant of options and/or awards, as the case may be, must be approved by the Shareholders in such manner as required under the Listing Rules.

The total number of Shares issued and to be issued in respect of all the Options and Awards granted to an individual participant under all share schemes of the Group in any twelve months period up to and including the date of such grant shall not exceed 1% of the issued Shares of the Company from time to time (the “**Individual Limit**”). Any further grant to a participant which would result in the Shares issued and to be issued exceeding the Individual Limit shall be subject to the Shareholders’ approval in general meeting with such participant and his or her close associates (or his or her associate if the Participant is a connected person) abstaining from voting.

(v) Grant and acceptance of Options

The Board shall, subject to and in accordance with the Post-IPO Share Option Scheme and the Listing Rules, be entitled to, at any time on any business day during the period of the Post-IPO Share Option Scheme, grant an Option to any eligible participant whom the Board may in its absolute discretion select, based on such conditions as it may think fit, including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets which must be achieved before an Option can be exercised.

(vi) Vesting of Options

Options may be vested over such period(s) as determined by the Board (or any duly authorized committee or person by the Board) in its absolute discretion. The periods over which the Options will vest shall not be less than 12 months or such other minimum vesting periods prescribed from time to time by any laws, regulations or rules to which the Post-IPO Share Option Scheme may be subject, including the Listing Rules or regulations of any stock exchange on which the Shares may be listed and quoted. Furthermore, the Shares to be issued and allotted to a Grantee pursuant to the exercise of any Option under the Post-IPO Share Option Scheme may or may not, at the discretion of the Board (or any duly authorized committee or person by the Board), be subject to any retention period.

The vesting period of Options granted to employee participants may, at the discretion of the Board (or any duly authorized committee or person by the Board), be shorter under the following circumstances: (i) grants of “make-whole” share options or awards to new joiners to replace the share awards they forfeited when leaving their previous employers, (ii) grant to a participant whose employment is terminated due to death or disability or occurrence of any out of control event; (iii) grants of options or awards with performance-based vesting conditions in lieu of time-based vesting criteria; (iv) grants that are made in batches during a year for administrative and compliance reason (may include share awards that should have been granted earlier but had to wait for a subsequent batch); (v) grant of options or awards with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months; and (vi) grants of options or awards with a total vesting and holding period of more than 12 months.

(vii) Exercise of Options

An Option may be exercised after vesting in accordance with the terms of the Post-IPO Share Option Scheme at any time during the period to be determined by our Board at its absolute discretion and notified by our Board to each participant who was granted the Options and in any event, such period shall not be longer than ten years from the date upon which any particular Option is granted in accordance with the Post-IPO Share Option Scheme.

(viii) Exercise price of Options

The exercise price shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option), but in any case the exercise price shall not be less than the higher of (a) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day; and (b) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five (5) business days immediately preceding the date of grant.

(ix) Remaining life of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme will be valid and effective for a period of ten years commencing on May 20, 2021 and has a remaining life of approximately five years.

For further information of the Post-IPO Share Option Scheme, please refer to the circular of the Company dated April 23, 2024 and the announcement of the Company dated August 25, 2025.

Details of Options granted under the Post-IPO Share Option Scheme during the Reporting Period are set out below:

Category/ Name of Grantee	Number of Options Granted	Grant Date	Vesting Period	Exercise Period	Exercise Price	Performance Target	Fair Value of Options Granted ⁽¹⁾	Closing price of the Shares immediately before the grant date
Directors, chief executive or substantial Shareholders of the Company, or their respective associates								
Mr. SONG Xin (former Executive Director and the chief strategy officer)	217,811	November 24, 2025	• 50% shall vest on April 30, 2026; and 50% shall vest on April 30, 2027	Ten years from the date of grant of Options	HK\$64.50	No performance target is required.	HK\$14.0 million	HK\$62.25
Ms. DONG Li (Executive Director and the chief financial officer)	595,689	November 24, 2025	• 40% shall vest on April 3, 2026; 20% shall vest on April 3, 2027; 20% shall vest on April 3, 2028; 10% shall vest on April 3, 2029; and 10% shall vest on April 3, 2030	Ten years from the date of grant of Options	HK\$64.50	No performance target is required.	HK\$38.4 million	HK\$62.25
Other employees								
4 employees	308,513	November 24, 2025	• 50% shall vest on April 30, 2026; and 50% shall vest on April 30, 2027	Ten years from the date of grant of Options	HK\$64.50	No performance target is required.	HK\$19.9 million	HK\$62.25

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Category/ Name of Grantee	Number of Options Granted	Grant Date	Vesting Period	Exercise Period	Exercise Price	Performance Target	Fair Value of Options Granted ⁽¹⁾	Closing price of the Shares immediately before the grant date
2 employees (including one senior management of the Group)	122,832	June 24, 2025	40,000 Options shall vest: <ul style="list-style-type: none"> • 25% shall vest on April 30, 2026; • 25% shall vest on April 30, 2027; • 25% shall vest on April 30, 2028; and • 25% shall vest on April 30, 2029. 	Ten years from the date of grant of Options	HK\$57.65	The performance evaluation results of the grantee for the year before vesting shall be higher than a specific level as determined by the Board.	HK\$7.1 million	HK\$55.69
			82,832 Options shall vest: <ul style="list-style-type: none"> • 30% vested on September 30, 2025; • 30% shall vest on September 30, 2026; • 20% shall vest on September 30, 2027; and • 20% shall vest on September 30, 2028. 					
1 employee (being a senior management of the Group)	34,590	January 17, 2025	<ul style="list-style-type: none"> • 30% vested on September 30, 2025; • 30% shall vest on September 30, 2026; • 20% shall vest on September 30, 2027; and • 20% shall vest on September 30, 2028. 	Ten years from the date of grant of Options	HK\$52.55	The performance evaluation results of the grantee for the year before vesting shall be higher than a specific level as determined by the Board.	HK\$1.8 million	HK\$52.05

(1) The fair value of the Options at the grant date is calculated based on the closing price of the Shares on the grant date, being HK\$62.65 per Share, HK\$57.28 per Share and HK\$51.81 per Share, respectively. For details of the accounting standard and policy adopted, please refer to Note 2 to the consolidated financial statements.

No Options were granted to related entity participant or service provider.

Movements of the outstanding Options under the Post-IPO Share Option Scheme during the Reporting Period are set out below:

Category/ Name of Grantee	Grant Date	Vesting Period	Exercise period	Exercise price	Number of unvested Options as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of unvested Options as of December 31, 2025	Weighted average closing price of the Shares before exercise
<i>Directors, chief executive or substantial Shareholders of the Company, or their respective associates</i>												
Mr. SONG Xin (former Executive Director and the chief strategy officer)	April 30, 2024	<ul style="list-style-type: none"> • 33.3% vested on April 30, 2025; • 33.3% shall vest on April 30, 2026; and • the remaining 33.4% shall vest on April 30, 2027. 	Ten years from the grant date	HK\$79.00 per Share	375,375	-	124,999	-	-	250,376	-	-
	November 24, 2025	<ul style="list-style-type: none"> 50% shall vest on April 30, 2026; and 50% shall vest on April 30, 2027 	Ten years from the grant date	HK\$64.50 per Share	-	217,811	-	-	-	-	217,811	-

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Category/ Name of Grantee	Grant Date	Vesting Period	Exercise period	Exercise price	Number of unvested Options as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of unvested Options as of December 31, 2025	Weighted average closing price of the Shares before exercise
Ms. DONG Li (Executive Director and the chief financial officer)	April 28, 2023	<ul style="list-style-type: none"> 25% was vested on April 3, 2024; 25% was on April 3, 2025; 20% shall vest on April 3, 2026; 10% shall vest on April 3, 2027; 10% shall vest on April 3, 2028; 5% shall vest on April 3, 2029; and the remaining 5% shall vest on April 3, 2030. 	Ten years from the grant date	HK\$100.06 per Share	1,266,485	-	422,161	-	-	844,324	-	-
	November 24, 2025	<ul style="list-style-type: none"> 40% shall vest on April 3, 2026; 20% shall vest on April 3, 2027; 20% shall vest on April 3, 2028; 10% shall vest on April 3, 2029; and 10% shall vest on April 3, 2030 	Ten years from the grant date	HK\$64.50 per Share	-	595,689	-	-	-	-	595,689	-
Other employees												
4 employees	April 28, 2023	Options granted shall vest in 4 tranches of 25%, 25%, 25% and 25% on April 30, 2024, April 30, 2025, April 30, 2026 and April 30, 2027, respectively.	Ten years from the grant date	HK\$100.06 per Share	112,500	-	37,500	-	-	75,000	-	-
4 employees	November 24, 2025	<ul style="list-style-type: none"> 50% shall vest on April 30, 2026; and 50% shall vest on April 30, 2027 	Ten years from the grant date	HK\$64.50 per Share	308,513	-	-	-	-	-	308,513	-

Category/ Name of Grantee	Grant Date	Vesting Period	Exercise period	Exercise price	Number of unvested Options as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of unvested Options as of December 31, 2025	Weighted average closing price of the Shares before exercise
3 employees	April 30, 2024	<ul style="list-style-type: none"> 33.3% shall vest on April 30, 2025; 33.3% shall vest on April 30, 2026; and the remaining 33.4% shall vest on April 30, 2027. 	Ten years from the grant date	HK\$79.00 per Share	452,375	-	150,640	-	-	-	301,735	-
1 employee	July 17, 2024	<ul style="list-style-type: none"> 25% shall vest on April 30, 2025; 25% shall vest on April 30, 2026; 25% shall vest on April 30, 2027; and the remaining 25% shall vest on April 30, 2028. 	Ten years from the grant date	HK\$58.75 per Share	60,000	-	15,000	-	-	-	45,000	-
1 employee (being a senior management of the Group)	January 17, 2025	<ul style="list-style-type: none"> 30% shall vest on September 30, 2025; 30% shall vest on September 30, 2026; 20% shall vest on September 30, 2027; and the remaining 20% shall vest on September 30, 2028. 	Ten years from the grant date	HK\$52.55 per Share	-	34,590	10,377	10,377	-	-	24,213	HK\$48.01-63.00

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Category/ Name of Grantee	Grant Date	Vesting Period	Exercise period	Exercise price	Number of unvested Options as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of unvested Options as of December 31, 2025	Weighted average closing price of the Shares before exercise
2 employees (including one senior management of the Group)	June 24, 2025	40,000 Options shall vest: <ul style="list-style-type: none"> • 25% shall vest on April 30, 2026; • 25% shall vest on April 30, 2027; • 25% shall vest on April 30, 2028; and • the remaining 25% shall vest on April 30, 2029. 	Ten years from the grant date	HK\$57.65 per Share	-	122,832	24,849	-	-	-	97,983	-
		82,832 Options shall vest: <ul style="list-style-type: none"> • 30% shall vest on September 30, 2025; • 30% shall vest on September 30, 2026; • 20% shall vest on September 30, 2027; and 										

Post-IPO RSU Scheme

The Post-IPO RSU Scheme was conditionally approved and adopted by the Shareholders on May 20, 2021 and amended on June 29, 2023, June 28, 2024 and August 25, 2025. The terms of the Post-IPO RSU Scheme are subject to Chapter 17 of the Listing Rules.

Summary of major terms of the Post-IPO RSU Scheme are as follows:

(i) *Purposes of Post-IPO RSU Scheme*

The purpose of the Post-IPO RSU Scheme is to recognize the contributions by grantees and to give incentives thereto in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

(ii) *Participants of Post-IPO RSU Scheme*

Participants of the Post-IPO RSU Scheme included employees, directors or officers of any member of the Group.

(iii) *Maximum number of Shares available for issue under the Post-IPO RSU Scheme*

The maximum aggregate number of Shares underlying all grants of awards (the “**Awards**”) pursuant to the Post-IPO RSU Scheme will not exceed 3,381,955 Shares (the “**Post-IPO RSU Scheme Limit**”), representing approximately 2.0% of the total issued Shares of the Company as at December 31, 2025. The Company may seek separate approval by the Shareholders in general meeting for granting Awards beyond the Post-IPO RSU Scheme Limit (as refreshed) provided that the grantee(s) of such Awards must be specifically identified by the Company before such approval is sought.

The Shares which may be issued in respect of all Options and Awards to be granted under the Post-IPO Share Option Scheme and the Post-IPO RSU Scheme of the Company (including Options or Awards have been cancelled but excluding those lapsed in accordance with the terms of the respective share schemes) shall not exceed 13,527,822 Shares.

The Company may seek approval of the Shareholders in general meeting for refreshing the Post-IPO RSU Scheme Limit every three years and the Post-IPO RSU Scheme Limit as refreshed shall not exceed 2% of the total number of Shares in issue as at May 23, 2024.

As of the date of this annual report, there are 587,463 Shares available for issue under the Post-IPO RSU Scheme, representing 0.3% of the issued share capital of the Company as of the date of this annual report.

As at January 1, 2025 and December 31, 2025, there were 1,449,977 and 682,011 RSUs available for grant under the Post-IPO RSU Scheme respectively.

(iv) Limit for each participant

Where any grant of Options and/or Awards to a substantial Shareholder or an independent non-executive Director or any of their respective associates, or any grant of Awards to a Director (other than an independent non-executive Director) or chief executive of the Company or any of their respective associates, which would result in the Shares issued and to be issued in respect of all Options and/or Awards granted to such person in the relevant period representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue, such further grant of Options and/or Awards, as the case may be, must be approved by the Shareholders in such manner as required under the Listing Rules.

The total number of Shares issued and to be issued in respect of all the Options and Awards granted to an individual participant under all share schemes of the Group in any twelve months period up to and including the date of such grant shall not exceed 1% of the issued Shares of the Company from time to time (the “**Individual Limit**”). Any further grant to a participant which would result in the Shares issued and to be issued exceeding the Individual Limit shall be subject to the Shareholders’ approval in general meeting with such participant and his or her close associates (or his or her associate if the Participant is a connected person) abstaining from voting.

(v) Vesting period of Awards granted

The Board has the sole discretion to determine the vesting schedule and vesting criteria (if any) for any grant of Awards to any grantee, which may also be adjusted and re-determined by the Board from time to time.

The periods over which the Awards will vest shall not be less than 12 months or such other may exceed any minimum vesting periods prescribed from time to time by any laws, regulations or rules to which the Post-IPO RSU Scheme may be subject, including the Listing Rules or regulations of any stock exchange on which the Shares may be listed and quoted. Furthermore, the Shares to be issued and allotted to a Grantee pursuant to the exercise of any Award under the Post-IPO RSU Scheme may or may not, at the discretion of the Board (or any duly authorized committee or person by the Board), be subject to any retention period.

The vesting period of Awards granted to employee participants may, at the discretion of the Board (or any duly authorized committee or person by the Board), be shorter under the following circumstances: (i) grants of “make-whole” share Options or Awards to new joiners to replace the share awards they forfeited when leaving their previous employers, (ii) grant to a participant whose employment is terminated due to death or disability or occurrence of any out of control event; (iii) grants of Options or Awards with performance-based vesting conditions, in lieu of time-based vesting criteria; (iv) grants that are made in batches during a year for administrative and compliance reason (may include share awards that should have been granted earlier but had to wait for a subsequent batch); (v) grant of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; and (vi) grants of Options or Awards with a total vesting and holding period of more than 12 months.

(vi) Exercise period of Awards granted

An Award may be exercised in accordance with the terms of the Post-IPO RSU Scheme at any time during the period notified by our Board to each participant who was granted the Awards and in any event, such period shall not be longer than ten years from the date upon which any particular Award is granted in accordance with the Post-IPO RSU Scheme.

(vii) Purchase price of Awards granted

The grantee(s) shall not be required to bear or pay any price or fee for the grant of Awards.

(viii) Remaining life of Post-IPO RSU Scheme

Subject to the fulfillment of the conditions of the Post-IPO RSU Scheme and the termination clause, this Post-IPO RSU Scheme shall be valid and effective for a term of ten years commencing on May 20, 2021 and has a remaining life of approximately five years.

For further information of the Post-IPO RSU Scheme, please refer to the circular of the Company dated April 23, 2024 and the announcement of the Company dated August 25, 2025.

Details of RSUs granted under the Post-IPO RSU Scheme during the Reporting Period are set out below:

Category/ Name of Grantee	Number of RSUs Granted	Grant Date	Vesting Period	Purchase Price	Performance Target	Fair Value of RSUs Granted ⁽¹⁾	Closing price of the Shares immediately before the grant date
Directors, chief executive or substantial Shareholders of the Company, or their respective associates							
nil							
Other employees							
50 employees	72,975	March 21, 2025	25,800 RSUs granted shall vest in 4 tranches of 30%, 30%, 20% and 20% on September 30, 2025, September 30, 2026, September 30, 2027 and September 30, 2028, respectively. 47,175 RSUs granted shall vest in 3 tranches of 50%, 25% and 25% on the second, the third and the fourth anniversary of the hire date of the respective Grantee, respectively.	Nil	No performance target is required.	HK\$4.6 million	HK\$70.16
231 employees	736,920	June 24, 2025	All RSUs granted shall vest in 4 tranches of 30%, 30%, 20% and 20% on September 30, 2025, September 30, 2026, September 30, 2027 and September 30, 2028, respectively.	Nil	The performance evaluation results of the grantees for the year before vesting shall be higher than a specific level as determined by the Board.	HK\$42.2 million	HK\$55.69

(1) The fair value of the RSUs at the grant date is calculated based on the closing price of the Shares on the grant date, being HK\$63.01 per Share and HK\$57.28 per Share, respectively. For details of the accounting standard and policy adopted, please refer to Note 2 to the consolidated financial statements.

No RSUs were granted to related entity participant or service provider.

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Movements of the unvested RSUs under the Post-IPO RSU Scheme during the Reporting Period are set out below:

Category/ Name of Grantee	Grant Date	Purchase price	Vesting Period	Number of unvested Awards as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of unvested Awards as of December 31, 2025	Weighted average closing price of the Shares before vesting
Directors, chief executive or substantial Shareholders of the Company, or their respective associates										
Ms. DONG Li (Executive Director and the chief financial officer)	July 19, 2023	Nil	RSUs shall vest in 7 tranches of 25%, 25%, 20%, 10%, 10%, 5%, 5% on April 3, 2024, April 3, 2025, April 3, 2026, April 3, 2027, April 3, 2028, April 3, 2029 and April 3, 2030, respectively.	570	-	190	-	-	380	HK\$ 54.82-74.50
Other employees										
120 employees	March 25, 2022	Nil	360,276 RSUs granted shall vest in 4 tranches of 30%, 30%, 20% and 20% on September 30, 2022, 2023, 2024 and 2025, respectively.	51,899	-	50,219	1,680	-	-	HK\$ 48.01-63.00
			68,833 RSUs granted shall vest in 3 tranches of 50%, 25% and 25% on the second, the third and the fourth anniversary of the employment date of each grantee respectively.	7,397	-	4,891	-	-	2,506	HK\$ 48.01-63.00
175 employees	June 12, 2023	Nil	496,858 RSUs shall vest in 4 tranches of 30%, 30%, 20% and 20% on September 30, 2023, September 30, 2024, September 30, 2025 and September 30, 2026, respectively.	188,563	-	91,276	7,336	-	89,951	HK\$ 48.01-63.00

Category/ Name of Grantee	Grant Date	Purchase price	Vesting Period	Number of unvested Awards as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of unvested Awards as of December 31, 2025	Weighted average closing price of the Shares before vesting
			233,161 RSUs shall vest in 3 tranches of 50%, 25% and 25% on the second, the third and the fourth anniversary of the employment date of the respective Grantee, respectively.	91,793	-	45,885	1,051	-	44,857	HK\$ 48.01-63.00
			41,992 RSUs shall vest in 4 tranches of 30%, 30%, 20% and 20% on the first, the second, the third and the fourth anniversary of the employment date of the respective Grantee, respectively.	16,800	-	8,398	-	-	8,402	HK\$ 48.01-63.00
			28,764 RSUs shall vest in 4 tranches of 30%, 30%, 20% and 20% on the second, the third, the fourth and the fifth anniversary of the employment date of the respective Grantee, respectively.	20,135	-	8,629	-	-	11,506	HK\$ 48.01-63.00
13 employees	July 19, 2023	Nil	54,800 RSUs shall vest in 4 tranches of 30%, 30%, 20%, 20% on September 30, 2023, September 30, 2024, September 30, 2025 and September 30, 2026, respectively.	17,120	-	8,560	-	-	8,560	HK\$ 48.01-63.00
3 employees	September 13, 2023	Nil	17,979 RSUs shall vest in 3 tranches of 50%, 25% and 25% on the second, the third and the fourth anniversary of the employment date of the respective Grantee, respectively.	8,991	-	4,494	-	-	4,497	HK\$ 48.01-63.00

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Category/ Name of Grantee	Grant Date	Purchase price	Vesting Period	Number of unvested Awards as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of unvested Awards as of December 31, 2025	Weighted average closing price of the Shares before vesting
15 employees	March 20, 2024	Nil	15,550 RSUs shall vest in 4 tranches of 30%, 30%, 20% and 20% on the second, the third, the fourth and the fifth anniversary of the hire date of the respective grantee, respectively.	10,886	-	4,664	-	-	6,222	HK\$ 48.01-63.00
			127,030 RSUs shall vest in 3 tranches of 50%, 25% and 25% on the second, the third and the fourth anniversary of the hire date of the respective grantee, respectively.	118,310	-	51,458	-	-	66,852	HK\$ 48.01-63.00
246 employees	July 17, 2024	Nil	680,456 RSUs granted shall vest in 4 tranches of 30%, 30%, 20% and 20% on September 30, 2024, September 30, 2025, September 30, 2026 and September 30, 2027, respectively.	472,270	-	196,536	16,670	-	259,064	HK\$ 48.01-63.00
			3,905 RSUs granted shall vest in 3 tranches of 50%, 25% and 25% on the second, the third and the fourth anniversary of the hire date of the RSU Grantee, respectively.	3,905	-	3,905	-	-	-	HK\$ 48.01-63.00

Category/ Name of Grantee	Grant Date	Purchase price	Vesting Period	Number of unvested Awards as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Number of unvested Awards as of December 31, 2025	Weighted average closing price of the Shares before vesting
50 employees	March 21, 2025	Nil	25,800 RSUs granted shall vest in 4 tranches of 30%, 30%, 20% and 20% on September 30, 2025, September 30, 2026, September 30, 2027 and September 30, 2028, respectively; and	-	25,800	7,560	1,020	-	17,220	HK\$ 48.01-63.00
			47,175 RSUs granted shall vest in 3 tranches of 50%, 25% and 25% on the second, third and fourth anniversary of the employment date of the RSU Grantee, respectively	-	47,175	3,072	-	-	44,103	HK\$ 48.01-63.00
231 employees	June 24, 2025	Nil	736,920 RSUs granted shall vest in 4 tranches of 30%, 30%, 20% and 20% on September 30, 2025, September 30, 2026, September 30, 2027 and September 30, 2028, respectively	-	736,920	220,406	6,750	-	509,764	HK\$ 48.01-63.00

The Shares underlying the Awards granted during the Reporting Period are issued Shares held by the trustee of the Post-IPO RSU Scheme and will be transferred to the Grantees upon vesting. There were no Shares that may be issued in respect of the Awards granted under all share schemes of the Company during the Reporting Period.

The number of Shares that may be issued in respect of the Options and Awards granted under all share schemes of the Company during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue for the Reporting Period was 1.2%.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

Save as disclosed in this annual report, during the Reporting Period, we did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

OTHER INFORMATION

Use of Proceeds

The Shares were listed on the Main Board of the Stock Exchange on June 16, 2021, whereby 16,829,600 new Shares were issued at the offer price of HKD173.0 each by the Company. On July 8, 2021, the Joint Global Coordinators, on behalf of the International Underwriters, fully exercised the Over-allotment Option at the offer price of HKD173.0, pursuant to which the Company issued an addition of 2,524,400 Shares. The aggregate net proceeds from the Company's Global Offering, including the net proceeds from the full exercise of the Over-allotment Option and after deduction of the underwriting fees and other related expenses, was approximately HKD3,139.0 million. The net proceeds from the Global Offering (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in that same manner, proportion and the expected timeframe as set out in the Prospectus under the section headed "Future Plans and Use of Proceeds". The table below sets out the planned and actual applications of the net proceeds up to December 31, 2025.

	Net proceeds from the Global Offering	Unutilized proceeds as at December 31, 2024	Utilized proceeds during the Reporting Period	Utilized proceeds up to December 31, 2025	Unutilized proceeds as at December 31, 2025
<i>(HKD in millions)</i>					
Funding the construction of Chuangmei Center	1,252.5	666.9	83.1	668.7	583.8
Strengthening our research and development capabilities and funding our in-house and collaborative R&D initiatives	574.4	128.0	128.0	574.4	0.0
Developing a flexible and scalable intelligent information technology system	339.0	106.9	100.4	332.5	6.5
Expanding our in-house sales team and providing sales personnel with training sessions	329.6	0.0	0.0	329.6	0.0
Funding marketing and branding activities	301.4	0.0	0.0	301.4	0.0
Optimizing medical services	194.6	0.0	0.0	194.6	0.0
Working capital and other general corporate purposes	147.5	0.0	0.0	147.5	0.0
Total	3,139.0	901.8	311.5	2,548.7	590.3

To the extent that the net proceeds have not been immediately utilized, the balance has been placed with banks. There has been no change in the intended use of net proceeds as previously disclosed in the Prospectus and the Group will apply the remaining net proceeds in the manner set out in the Prospectus. However, additional time will be required to utilize the remaining proceeds due to the impact of the macro-economy in the past few years. Considering the needs of future development of the Group, we expect the remaining proceeds would be used by the end of 2026.

Litigation and Compliance

The Group is subject to various regulatory requirements and guidelines issued by regulatory authorities in China and other countries we operated in. During the Reporting Period, the Group did not commit any material non-compliance of the laws and regulations, and did not experience any non-compliance incident, which taken as a whole, in the opinion of the Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations.

Annual General Meeting

The AGM will be held on Tuesday, May 19, 2026. A notice convening the AGM will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.angelalign.com) in accordance with the requirements of the Listing Rules in due course.

Final Dividend and Special Dividend

The Board has resolved to recommend the payment of a final dividend of HKD0.48 per Share and a special dividend of HKD4.99 per Share for FY2025 (the “**Proposed Dividends**”) to the Shareholders whose names appeared on the register of members of the Company on Thursday, May 28, 2026, subject to the approval of the Shareholders at the AGM. Once the resolutions in respect of payment of the Proposed Dividend are passed at the AGM, the Proposed Dividends are expected to be paid on Monday, June 8, 2026. All treasury shares and repurchased shares pending cancellation, if any, will not receive the Proposed Dividend. The Company will withdraw all repurchased shares from the Central Clearing and Settlement System, and either re-register them in its own name as treasury shares or cancel such repurchased shares, in each case before the record date for the Shareholders’ entitlement to the Proposed Dividends.

The Group is committed to creating enhanced returns for our Shareholders. To enable Shareholders to share the benefits of the Group’s growth, the Board has adopted a dividend policy which targets a payout ratio of approximately 40% of the Group’s net profit attributable to Shareholders for each financial year, subject to the Board’s assessment of the Group’s financial performance, cash flow position, capital requirements, and future development plans. The dividend policy will be reviewed by the Board on a regular basis.

Closure of Register of Members

For determining the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, May 14, 2026 to Tuesday, May 19, 2026, both days inclusive, during which period, no transfer of Shares will be registered and the record date will be Tuesday, May 19, 2026. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the corresponding share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Wednesday, May 13, 2026.

For determining the entitlement of Shareholders to receive the Proposed Dividends, the register of members of the Company will be closed from Tuesday, May 26, 2026 to Thursday, May 28, 2026, both days inclusive, during which period no transfer of Shares will be registered and the record date will be Thursday, May 28, 2026. To qualify for the Proposed Dividends, all share transfer documents accompanied by the corresponding share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Friday, May 22, 2026.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association or the Cayman Companies Act which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

Tax Relief and Exemption

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities. If any of the Shareholders is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, he or she is advised to consult an expert.

Permitted Indemnity Provisions

The Company has maintained appropriate liability insurance policies for its Directors and senior management during the Reporting Period. Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour, or in which he/she is acquitted.

Public Float

According to the information that is publicly available to the Company and within the knowledge of the Board, as of December 31, 2025, excluding an aggregate of 133,813,509 Shares held by the core connected persons of the Company, among all the 170,772,622 issued Shares of the Company, the Company had maintained a public float of 21.64% of the total issued share capital of the Company, which complies with the minimum percentage of 19.36% as prescribed in the conditions imposed in the waiver granted by the Stock Exchange from strict compliance with Rule 8.08(1) of the Listing Rules as required by Rule 13.32B(1) of the Listing Rules.

Audit Committee

As of the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. ZHOU Hao, Mr. HAN Xiaojing and Mr. SHI Zi, and Mr. ZHOU Hao serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the annual results of the Group for FY2025 and has recommended for the Board's approval thereof. The Audit Committee has also reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements of the Group for FY2025 and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group with the management and PricewaterhouseCoopers, the independent auditor of the Company. Based on this review and discussions with the management and the independent auditor of the Company, the Audit Committee was satisfied that the annual results of the Group were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for FY2025.

Auditor

PricewaterhouseCoopers was appointed as the auditor during the Reporting Period. The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by PricewaterhouseCoopers. There is no change of auditor of the Company since the listing date of the Company.

A resolution for the re-appointment of PricewaterhouseCoopers as the auditors of the Company will be proposed at the AGM.

Donation

During the Reporting Period, the Group donated approximately USD0.1 million.

Compliance with Non-Competition Undertakings

On May 20, 2021, Mr. FENG Dai, CareCapital Management Group LLC, CareCapital Dental Holdings Limited, CareCapital Moonstone Holdings Limited, CareCapital EA, Inc. and CareCapital Orthotech Limited (collectively, “**CareCapital**”) entered into the deed of non-competition in favor of our Company (the “**Deed of Non-Competition**”), pursuant to which they have each undertaken to our Company that they will not and will use their best reasonable efforts to procure their close associates (except any member of our Group) not to commence, engage in, participate in or acquire any business (“**Restricted Business**”) which competes with our core business of research and development, manufacture and marketing of clear aligners treatment solutions in China, subject to certain limited exceptions. For details of the Deed of Non-Competition, please refer to the section headed “Relationship with Controlling Shareholders – Non-Competition Undertaking” in the Prospectus.

The Company has received a written confirmation from CareCapital in respect of the compliance by them and their close associates with the terms of the Deed of Non-Competition. CareCapital have confirmed that they have complied with the undertaking under the Deed of Non-Competition during the Reporting Period.

The independent non-executive Directors have reviewed the Deed of Non-Competition and assessed whether CareCapital and their close associates have complied with the terms of the Deed of Non-Competition, and were satisfied that CareCapital has complied with his/its undertakings under the Deed of Non-Competition during the Reporting Period.

Corporate Governance

The Company is committed to maintaining high standards of corporate governance practices. During the Reporting Period, the Company had complied with all the applicable code provisions of the CG Code as set out in Appendix C1 to the Listing Rules. Detailed information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 63 to 82 of this annual report.

Events After the Reporting Period

As of the date of this annual report, save as disclosed in this annual report, there has been no significant event since the end of the Reporting Period that is required to be disclosed by the Company.

Appreciation

On behalf of the Board, I would like to express our sincere gratitude to dental professionals, patients and business partners for their trust in our Company, our staff and management team for their diligence, dedication, loyalty and integrity, and our Shareholders for their continuous support.

By order of the Board of Directors

Angelalign Technology Inc.

Mr. FENG Dai

Chairman

Hong Kong

March 27, 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report contained in the Company's annual report for the year ended December 31, 2025.

Cultures and Values

A healthy corporate culture across the Company is integral to attain its vision and strategy. It is the Board's role to foster a corporate culture and to ensure that the Company's vision and business strategies are aligned to it.

The Company strives to maintain high standards of business ethics and corporate governance across all its activities and operations. The Directors and management are all required to act lawfully, ethically and responsibly. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

The Company will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to achieve business objectives, while having due considerations from environment, social and governance aspects.

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders and to enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

During the Reporting Period, save as disclosed below, the Company had complied with all the applicable code provisions of the CG Code.

The Board

Responsibility

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Nomination Committee and the Remuneration Committee. The Board has delegated to these Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

The Company has arranged appropriate insurance coverage in respect of liability arising from legal action against the Directors, and will conduct annual review on such insurance coverage.

Board Composition and Diversity

The composition of the Board during the Reporting Period is as follows:

Executive Directors

Mr. FENG Dai (*Chairman*) (*re-designated from non-executive Director with effect from April 23, 2026*)

Mr. HU Jiezhong (*Chief Executive Officer*)

Mr. HUANG Kun

Ms. DONG Li

Mr. SONG Xin (*resigned as an executive director with effect from April 23, 2026*)

Independent Non-executive Directors

Mr. HAN Xiaojing

Mr. SHI Zi

Mr. ZHOU Hao

The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

The independent non-executive Directors have confirmed their independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules by written confirmation and the Company considers each of them to be independent.

We have adopted the Board Diversity Policy which sets out the approach to achieve diversity on our Board in order to enhance the quality of its performance. The Board Diversity Policy provides that our Company should endeavor to ensure that our Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experiences, skills, knowledge, gender, age, cultural and educational background, ethnicity and length of service. Our Board and Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and monitor and report annually in our corporate governance report about the implementation of the Board Diversity Policy.

The Nomination Committee and the Board has reviewed the diversity of the Board and the Board Diversity Policy for the Reporting Period. As of December 31, 2025, the diversity profile of the Board is analyzed as follows: The Directors have a balanced mix of experiences, including overall management, business development, information technology, legal, and finance experiences. The Board has also maintained a gender balance with one female Directors and seven male Directors. Furthermore, the age of the Directors ranges from 39 years old to 71 years old. The education background of the Directors includes bio-technology, finance, auditing, information technology and business administration to law, with degrees awarded by education institutions in the PRC, Hong Kong and the United States.

At present, the Nomination Committee considered that the Board is sufficiently diverse. The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain continuous compliance by the Company with the board diversity requirement under the Listing Rules.

Save as disclosed in the biographies of the Directors as set out in the section headed “Directors and Senior Management” of this annual report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the code provision under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this annual report:

	Female	Male
Board	14.3%	85.7%
Senior management	16.7%	83.3%
Overall workforce	53%	47%

The Board was satisfied the gender ratio in the workforce of the Group.

Board Independence Evaluation

The Company recognizes that Board independence is key to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board and that independent views are available.

The current composition of the Board, comprising more than one third of the Board being independent non-executive Directors, and the members of the Audit Committee are all independent non-executive Directors, exceeding the independence requirements under the Listing Rules. The remuneration of independent non-executive Directors are subject to a regular review to maintain competitiveness and commensurate with their responsibilities and workload. The independence of each independent non-executive Director is assessed upon his appointment and annually.

Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate.

The Company have established mechanism to ensure independent views and input are available to the Board. The Board and the Board committees have the right to seek the service of independent professional institutions according to the needs of the exercise of authority, performance of duties or businesses, and the reasonable expenses incurred thereon shall be borne by the Company.

The independent non-executive Directors have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board. The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views.

The Board has reviewed the implementation of the mechanisms in relation to the Board independence and considered it to be effective during the Reporting Period. The Board will continue to review the implementation and effectiveness of such mechanism on an annual basis.

Induction and Continuous Professional Development

All newly appointed Directors would be provided with necessary induction and information to ensure that they have a proper understanding of the Company's operations and businesses as well as their responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular training to provide the Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

The Company encourages continuous professional development training for all the Directors to develop and refresh their knowledge and skills. The company secretary of the Company update and provide the Directors with written training materials in relation to their roles, functions and duties from time to time.

According to the information provided by the Directors, the training received by the Directors during the Reporting Period is summarized as follows:

Directors	Scope					Approximate number of training hours completed
	Laws and Regulations	Corporate governance	Risk management and Internal control	The Group's business	Directors' responsibilities	
Executive Directors						
Mr. FENG Dai (<i>Chairman</i>) (<i>re-designated from non-executive Director with effect from April 23, 2026</i>)	0.5 hour Note B	0.5 hour Note B	0.5 hour Note B	5 hours Note A&C	0.5 hour Note B	7 hours
Mr. HU Jiezhong	0.5 hour Note B	0.5 hour Note B	0.5 hour Note B	5 hours Note A&C	0.5 hour Note B	7 hours
Mr. HUANG Kun	0.5 hour Note B	0.5 hour Note B	0.5 hour Note B	5 hours Note A&C	0.5 hour Note B	7 hours
Mr. SONG Xin (<i>resigned with effect from April 23, 2026</i>)	0.5 hour Note B	0.5 hour Note B	0.5 hour Note B	5 hours Note A&C	0.5 hour Note B	7 hours
Ms. DONG Li	0.5 hour Note B	0.5 hour Note B	0.5 hour Note B	5 hours Note A&C	0.5 hour Note B	7 hours
Independent Non-executive Directors						
Mr. HAN Xiaojing	0.5 hour Note B	0.5 hour Note B	0.5 hour Note B	5 hours Note A&C	0.5 hour Note B	7 hours
Mr. SHI Zi	0.5 hour Note B	0.5 hour Note B	0.5 hour Note B	5 hours Note A&C	0.5 hour Note B	7 hours
Mr. ZHOU Hao	0.5 hour Note B	0.5 hour Note B	0.5 hour Note B	5 hours Note A&C	0.5 hour Note B	7 hours

Note:

Types of Training

A: by self-study

B: training by external provider

C: Seminar

Appointment and Re-Election of Directors

Our executive Directors, Mr. FENG Dai, Mr. HU Jiezhong, Mr. HUANG Kun and Ms. DONG Li, have entered into service contracts with our Company with effect on April 23, 2026, July 31, 2023, September 30, 2023 and April 3, 2026, respectively. We have issued letters of appointment to our independent non-executive Directors, Mr. HAN Xiaojing, Mr. SHI Zi and Mr. ZHOU Hao, with effect on March 19, 2024, March 19, 2024 and April 11, 2026, respectively. The service contracts with each of our executive Directors and the letters of appointment with each of our independent non-executive Directors are for an initial fixed term of three years commencing from the date on which the service contract and/or letter of appointment was taken into effect. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms. The service contracts and/or the letters of appointment may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

CORPORATE GOVERNANCE REPORT

The Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting, but shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation at such meeting.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Board has delegated certain of its responsibilities and authority for selection and nomination of Directors to the Nomination Committee. The Nomination Committee is responsible for reviewing the Board's composition, and for making recommendations to the Board on the appointment, re-election and succession planning of Directors, and the Board will determine the relevant matters after taking into account of the recommendations.

The Company has adopted a Director Nomination Policy which is contained in the terms of reference of the Nomination Committee that sets out the selection criteria and process in relation to nomination of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to gender, age, cultural and educational background, professional experience or diversity needed in the future, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee shall:

- (i) use open advertising or the services of external advisors to facilitate the search;
- (ii) consider candidates from a wide range of backgrounds; and
- (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.

During the Reporting Period, the retired and re-elected Director nominated by the Nomination Committee and recommended by the Board were subject to a stringent nomination process in accordance with the Director Nomination Policy and the Board Diversity Policy, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Company's strategy.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Nomination Procedures

Subject to the Articles of Association, the following nomination procedures should be followed:

- (i) the Nomination Committee shall review the structure, size, composition (including the skills, knowledge and experience) and diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, required expertise, skills, knowledge and length of service) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) the Nomination Committee shall make recommendations to the Board on the appointment or re-appointment of Directors and succession plans for Directors, in particular the chairman and the chief executive officer. The Nomination Committee shall make recommendations on appointment of Directors with due regard to the diversity policy of the Company and in accordance with the challenges and opportunities faced by the Company;
- (iii) the Nomination Committee shall identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorship. In identifying suitable candidates, the Nomination Committee shall consider candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
- (iv) the Nomination Committee shall before making any appointment recommendations to the Board, evaluate the balance of Directors based on (including but not limited to) gender, age, cultural and educational background, professional experience or diversity needed in the future, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- (v) the Board shall deliberate and decide on the appointment based on the recommendation of the Nomination Committee;
- (vi) appointments of Directors should be confirmed by a letter of appointment or Director service agreement, as appropriate, setting out the key terms and conditions of the appointment of Directors;
- (vii) pursuant to Rule 13.74 of the Listing Rules, where shareholders are required to vote on electing or re-electing Directors, the circular accompanying the notice of the relevant general meeting should include all information of the candidates required under Rule 13.51(2) of the Listing Rules;
- (viii) a shareholder shall be entitled to serve a notice to the company secretary within the lodgment period of its intention to propose a resolution to elect a person as a Director, without recommendation of the Board or nomination of the Nomination Committee, other than those candidates set out in the shareholder circular. The particulars of the candidates proposed shall be sent to all shareholders for information by a supplementary circular;
- (ix) a candidate shall be entitled to withdraw his/her candidature at any time before the general meeting by serving a notice, in writing, to the company secretary; and
- (x) the Board shall have the final decision on matters relating to its recommendation of candidates to stand for election at any general meeting.

Attendance Records at the Meetings of the Board and General Meeting

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of no less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board meetings and Board Committee meetings, reasonable notice is generally given by the Company. The agenda and accompanying Board papers are dispatched at least three days before the Board meetings or Board Committee meetings to ensure that the Directors have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings shall be kept by the joint company secretary with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail on the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by all Directors.

During the Reporting Period, the Company held 4 Board meetings and 1 general meeting in total and the attendance of individual Director at the Board meetings and general meetings are set out in the table below:

Name of Directors	Number of Actual Attendance at Board Meetings/ Number of Required Attendance at Board Meetings	Number of Actual Attendance at General Meeting/ Number of Required Attendance at General Meeting
Mr. FENG Dai	4/4	1/1
Mr. HU Jiezhong	4/4	1/1
Mr. HUANG Kun	4/4	1/1
Ms. DONG Li	4/4	1/1
Mr. HAN Xiaojing	4/4	1/1
Mr. SHI Zi	4/4	1/1
Mr. ZHOU Hao	4/4	1/1
Mr. SONG Xin (<i>resigned with effect from April 23, 2026</i>)	4/4	1/1

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, each of the Directors has confirmed that he or she has complied with the requirements as set out in the Model Code during the Reporting Period.

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense. Directors are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Functions

The Board confirmed that corporate governance should be the collective responsibility of the Directors, which includes:

- (i) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
- (ii) to review and monitor the training and continuous professional development of the Directors and senior management;
- (iii) to develop, review and monitor the codes of conduct and compliance manuals applicable to employees and the Directors;
- (iv) to develop and review the Company's corporate governance policies and practices, make recommendations and report on related issues to the Board; and
- (v) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Board Committees

Our Company has established three committees under the Board pursuant to the corporate governance practice requirements under the Listing Rules, including the Audit Committee, Remuneration Committee and Nomination Committee.

Audit Committee

As at the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely Mr. HAN Xiaojing, Mr. SHI Zi and Mr. ZHOU Hao. Mr. ZHOU Hao, the chairman of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company. The Audit Committee's duties and powers include, among others:

- (i) make recommendations to the Board on the appointment, re-appointment, and/or removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor, and consider any questions of resignation or dismissal of that auditor;
- (ii) monitor the integrity of financial statements, annual reports and accounts, interim reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them;
- (iii) oversee the Company's financial reporting system, risk management and internal control procedures; and
- (iv) perform the Company's corporate governance functions, including reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and the training and continuous professional development of Directors and senior management.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the consolidated financial statements of the Group for the year ended December 31, 2025. The Audit Committee considered that the annual results of the Group are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

During the Reporting Period, the Audit Committee held 4 meetings to discuss and consider the following: (i) reviewing the annual financial statements, annual results announcement and annual report of the Group for the year ended December 31, 2024, (ii) reviewing the interim financial statements, interim results announcement and interim report of the Group for the six months ended June 30, 2025; (iii) recommending to the Board on the appointment of the auditor of the Company for the fiscal year ended December 31, 2025 and reviewing the report on the 2025 audit plan; and (iv) reviewing the Company's financial reporting process, risk management, internal control system and internal audit function.

During the Reporting Period, the attendance of the Audit Committee members at the meetings is set out in the table below:

Name of Audit Committee members	Number of attendance/required attendance
Mr. ZHOU Hao (<i>Chairman</i>)	4/4
Mr. HAN Xiaojing	4/4
Mr. SHI Zi	4/4

Nomination Committee

As of the date of this annual report, the Nomination Committee comprises two executive Directors, namely Mr. FENG Dai and Ms. DONG Li, and three independent non-executive Directors, namely Mr. HAN Xiaojing, Mr. SHI Zi and Mr. ZHOU Hao. Mr. FENG Dai, chairman of the Board, is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company. The Nomination Committee's duties and powers include, among others:

- (i) review the structure, number and composition (including the skills, knowledge, experience and diversity) of the Board at least annually, assist the Board in maintaining a board skills matrix and make recommendations on any proposed changes to the Board to complement the Company's strategy;
- (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iii) assess the independence of independent non-executive Directors;
- (iv) support the Company's regular evaluation of the Board's performance;
- (v) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer;
- (vi) review the Board Diversity Policy and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and
- (vii) where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, the reasons why the Board believe he/she should be elected and the reasons why the Board consider the individual to be independent should be set out in the circular to Shareholders and/or an explanatory statement accompanying the notice of the relevant general meeting.

The Nomination Committee assesses, selects, and recommends candidates for directors to the Board on criteria such as credibility, success, and experience in the Company's industry, time available to be invested, benefits of sectors represented by the candidates, and the diversity the candidates will bring to the Board. The recommendations of the Nomination Committee will then be put to the Board for decision.

During the Reporting Period, the Nomination Committee held 1 meeting to discuss and consider (i) the Directors nomination policy and the structure, number and composition (including the gender, skills, knowledge, experience diversity) of the Board; (ii) Board Diversity Policy; (iii) the independence of independent non-executive Directors; and (iv) the retiring and re-election of Directors, etc.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the attendance of the Nomination Committee members at the meeting is set out in the table below:

Name of Nomination Committee members	Number of attendance/required attendance
Mr. FENG Dai (<i>Chairman</i>)	1/1
Ms. DONG Li (<i>appointed with effect from June 24, 2025</i>)	0/0
Mr. HAN Xiaojing	1/1
Mr. SHI Zi	1/1
Mr. ZHOU Hao	1/1
Mr. SONG Xin (<i>ceased with effect from June 24, 2025</i>)	1/1

Remuneration Committee

As of the date of this annual report, the Remuneration Committee comprises two executive Directors, namely Mr. HU Jiezhong and Mr. HUANG Kun, and three independent non-executive Directors, namely Mr. HAN Xiaojing, Mr. SHI Zi and Mr. ZHOU Hao. Mr. HAN Xiaojing is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company. The Remuneration Committee's duties and powers include, among others:

- (i) make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) determine, with delegated responsibility from the Board, the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (iv) make recommendations to the Board on the remuneration of non-executive Directors;
- (v) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group, assess performance of executive Directors, approve the terms of executive Directors and service contracts;
- (vi) review and approve the compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (vii) review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (viii) ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration; and
- (ix) review and approve matters relating to share schemes under Chapter 17 of the Listing Rules.

During the Reporting Period, the Remuneration Committee held 1 meeting to discuss and consider the following: (i) reviewing and making recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management; and (ii) reviewing and approving the grant of Awards and Options under the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme.

During the Reporting Period, the attendance of the Remuneration Committee members at the meetings is set out in the table below:

Name of Remuneration Committee members	Number of attendance/required attendance
Mr. HAN Xiaojing (<i>Chairman</i>)	1/1
Mr. HU Jiezhong	1/1
Mr. HUANG Kun	1/1
Mr. SHI Zi	1/1
Mr. ZHOU Hao	1/1

Material Matters Relating to Share Award Schemes

During the Reporting Period, the Remuneration Committee reviewed and/or approved certain material matters relating to the Share Award Schemes, including (i) the proposed amendments to the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme; (ii) the grant and cancellation of Options and the grant of RSUs in 2025. Considering the purpose of the Share Award Schemes and the Group's business is undergoing rapid expansion, the Remuneration Committee believed that the grant and cancellation of Options and the grant of RSUs in 2025 served as important step to (i) recognize the past contributions of the relevant grantees to the Group's business performance; (ii) motivate, retain and secure their long-term commitment to the Group, which is vital to the continual operation, future development and long-term growth of the Group; and (iii) closely align the interests of the Shareholders, the Group and the relevant grantees to maximize employee engagement. In addition, as the vesting period for part of the Options and RSUs granted in 2025 is less than 12 months, the Remuneration Committee is of the view that the shorter vesting period enables the Company to offer competitive remuneration and reward packages to the Options and RSU Grantees, on an ad hoc basis, in such circumstances that would be justified and reasonable, which is also consistent with the Listing Rules and the former practice of the Company and peer companies in the Group's industry. Accordingly, the shorter vesting period for part of the Options and RSUs is considered appropriate and aligns with the purpose of the Post-IPO RSU Scheme.

Please refer to the announcements of the Company dated January 17, 2025, March 21, 2025, June 24, 2025, August 25, 2025 and November 24, 2025 for further details.

Remuneration of Directors and Senior Management

The remuneration of the Directors of the Company during the Reporting Period is set out in Note 39 to the consolidated financial statements.

The remuneration of senior management of the Company for the year ended December 31, 2025 falls under the following bands:

Band of remuneration	Number of individuals
Below USD500,000	2
USD500,000 to USD1,000,000	2
Above USD1,000,000	2

Directors' Responsibilities for Financial Reporting

The Directors acknowledge their responsibilities for the preparation of the financial statements for the Reporting Period which give a true and fair view of the state of affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided the Board with such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

The statement by the auditor regarding their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report of this annual report.

Dividend Policy

The Company has adopted a dividend policy. The determination to pay dividends will be made at the discretion of the Directors, subject to the Listing Rules, and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that the Directors may consider relevant. The Company in general meeting may from time to time by ordinary resolution declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board, provided always that in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business.

The Group is committed to creating enhanced returns for our Shareholders. To enable Shareholders to share the benefits of the Group's growth, the Board has adopted a dividend policy which targets a payout ratio of approximately 40% of the Group's net profit attributable to Shareholders for each financial year, subject to the Board's assessment of the Group's financial performance, cash flow position, capital requirements, and future development plans. The dividend policy will be reviewed by the Board on a regular basis.

Risk Management and Internal Control

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

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Board oversees risk management functions directly and also through the Audit Committee and the senior management, and will assess the effectiveness of the risk management and internal control systems at least once a year.

The Audit Committee assists the Board in leading the management, monitoring and overseeing the risk management and internal control systems. The senior management is responsible for the overall implementation of risk management and internal control plans and policies determined by the Board and managing the risks in connection with all of the Company's business operations. The senior management identifies, assess and take measures against any significant risks that the Company is facing, and reports to the Board on a periodical basis.

The internal control department oversees and monitors the risk management and internal control systems. It identifies any material risks and makes recommendations on the improvement and rectification plans and measures with regard to the identified issues to ensure that the planned remedial measures have been duly implemented.

The internal audit department performs the independent review on the effectiveness of the risk management and internal control with a risk-based approach and reports the review results to the Audit Committee on periodical basis.

Risk management

The Company has established a risk management system which sets out the roles and responsibilities of each relevant party as well as the relevant risk management policies and processes. The Company, on a regular basis, identifies and assesses risk factors that may negatively affect the achievement of its objectives, and formulates appropriate response measures.

The Company has adopted the following dynamic risk management process in response to the ever-changing risk landscape:

- (i) Business and functional departments identify, assess, respond to risks in the course of daily operation and establish control measures to mitigate risks in a systematic manner.
- (ii) The internal control department establishes internal control framework, provides guidance and advisory, oversee, assess and monitor the internal control status, and escalate concerns and communicate results to the senior management.
- (iii) The internal audit department performs the independent review of the effectiveness of the internal control with a risk-based approach, and communicates any findings to the relevant parties and the senior management to take proper action plan. All the review results are reported to the Audit Committee periodically.
- (iv) The Audit Committee, on behalf of the Board, assesses and determines the nature and level of the risks that the Company is willing to take in order to achieve its business objectives and formulates appropriate response strategies which includes designating responsible departments for handling each significant risk. The Audit Committee provides guidance to the Company's management to implement effective risk management system with supports from the internal audit department.

Internal control

The Company has always valued the importance of the internal control systems, and has complied with the requirements under the CG Code and Appendix D2 to the Listing Rules.

The management of the Company is responsible for the design, implementation and maintenance of the effectiveness of the internal control systems. The Board, assisted by the Audit Committee, is responsible for monitoring and overseeing the performance of management over the internal control system to ensure that it is appropriate and effective.

The Company's internal control systems clearly define the roles and responsibilities of each party as well as the authorizations and approvals required for key actions of the Company. Policies and procedures are put in place for the key business processes. This information is also clearly conveyed to employees of the Company in practice and plays an important role in the internal control systems. All employees must strictly follow the policies which cover, amongst other things, financial, legal, data security and operational issues that set the control standards for the management of each business process.

In addition, the internal audit department supervises the establishment of the risk management and internal control systems covering key business processes as well as information and data security, set up by the management, ensures that management has implemented appropriate measures and reports its independent review of risk management and internal control of the Company to the Audit Committee periodically.

The Group has established the process committee (the "**Process Committee**"), whose goals are:

- (i) to drive improvements with a problem-solving approach, enhancing operational efficiency while controlling the risks; and
- (ii) to identify potential risks, ensuring the long-term sustainability of the Group.

The Process Committee aims to gradually achieve the goals to address the uncertainty of the environment by using rigorous processes and rules.

Review of risk management and internal control

The Audit Committee, on behalf of the Board, continuously reviews the risk management and internal control systems.

The review process comprises, among other things, of meetings with management of business and functional departments, internal control department, legal and compliance department, and the external auditors, reviewing the relevant work reports and information of key performance indicators, independent internal audit review and external auditors' assessment on internal control and discussing the major risks with the senior management of the Company.

The Board is of the view that throughout the Reporting Period, the risk management and internal control systems of the Group are effective and adequate.

In addition, the Board believes that the Company's accounting and financial reporting functions have been performed by staff with appropriate qualifications and experience and that such staff receive appropriate and sufficient training and development. Based on the work report from the Audit Committee, the Board also believes that the Company's internal control and internal audit functions are adequate with sufficient resources and budget. The relevant staff have appropriate qualifications and experience, and receive sufficient training and development to fulfil their duties.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings by the internal auditor, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources, as well as those relating to the Company's ESG performance and reporting.

Arrangements are put in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

Inside Information

The Company has also implemented proper procedures and internal controls for the handling and dissemination of inside information, including, among others, establishing a policy on the disclosure of inside information to ensure that all current and prospective investors of the Company, market participants and the public are provided with appropriate information relating to the Group in a timely and simultaneous manner. The policy has been communicated to all relevant staff and related training has also been provided to them.

Whistle-blowing Mechanism

A whistle-blowing mechanism has been set up to encourage and allow employees to raise concerns about possible improprieties in matters of financial reporting, compliance, and other malpractices at the earliest opportunity. The Audit Committee has the overall responsibility for the management of the mechanism and has delegated day-to-day responsibility of overseeing and implementing such policy to the management of the Group. If any employee believes reasonably and in good faith that malpractice exists in the workplace, he/she should report to the management or Audit Committee by email immediately. All reports are treated confidentially and the Group makes every effort to keep the employee's identity confidential.

Anti-corruption Training

To strengthen understanding of relevant applicable laws and regulations, training regarding ethical business conduct covering topics such as integrity and discipline, confidentiality and conflict of interest is provided to our employees.

Auditor's Remuneration

The auditor's approximate remuneration in respect of the audit and non-audit services provided to the Company for the Reporting Period is as follows:

Type of services	Amount (USD'000)
Audit services	799
Non-audit services	141
Total	940

Company Secretary

Mr. ZHU Lingbo resigned as the company secretary of the Company and Mr. LEE Leong Yin was appointed as the company secretary of the Company, with effect from May 15, 2025. Mr. Lee is a senior manager in the Company Secretarial Services Department of Tricor Services Limited. The primary corporate contact person for Mr. Lee at the Company is Ms. DONG Li, an executive Director and chief financial officer of the Company.

During the Reporting Period, Mr. Lee had undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

Communication with Shareholders and Investor Relationship

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance, and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information on the Company for the Shareholders and investors to make informed investment decisions.

The annual general meeting provide opportunity for Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board Committees of the Company will attend the annual general meeting to answer Shareholders' questions. The auditor will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies, and auditor's independence.

To promote effective communication and to build an inter-relationship and communication channel between the Company and the Shareholders, the Company adopts a Shareholders' communication policy and maintains a website at www.angelalign.com, where the up-to-date information on the Company's business operations and developments, financial information, corporate governance practices, and other information are available for public access. The Board reviewed the implementation and effectiveness of the Shareholders' communication policy and the results were satisfactory.

Shareholders' Rights

To safeguard the Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual directors.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening an Extraordinary General Meeting and Putting Forward Proposals

Any one or more Shareholder(s) of the Company holding at the date of deposit of the requisition not less than one-tenth of voting rights, on a one vote per share basis of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, to require an extraordinary general meeting to be convened by the Company for the transaction of any business specified in such requisition and add the resolutions to the meeting agenda; and such meeting shall be held within 21 days after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting to be held within a further 21 days, the requisitionist(s) himself/herself (themselves) or any of them representing more than one-half of the total voting rights of all of them may do so in the same manner provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to convene such general meeting shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board may send their enquiries to the Office of the Board at the Company's headquarters through telephone at +86 (21) 5656 1919 and email at investors@angelalign.com.

Amendments to Constitutional Document

Save as disclosed below, there has been no change in the Articles of Association during the Reporting Period and up to the date of this annual report.

On March 3, 2026, the Board proposes (a) to make certain amendments (the "**Proposed Amendments**") to the second amended and restated memorandum and articles of association of the Company currently in effect (the "**Existing M&A**") for the purposes of, among other things, (i) enabling the Company to allow the Shareholders to have the option to attend and participate at general meetings of the Company virtually; (ii) enabling the Company to pay any dividend, interest or other sum payable in cash to any Shareholder by wire transfer; (iii) bringing the Existing M&A in line with the latest regulatory requirements; and (iv) incorporating certain minor consequential and housekeeping amendments; and (b) to adopt the third amended and restated memorandum and articles of association of the Company (the "**Amended M&A**") incorporating and consolidating all the Proposed Amendments, in substitution for, and to the exclusion of, the Existing M&A. The proposed adoption of the Amended M&A is subject to the passing of the special resolution approving the adoption of the Amended M&A by the Shareholders at the annual general meeting. For details, please refer to the Company's announcement dated March 3, 2026.

DEFINITION

“AGM”	the annual general meeting of the Company to be held on Tuesday, May 19, 2026 or any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board Committees”	collectively, the Audit Committee, the Remuneration Committee and the Nomination Committee
“Board of Directors” or “Board”	the board of directors of our Company
“CareCapital Group”	Mr. FENG Dai and the entities controlled by him directly or indirectly for holding interests in the Company under the trade name of CareCapital, including CareCapital Management Group LLC, CareCapital Dental Holdings Limited, CareCapital Moonstone Holdings Limited, CareCapital EA, Inc. and CareCapital Orthotech Limited
“CareCapital Holdings”	CareCapital Dental Holdings Limited, a limited liability company incorporated under the laws of Cayman Islands on April 15, 2015 and a controlling shareholder
“Cayman Companies Act”	the Companies Act (As Revised) of the Cayman Islands as amended, supplemented, or otherwise modified from time to time
“CC Dental”	Shanghai CareCapital Dental Devices Co., Ltd. (上海松佰牙科器械有限公司)
“CC Dental Group”	CC Dental and its subsidiaries and associates
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China,” “Mainland China” or “PRC”	People’s Republic of China, excluding, for the purposes of this annual report and for geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company,” “our Company,” “Angelalign,” “Group,” “our Group,” “we” or “us”	Angelalign Technology Inc. (時代天使科技有限公司), an exempted company incorporated under the laws of Cayman Islands with limited liability on November 29, 2018, and, except where the context indicated otherwise, all of its subsidiaries, or with respect to the period before our Company became the holding company of our current subsidiaries, the business operated by our present subsidiaries or their predecessors (as the case may be)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITION

“Director(s)”	the director(s) of our Company
“Global Offering”	the Hong Kong public offering and the international offering of the Company
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“IPO”	initial public offering
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Post-IPO RSU Scheme”	the post-IPO RSU scheme as adopted by the Company on May 20, 2021, as amended from time to time
“Post-IPO Share Award Schemes”	collectively, the post-IPO RSU scheme and the post-IPO share option scheme as adopted by the Company on May 20, 2021, as amended from time to time
“Post-IPO Share Option Scheme”	the post-IPO Share Option Scheme as adopted by the Company on May 20, 2021, as amended from time to time
“Pre-IPO Share Award Schemes”	collectively, the share award scheme I, the share award scheme II and the share award scheme III as adopted by the Company in December 2020, as amended from time to time
“Prospectus”	the prospectus of the Company dated June 3, 2021
“R&D”	research and development
“Remuneration Committee”	the remuneration committee of the Board

“Reporting Period”	the year ended December 31, 2025
“RMB”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Shanghai EA”	Shanghai EA Medical Instruments Co., Ltd. (上海時代天使醫療器械有限公司), a company incorporated under the laws of the PRC with limited liability on September 5, 2011 and an wholly-owned subsidiary of the Company
“Shanghai Maxflex”	Shanghai Maxflex Medical Technology Co., Ltd. (上海馬可菲斯醫療技術有限公司), a company incorporated under the laws of the PRC with limited liability and owned by the CareCapital Group as to 30%
“Shanghai Kaihao”	Shanghai Kaihao Technology Co., Ltd. (上海愷皓科技有限公司), a company incorporated under the laws of the PRC with limited liability and owned as to 59.0% by Shanghai Kuohong Information Technology Co., Ltd. (上海闊鴻信息科技有限公司) and 40.0% indirectly by Ms. Li Huamin
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.0001 each
“Share Award Schemes”	the Pre-IPO Share Award Schemes and the Post-IPO Share Award Schemes
“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD” or “US\$”	US dollars, the lawful currency of the United States
“Wuxi EA”	Wuxi EA Medical Instruments Technologies Limited (無錫時代天使醫療器械科技有限公司), a company incorporated under the laws of the PRC with limited liability on February 10, 2010 and an wholly-owned subsidiary of the Company

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Angelalign Technology Inc.

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Angelalign Technology Inc. (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 93 to 188, comprise:

- the consolidated statement of financial position 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.

INDEPENDENT AUDITOR'S REPORT

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.

Key audit matters identified in our audit are summarised as follows:

- Measurement of revenue from rendering of clear aligner treatment solutions
- Allocation of contract prices to different performance obligations of revenue from sales of clear aligners

Key Audit Matter

How our audit addressed the Key Audit Matter

Measurement of revenue from rendering of clear aligner treatment solutions

Refer to Note 2.2.9(a), 4(a) and Note 5 to the consolidated financial statements.

To address this key audit matter, we performed audit procedures as follows:

For the year ended December 31, 2025, revenue of the Group from rendering of clear aligner treatment solutions amounted to USD198,251,000, representing approximately 54% of the Group's total revenue.

Revenue from rendering of clear aligner treatment solutions is recognized over time by reference to the progress towards complete satisfaction of respective performance obligations during the reporting period. The progress towards complete satisfaction of the performance obligation is measured using output method by reference to the value of deliverables transferred (i.e. treatment planning service provided and clear aligners delivered) to customers to date relative to the remaining value of deliverables promised under each contract.

(i) Understood, evaluated and tested on sample basis the key internal controls over the recognition of revenue from rendering of clear aligner treatment solutions and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors.

(ii) Assessed the reasonableness of management's judgements and estimates used to determine the value of deliverables transferred to customer and the estimated total number of clear aligners applied in the output method with reference to the terms of contracts with customers, standalone contract prices of treatment planning service and clear aligners in each contract, historical experience and actual number of clear aligners delivered for completed cases.

(iii) Tested the actual number of clear aligners delivered for the completed cases on sample basis by tracing to the sales contracts and delivery notes to test the reliability of historical data used.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (Continued)

Key Audit Matter

How our audit addressed the Key Audit Matter

Measurement of revenue from rendering of clear aligner treatment solutions (Continued)

The value of deliverables is determined with reference to the standalone contract price of treatment planning service and clear aligners and the estimated total number of clear aligners to be provided under each contract, which is estimated based on the historical number of clear aligners delivered for completed cases.

Significant management's judgements and estimation are required in determining the accuracy of the progress towards complete satisfaction of the performance obligation of each contract at the reporting date, including value of deliverables transferred to customer and estimated total number of clear aligners promised in each contract, which are subject to high degree of estimation uncertainty. Therefore, measurement of revenue from rendering of clear aligner treatment solutions is considered a key audit matter.

(iv) Compared the total number of clear aligners actually delivered for completed cases against management's prior estimations to assess the reasonableness of management's historical estimation on the estimated total number of clear aligners to be delivered.

(v) Tested, on sample basis, the treatment planning service provided and number of clear aligners delivered to customers in the year by tracing to the supporting documents, such as the sales contracts, customers' acceptance records and delivery notes.

(vi) Checked the mathematical accuracy of the calculation of the progress towards complete satisfaction of the performance obligation.

Based on the results of the work performed above, we found management's judgements and estimates involved in measurement of revenue from rendering of clear aligner treatment solutions were supported by available evidences.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Allocation of contract prices to different performance obligations of revenue from sales of clear aligners</p> <p>Refer to Note 2.2.9(b), 4(a) and Note 5 to the consolidated financial statements.</p> <p>For the year ended December 31, 2025, revenue of the Group from sales of clear aligners with multiple distinct performance obligations amounted to USD154,384,000 representing approximately 42% of the Group's total revenue.</p> <p>The Group enters into sales contracts that consist of multiple distinct performance obligations: initial aligners and the options of additional aligners. Certain performance obligations of the sales contract are not delivered in one reporting period. The management determines the allocation of contract prices to individual performance obligation with reference to the terms of contracts with customers, the historical exercise of options and number of clear aligners delivered in each performance obligation.</p> <p>Significant management's judgements and estimation are required in determining the accuracy of allocation of contract prices to each distinct performance obligation including significant assumptions related to exercise of options and estimated number of clear aligners in each performance obligation, which are subject to high degree of estimation uncertainty. Therefore, allocation of contract prices to different performance obligations of revenue from sales of clear aligners is considered a key audit matter.</p>	<p>To address this key audit matter, we performed audit procedures as follows:</p> <ul style="list-style-type: none">(i) Understood, evaluated and tested on sample basis the key internal controls over the recognition of revenue from sales of clear aligners with multiple distinct performance obligations and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors.(ii) Assessed the reasonableness of management's judgements and estimates used to determine the allocation of contract prices to individual performance obligations with reference to the terms of contracts with customers, the historical exercise of options and number of clear aligners delivered in each performance obligation.(iii) Tested the historical exercise of options and actual number of clear aligners delivered in each performance obligation on sample basis by tracing to the sales contracts and delivery notes to test the reliability of historical data used.(iv) Checked the mathematical accuracy of the calculation of the allocation of contract prices to different performance obligations.(v) Compared the allocation of contract prices to individual performance obligations against management's prior estimations to assess the reasonableness of management's historical estimation on the allocation. <p>Based on the results of the work performed above, we found management's judgements and estimates involved in allocation of contract prices to different performance obligations of revenue from sales of clear aligners were supported by available evidences.</p>

INDEPENDENT AUDITOR'S REPORT

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Angelalign Technology Inc. 2025 annual report (the "annual report") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including the corporate information, the results highlights, management discussion and analysis, directors and senior management, report of the directors, corporate governance report prior to the date of this auditor's report. The remaining other information, including chairman's letter and chief executive officer's letter and the other sections to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Audit Committee and take appropriate action considering our legal rights and obligations.

INDEPENDENT AUDITOR'S REPORT

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.

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.

INDEPENDENT AUDITOR'S REPORT

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

- 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.

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 CHAN, Hong Wing (Practising Certificate Number: P07746).

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, March 27, 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Revenue	5	370,281	268,787
Cost of revenue	7	(137,392)	(100,559)
Gross profit		232,889	168,228
Selling and marketing expenses	7	(121,462)	(105,004)
Administrative expenses	7	(52,152)	(46,210)
Research and development expenses	7	(27,638)	(21,323)
Net impairment losses on financial assets	3.1 (b)	(8,182)	(150)
Other income	6	12,595	12,451
Other expenses	6	(135)	(143)
Other losses – net	6	(5,352)	(1,568)
Operating profit		30,563	6,281
Finance income	9	3,689	7,000
Finance costs	9	(1,743)	(1,542)
Finance income – net	9	1,946	5,458
Share of results of investments accounted for using the equity method	20	(817)	(72)
Profit before income tax		31,692	11,667
Income tax expense	10	(5,365)	(1,651)
Profit for the year		26,327	10,016
Profit attributable to			
– Owners of the Company		28,437	12,114
– Non-controlling interests		(2,110)	(2,098)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>		26,327	10,016
Exchange differences on translation of the Company and of subsidiaries attributable non-controlling interests		(673)	1,101
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of subsidiaries		6,198	(7,170)
		5,525	(6,069)
Total comprehensive income for the year		31,852	3,947
Total comprehensive income for the year attributable to:			
– Owners of the Company		33,173	7,866
– Non-controlling interests		(1,321)	(3,919)
		31,852	3,947
Earnings per share for profit attributable to owners of the Company (expressed in USD per share)			
– Basic	11	0.17	0.07
– Diluted	11	0.17	0.07

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	94,760	75,295
Right-of-use assets	13	16,927	17,924
Intangible assets	14	18,746	18,365
Investments accounted for using the equity method	20	13,101	5,237
Deferred tax assets	31	7,640	7,491
Financial assets at fair value through profit or loss	19	42,505	38,615
Term deposits with initial terms over three months	17	59,245	14,345
Trade and other receivables and prepayments	16	10,694	9,167
		263,618	186,439
Current assets			
Inventories	18	16,976	18,360
Trade and other receivables and prepayments	16	54,709	36,384
Financial assets at fair value through profit or loss	19	42,934	97,778
Restricted cash	17	510	99
Term deposits with initial terms over three months	17	258,992	111,948
Cash and cash equivalents	17	126,706	227,103
		500,827	491,672
Total assets		764,445	678,111
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	21	17	17
Share premium	21	397,185	415,426
Shares held for employee share scheme	21	*	*
Other reserves	22	807	(17,835)
Retained earnings	24	101,333	76,495
		499,342	474,103
Non-controlling interests		4,818	6,139
Total equity		504,160	480,242

* The balance represents an amount less than USD1,000.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
LIABILITIES			
Non-current liabilities			
Contract liabilities	28	43,568	21,168
Lease liabilities	29	8,686	6,959
Deferred income	30	3,862	4,240
Deferred tax liabilities	31	2,342	2,553
Bank borrowings	26	738	488
Other non-current liabilities	27	32,965	34,368
		92,161	69,776
Current liabilities			
Bank borrowings	26	1,779	2,860
Trade and other payables	25	82,665	63,432
Contract liabilities	28	76,298	56,672
Current income tax liabilities		2,282	953
Lease liabilities	29	5,100	4,176
		168,124	128,093
Total liabilities		260,285	197,869
Total equity and liabilities		764,445	678,111

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 93 to 188 were approved by the Board of Directors on March 27, 2026 and were signed on its behalf.

Mr. Hu Jiezhang

Director

Ms. Dong Li

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company							Total equity USD'000
		Share capital USD'000	Share premium USD'000	Shares held for employee share scheme USD'000	Other reserves USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	
Balance at January 1, 2025		17	415,426	*	(17,835)	76,495	474,103	6,139	480,242
Comprehensive income									
Profit for the year		-	-	-	-	28,437	28,437	(2,110)	26,327
Other comprehensive income									
- Currency translation differences		-	-	-	4,736	-	4,736	789	5,525
Total comprehensive income for the year		-	-	-	4,736	28,437	33,173	(1,321)	31,852
Transactions with owners in their capacity as owners									
Changes in put option liabilities in respect of non-controlling interests	27	-	-	-	1,203	-	1,203	-	1,203
New shares issued for options exercised	21(a)(i)	*	99	-	(29)	-	70	-	70
Shares issued for restricted share award scheme	21(a)(ii)	-	-	*	-	-	*	-	*
Equity-settled share-based payment transactions	23	-	-	-	9,133	-	9,133	-	9,133
Appropriation to statutory reserves	22	-	-	-	3,599	(3,599)	-	-	-
Dividends declared	21(a)(iii)	-	(18,340)	-	-	-	(18,340)	-	(18,340)
Total transactions with owners in their capacity as owners		*	(18,241)	*	13,906	(3,599)	(7,934)	-	(7,934)
Balance at December 31, 2025		17	397,185	*	807	101,333	499,342	4,818	504,160

* The balance represents an amount less than USD1,000.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to owners of the Company								
	Note	Share capital USD'000	Share premium USD'000	Shares held for employee share scheme USD'000	Other reserves USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance at January 1, 2024 (Restated)		17	439,086	*	(35,577)	67,546	471,072	10,058	481,130
Comprehensive income									
Profit for the year		-	-	-	-	12,114	12,114	(2,098)	10,016
Other comprehensive income									
- Currency translation differences		-	-	-	(4,248)	-	(4,248)	(1,821)	(6,069)
Total comprehensive income for the year		-	-	-	(4,248)	12,114	7,866	(3,919)	3,947
Transactions with owners in their capacity as owners									
Changes in put option liabilities in respect of non-controlling interests	27	-	-	-	7,698	-	7,698	-	7,698
New shares issued for options exercised	21(a)(i)	*	307	-	(163)	-	144	-	144
Repurchase and cancellation of shares	21(a)(iv)	*	(130)	-	-	-	(130)	-	(130)
Shares issued for restricted share award scheme	21(a)(ii)	-	-	*	-	-	*	-	*
Equity-settled share-based payment transactions	23	-	-	-	11,290	-	11,290	-	11,290
Appropriation to statutory reserves	22	-	-	-	3,165	(3,165)	-	-	-
Dividends declared	21(a)(iii)	-	(23,837)	-	-	-	(23,837)	-	(23,837)
Total transactions with owners in their capacity as owners		*	(23,660)	*	21,990	(3,165)	(4,835)	-	(4,835)
Balance at December 31, 2024		17	415,426	*	(17,835)	76,495	474,103	6,139	480,242

* The balance represents an amount less than USD1,000.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Cash flows from operating activities			
Cash generated from operations	33(a)	82,875	24,175
Income tax paid		(4,308)	(7,258)
Net cash generated from operating activities		78,567	16,917
Cash flows from investing activities			
Purchases of property, plant and equipment		(26,945)	(27,436)
Purchases of intangible assets		(1,235)	(855)
Proceeds from disposal of property, plant and equipment	33(a)	1,780	589
Proceeds from disposal of right-of-use assets		1,702	–
Purchases of financial assets at fair value through profit or loss	19	(551,531)	(602,921)
Proceeds from disposals of financial assets at fair value through profit or loss	19	595,887	607,895
Purchase of term deposit with initial terms over three months		(651,755)	(383,802)
Proceeds from term deposit with initial terms over three months		459,492	258,757
Consideration paid for the acquisition of subsidiaries, net of cash acquired		–	(514)
Investment in an associate	20	–	(706)
Investment in a joint venture	20	(8,406)	(2,111)
Proceeds from disposal of a joint venture		–	21
Loans provided to third parties		–	(3,891)
Proceeds of loans repaid by employees		417	964
Interest received		24,482	15,185
Net cash used in investing activities		(156,112)	(138,825)
Cash flows from financing activities			
Proceeds from new shares issued for options exercised		70	144
Payments for shares bought back	21(a)	–	(130)
Dividend paid		(18,340)	(23,837)
Proceeds from bank borrowings		77,604	49,888
Repayments of bank borrowings		(78,945)	(48,422)
Borrowing interest paid		(1,360)	(746)
Principal elements of lease payments		(4,835)	(4,698)
Interest paid of lease liabilities		(609)	(659)
Net cash used in financing activities		(26,415)	(28,460)
Net decrease in cash and cash equivalents		(103,960)	(150,368)
Cash and cash equivalents at beginning of the year		227,103	379,734
Exchange gains/(losses) on cash and cash equivalents		3,563	(2,263)
Cash and cash equivalents at the end of the year		126,706	227,103

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Angelalign Technology Inc. (the “Company”) was incorporated in the Cayman Islands on November 29, 2018 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in the clear aligner treatment solutions and sales of aligners. CareCapital Group is the ultimate holder of the Company which controls the business of the Group through CareCapital Orthotech Limited (“CareCapital Orthotech”), a company incorporated in Hong Kong.

The Company completed its Initial Public Offering (“IPO”) and listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”) on June 16, 2021.

The consolidated financial statements for the year ended December 31, 2025 were presented in United States Dollar (“USD”) and rounded to the nearest thousand dollar, unless otherwise stated, and were approved for issue by the Board of Directors on March 27, 2026.

2 Basis of preparation and accounting policy information

This note provides the basis of preparation and accounting policy information adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group.

2.1 Basis of preparation

(a) *Compliance with IFRS Accounting Standards and Hong Kong Companies Ordinance Cap. 622 (“HKCO”)*

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards and the disclosure requirements of the HKCO.

(b) *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (financial assets at “FVPL”), which is measured at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.1 Basis of preparation (Continued)

(c) *New and amended standards adopted by the Group*

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

	Effective for annual periods beginning on or after
Amendments to IAS 21	January 1, 2025
Lack of Exchangeability	

The amendment listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(d) *New 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 period and have not been early adopted by the Group:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.1 Basis of preparation (Continued)

(d) *New standards and interpretations not yet adopted (Continued)*

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of comprehensive income.

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on consolidated statements of comprehensive income:

Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

Foreign exchange differences

Foreign exchange differences currently aggregated in the line item "other losses – net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

Gain or loss of investments measured at fair value through profit or loss

The gain or loss of investments measured at fair value through profit or loss currently aggregated in the line item "other losses – net" in operating profit and will be presented below operating profit.

Impact on consolidated balance sheets:

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.1 Basis of preparation (Continued)

(d) *New standards and interpretations not yet adopted (Continued)*

Impact on disclosures:

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- for the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information

2.2.1 Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity when 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 when control ceases.

The acquisition method of accounting is used to account for business combination by the Group.

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statements of financial position respectively.

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. The Group's investments in associates in the form of ordinary shares with significant influence are accounted for using the equity method of accounting, after initially being recognized at cost. All investments in associates in the form of convertible redeemable preferred instruments or ordinary shares with preferential rights are financial assets measured at fair value through profit or loss (Note 2.2.5).

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures only.

Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

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 ("OCI") of the investee in OCI. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.1 Principles of consolidation and equity accounting (Continued)

Equity method (Continued)

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 2.2.4.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This might mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

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 Company 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.2 Property, plant and equipment

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives as follows:

	Estimated useful lives
Buildings	20 years
Plant and machinery	5-10 years
Transportation equipment	5-10 years
Furniture, fixtures and equipment	3-10 years

See Note 2.3.3 for the other potentially material accounting policies relevant to property, plant and equipment.

2.2.3 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (“CGUs”) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(b) Other intangible assets

Other intangible assets mainly include customer relationship, brand, and technology. They are initially recognized and measured at cost or estimated fair value of intangible assets acquired through business combinations. Other intangible assets are amortized over their estimated useful lives (generally 5 to 10 years) using the straight-line method which reflects the pattern in which the intangible assets’ future economic benefits are expected to be consumed.

	Estimated useful lives
Customer relationship	6 years
Brand	10 years
Technology	10 years

See Note 2.3.4 for the other potentially material accounting policies relevant to intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.4 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might 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 goodwill impairment assessment, management considered each of the acquired companies as a separate group of CGU and goodwill has been allocated to each of the acquired companies accordingly. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of the year.

2.2.5 Investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI), or through profit or loss), and
- 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 assets measured at fair value, gains and losses will be recorded either in profit or loss or in 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 present subsequent changes in fair value in other comprehensive income ("FVOCI").

The Group reclassifies debt investments only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, being 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 of the risks and rewards of ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.5 Investments and other financial assets (Continued)

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 payments of principal and interest.

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:

- **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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "Other losses – net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, 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 OCI 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 expenses are presented as separate line item in the statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognized in profit or loss and presented net within "Other losses – net" in the period in which it arises.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1(b) details how the Group determines whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.5 Investments and other financial assets (Continued)

Impairment of financial assets (Continued)

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. The provision matrix is determined based on historical observed default rates over the expected life of the contract assets and trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables from third parties, related parties and non-controlling interests 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 a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.2.6 Trade and other receivables

Trade receivables are amounts due from customers for services provided in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other 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 16 for further information about the Group's accounting for trade receivables and Note 3.1 (b) for a description of the Group's impairment policies.

2.2.7 Current and deferred 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 year 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 based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.7 Current and deferred income tax (Continued)

(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 substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income 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 liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in Group's entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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 tax 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 OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively.

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g., the Research and Development Tax Incentive regime in the People's Republic of China (the "PRC") or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

2.2.8 Share-based payments

The Group operates share incentive plan, under which it receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the equity instruments (including share options) is recognized as an expense with a corresponding increase in equity.

In terms of the shares, equity instruments awarded to employees, the total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions (for example, the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.8 Share-based payments (Continued)

- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of equity instruments that are expected to vest.

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 period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. The Group recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

The grant by the Company of equity instruments over its equity instruments to the employees of subsidiaries 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 to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

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 (other than a cancellation of some or all the equity instruments granted).

2.2.9 Revenue recognition

The Group recognizes revenue when it transfers control of the goods or services to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at point in time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.9 Revenue recognition (Continued)

(a) Revenue from rendering clear aligner treatment solutions

The Group's clear aligner treatment solutions provided in Chinese Mainland typically comprise deliverables including treatment planning service and clear aligners which were transferred to the Group's customers by batches. The above deliverables as a whole in each solution service contract represent one performance obligation to the Group's customers. Since the Group's clear aligner treatment solutions do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date, revenue in respect of clear aligner treatment solutions is recognized over time during the period of the contract by reference to the progress towards complete satisfaction of respective performance obligations. The progress towards complete satisfaction of the performance obligation is measured by reference to the value of deliverables transferred to the customer to date relative to the remaining deliverables promised under each contract, which best depicts the Group's performance in satisfying the performance obligation.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods or services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is 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.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

In addition to direct sales, the Group's clear aligner treatment solutions are also distributed to public hospitals and private dental clinics through third-party distributors. These distributors possess the requisite business licenses and permits to sell medical devices in Chinese Mainland and have established relationships with public hospitals and private dental clinics within their regions, therefore they are treated as the vendors of public hospitals and private dental clinics. The Group recognized its revenue from rendering clear aligner treatment solutions based on the wholesale prices as agreed with distributors.

As the delivery of the performance obligations are at the customer's discretion, management of the Group concludes that no significant financing component exists although the Group collects most consideration upfront.

(b) Revenue from sales of clear aligners with multiple distinct performance obligations

The Group's sales contracts of aligners with multiple distinct performance obligations comprise the following performance obligations that also represent distinct deliverables: initial aligners and the options of additional aligners.

The Group identify a performance obligation as distinct if both of the following criteria are met: the customer can benefit from the good either on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good to the customer is separately identifiable from other promises in the contract. Determining the allocation of contract prices to different performance obligations of revenue from sales of clear aligners at the inception of the contract is the result of various factors with reference to the terms of contracts with customers, the historical exercise of options and number of clear aligners delivered in each performance obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.9 Revenue recognition (Continued)

(b) Revenue from sales of clear aligners with multiple distinct performance obligations (Continued)

The Group recognizes the revenue at point in time when control of the products has been transferred, being when the products are accepted by the customers.

As the delivery of the performance obligations are at the customer's discretion, management of the Group concludes that no significant financing component exists although the Group collects most consideration upfront.

(c) Revenue from sales of other products

The Group's revenue from sales of products mainly represents revenue from sales of intraoral scanners, brackets, and other products to hospitals, dental clinics and distributors.

Revenue from sales of intraoral scanners, brackets and other products is recognized at point in time when control of the products has been transferred, being when the products are accepted by the customers.

The rights to receive consideration for products which have been transferred to and accepted by the customer (and such rights depend on factors other than the passage of time) are recognized as contract assets.

There is no significant financing component as most consideration is collected upfront and related contracts are expected to be completed within one year.

(d) Revenue from rendering other services

The Group's revenue from rendering other services mainly represents revenue from clinic services provided by the dental clinics. The patient normally receives out-patient treatment which contains various treatment components. Dental clinic services include (i) rendering of orthodontic and cosmetic dentistry services and (ii) rendering of other dental services. The Group allocates the transaction price to each performance obligation on relative stand-alone selling price basis.

Revenue from rendering of orthodontic and cosmetic dentistry services is recognized over time as the customer simultaneously receives and consumes the benefits provided by the Group's services. The progress towards complete satisfaction of the performance obligation is measured by reference to the value of deliverables transferred to the customer to date relative to the remaining deliverables promised under each contract, which best depicts the Group's performance in satisfying the performance obligation.

Revenue from rendering other dental services is recognized when the services have been rendered. Such dental services are generally completed within a very short period and the Group recognized revenue when the Group has satisfied its performance obligation and has present right to receive related consideration.

There is no significant financing component as most consideration is collected upfront and related contracts are expected to be completed within one year.

(e) Volume discounts

The Group offers volume discounts to distributors and estimates the volume discounts on a quarterly basis based on its best estimate to the extent that it is highly probable that there will not be a significant reversal in the amount of cumulative revenue recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.10 Business combinations

The acquisition method of accounting is used to account for business combinations which are not under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The Group elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase, the difference is recognized directly in the consolidated statement of comprehensive income.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.2 Material accounting policy information (Continued)

2.2.11 Put option arrangement on non-controlling interest

Put option on non-controlling interest of the Group are financial instruments granted by the Group which permit the holders to put back to the Group their shares in certain non wholly-owned subsidiaries of the Group for cash or other financial instruments when certain conditions are met. If the Group does not have the unconditional right to avoid delivering cash or other financial instruments under the put option, a financial liability is initially recognized under “Other financial liabilities” in the consolidated financial statements at the present value of the estimated future cash outflows on exercise under the put option. Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect actual and revised estimated cash outflows. The Group will recalculate the carrying amount based on the present value of revised estimated future cash outflows at the financial instrument’s original effective interest rate and the adjustment will be recognized in the consolidated statement of changes in equity. In the event that the put option expires unexercised, the liability is derecognized with a corresponding adjustment to equity.

The put option liabilities are current liabilities unless the put option first becomes exercisable 12 months after the end of the reporting period.

2.3 Other potentially material accounting policy information

2.3.1 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources, assessing performance of the operating segments, and has been identified as the executive directors of the Company that make strategic decisions.

2.3.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated 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 functional currency of the Company is Hong Kong Dollar (“HKD”) and the functional currency of the Group’s primary subsidiaries incorporated in the PRC is RMB. The consolidated financial statements are presented in USD.

(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 comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within “Other losses – net”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.3 Other potentially material accounting policy information (Continued)

2.3.2 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

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 was 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.

(c) Group companies

The results and financial position of Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for the statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
- (iii) all resulting exchange differences are recognized in OCI.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.3.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation, net of any impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost might also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 financial period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.3 Other potentially material accounting policy information (Continued)

2.3.3 Property, plant and equipment (Continued)

The leasehold improvements are depreciated over the lease term.

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.

Construction-in-progress ("CIP") represents plant and machinery and leasehold improvements under construction and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition and capitalized borrowing costs. No provision for depreciation is made on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the cost are transferred to relevant categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amounts. These are included in profit or loss.

2.3.4 Intangible assets

(a) Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized using the straight-line method over their estimated useful lives from 5 to 25 years, which are the shorter of their expected economic benefit life and their contractual periods. Costs associated with maintenance of software programme is recognized as expenses as incurred.

(b) Patents

Expenditure on acquired patents is capitalized at historical cost upon acquisition. These costs are amortized using the straight-line method over their estimated useful lives of 5 to 20 years, which are the shorter of their expected economic benefit life and their contractual periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.3 Other potentially material accounting policy information (Continued)

2.3.4 Intangible assets (Continued)

(c) Research and development

Research expenditure is recognized as expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique intangible asset controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use
- management intends to complete the intangible asset and use or sell it
- there is an ability to use or sell the intangible asset
- it can be demonstrated how the intangible asset will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet those criteria are recognized as expenses as incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use. During the year, there were no development costs meeting these criteria and capitalized as intangible assets.

2.3.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position 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 assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the entity or the counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.3 Other potentially material accounting policy information (Continued)

2.3.6 Derivatives

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group have no derivative is designated as a hedging instrument. Changes in the fair value of derivative instrument are recognized immediately in profit or loss and are included in "Other losses – net".

2.3.7 Inventories

Inventories comprise of raw materials, work in progress and finished goods, which are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost is determined using the weighted average method. Costs of purchased inventories are determined after deducting rebates and 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.

2.3.8 Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognized as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognized as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

2.3.9 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less hat are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.3 Other potentially material accounting policy information (Continued)

2.3.10 *Share capital and shares held for employee share scheme*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

The consideration paid by the Company for repurchasing its shares from shareholders for employee share scheme purpose, including any directly attributable incremental cost, is presented as "shares held for employee share scheme" and deducted from total equity.

2.3.11 *Trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured. 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.

The carrying amounts of trade and other payables are considered to be approximate to their fair values, due to their short-term nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.3 Other potentially material accounting policy information (Continued)

2.3.12 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 derecognised when the obligation specified in the contract is extinguished, 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 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.

2.3.13 Borrowings 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.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.3.14 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave 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 services are recognized in respect of employees' services up to the end of the year 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 consolidated statements of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.3 Other potentially material accounting policy information (Continued)

2.3.14 Employee benefits (Continued)

(b) Employment obligations

Pension obligations

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in Chinese Mainland, Hong Kong and other jurisdictions, employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in these jurisdictions under which the Group are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The relevant municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC 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 year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the year are discounted to their present value.

(c) Bonus plan

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within one year and are measured at the amounts expected to be paid when they are settled.

2.3.15 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 has been 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.3 Other potentially material accounting policy information (Continued)

2.3.15 Provisions (Continued)

Provisions are measured at the present value of management's best estimate of the expenditures expected required to settle the present obligation at the end of the year. 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 provisions due to passage of time is recognized as interest expense.

2.3.16 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings 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 would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.3.17 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated statement of profit or loss.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income from other financial assets is presented as other income.

2.3.18 Leases

The Group leases various properties for operation. Rental contracts are typically made for fixed periods of 1 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Leases are recognized as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.3 Other potentially material accounting policy information (Continued)

2.3.18 Leases (Continued)

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 payment 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,
- lease payments to be made under an extension option if the group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being 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.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation and accounting policy information (Continued)

2.3 Other potentially material accounting policy information (Continued)

2.3.18 Leases (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all 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 12 months or less.

Cash payments for the principal portion of the lease liabilities are presented as cash flows from financing activities and cash payments for the interest portion are consistent with presentation of interest payments.

2.3.19 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 year but not distributed at the end of the year.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management of the Group.

(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. The Group's businesses are principally conducted in RMB, USD, Brazilian Real ("BRL") and European Dollar ("EUR"). Since the Group operates its business in different countries/regions, i.e Chinese Mainland, Europe, United States, etc., the functional currency of its subsidiaries varies. The Group is subject to foreign exchange risk arising from future commercial transactions and recognized assets and liabilities which are denominated in foreign currencies and net investment in foreign operations.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have other significant exposure to foreign exchange risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The carrying amount of the Group's monetary assets and monetary liabilities that are not denominated in the functional currencies of respective group entities at the respective dates of consolidated statements of financial position are as follows:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Assets		
USD	283,087	249,193
Others	6,653	9,311
	289,740	258,504
Liabilities		
USD	2,428	1,365
Others	2,225	2,877
	4,653	4,242

Since the HKD/USD exchange rate is pegged, the Group is primarily exposed to changes in RMB/USD exchange rates.

As at December 31, 2025, for the PRC subsidiaries with functional currency as RMB, if USD had strengthened/weakened by 5% against RMB with all other variables held constant, the pre-tax profit would have been approximately USD5,353,000 higher/lower for the year ended December 31, 2025 (2024: USD2,485,000 higher/lower).

(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 except for loans receivables, details of which have been disclosed in Note 16, cash and cash equivalents, term deposits with initial terms over three months and restricted cash, details of which have been disclosed in Note 17 and wealth management products, details of which have been disclosed in Note 19. The directors of the Company do not anticipate that there is any significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of interest-bearing assets are not expected to change significantly.

The Group has exposure to the risk of change in market interest rate in relation to its interest-bearing bank loans. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The interest rates and the terms of repayment of borrowings and disclosed in Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk (Continued)

The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements.

(iii) Price risk

The Group is exposed to equity price risk mainly arising from investments held by the Group that are classified FVPL. To manage its price risk arising from the investments, the Group diversify its investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. Each investment is managed by management on a case-by-case basis.

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of FVPL at the end of each reporting period.

(b) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables and cash deposits at banks. The carrying amounts of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group's trade receivables are mainly from providing clear aligner treatment solutions and sales from aligners to hospitals, clinics and distributors. The Group implemented policies to ensure that sales are made to customers with an appropriate financial strength and appropriate percentage of down payments. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers, without any single customer contributing material revenue.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the year. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor, and
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors in the Group and changes in the operating results of the debtor.

(i) Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within these periods. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

The loss allowance provision is determined as follows. The expected credit losses below also incorporate forward looking information.

	Within a year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade receivables					
At December 31, 2025					
Provision on collective basis					
Expected loss rate	1.75%	22.02%	59.90%	100.00%	
Gross carrying amount (USD'000)	28,319	2,884	1,010	2,340	34,553
Loss allowance provision (USD'000)	(495)	(635)	(605)	(2,340)	(4,075)
At December 31, 2024					
Provision on collective basis					
Expected loss rate	2.89%	12.52%	54.01%	100.00%	
Gross carrying amount (USD'000)	13,257	1,933	237	2,392	17,819
Loss allowance provision (USD'000)	(383)	(242)	(128)	(2,392)	(3,145)

The Group takes into account the changes in its customers' operating performance and future recoverability of trade receivables. The Group makes individual assessment on receivables when the counterparty fails to make repayment plan with the Group or becomes insolvency.

Trade receivables subjected to individual provision

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Gross carrying amount	3,366	693
Loss allowance provision	(3,366)	(693)
Expected loss rate	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

The loss allowance provision for trade receivables as at December 31, 2025 reconciles to the opening loss allowance for that provision as follows:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
At the beginning of the year	3,838	4,604
Provision/(Reversal) for loss allowance recognized in profit or loss	3,381	(594)
Write off allowance for impairment of trade receivables	(30)	–
Currency translation differences	252	(172)
At the end of the year	7,441	3,838

(ii) Other financial assets at amortized cost

Other financial assets at amortized cost are other receivables which mainly include deposits receivables, loans to third parties and loans provided to employees. Management manages the loans by category, makes periodic assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience.

As at December 31, 2025, the internal credit rating of such receivables was performing. The Group has assessed that there is no significant increase of credit risk for other receivables. Thus, the Group used the 12 months expected credit losses model to assess credit loss of other receivables. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

The loss allowance provision for other receivables (excluding prepayments) as at December 31, 2025 reconciles to the opening loss allowance for that provision as follows:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
At the beginning of the year	820	77
Provision for loss allowance recognized in profit or loss	4,801	744
Write off allowance for impairment of other receivables	(67)	–
Currency translation differences	27	(1)
At the end of the year	5,581	820

During the year, the provision for loss allowances was recognized in profit or loss in “net impairment losses on financial assets” in relation to the impaired trade and other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

To manage the liquidity risk, management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn banking facilities) and cash and cash equivalents on the basis of expected cash flow. The Group expects to fund the future cash flow needs through internally generated cash flows from operations.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position dates to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year USD'000	Between 1 and 2 years USD'000	Between 2 and 5 years USD'000	Over 5 years USD'000	Total USD'000
As at December 31, 2025					
Lease liabilities	5,697	3,549	5,362	445	15,053
Trade and other payables excluding non-financial liabilities	39,421	–	–	–	39,421
Bank borrowings	1,938	518	316	–	2,772
Other non-current financial liabilities	–	–	70,245	–	70,245
Total	47,056	4,067	75,923	445	127,491
As at December 31, 2024					
Lease liabilities	4,632	3,647	3,205	621	12,105
Trade and other payables excluding non-financial liabilities	25,809	–	–	–	25,809
Bank borrowings	3,015	563	–	–	3,578
Other non-current financial liabilities	–	–	63,540	–	63,540
Total	33,456	4,210	66,745	621	105,032

3.2 Capital 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 shareholders 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 adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statements of financial position.

As at December 31, 2025, the Group maintained at a net cash position (2024: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at December 31, 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2), and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

(a) Fair value hierarchy

As at December 31, 2025, the financial assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
As at December 31, 2025				
Assets:				
Financial assets at fair value through profit or loss				
– Wealth management products with variable return	–	42,934	–	42,934
– Associates	–	–	7,499	7,499
– Other investees	–	–	33,448	33,448
– Derivative financial asset	–	–	1,558	1,558
	–	42,934	42,505	85,439
As at December 31, 2024				
Assets:				
Financial assets at fair value through profit or loss				
– Wealth management products with variable return	–	97,778	–	97,778
– Associate	–	–	2,287	2,287
– Other investees	–	–	35,645	35,645
– Derivative financial asset	–	–	683	683
	–	97,778	38,615	136,393

During the year ended December 31, 2025, there were no transfers between levels 1, 2 and 3.

The fair value of financial instruments traded in active markets is determined with reference to quoted market prices at the end of the reporting period. These instruments are included in level 1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise 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.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- Black-Scholes Model and unobservable inputs mainly including assumptions of expected volatility
- The latest round financing, i.e. the prior transaction price or the third-party pricing information, and
- A combination of observable and unobservable inputs, mainly including expected volatility, risk-free interest rate, market multiples, etc.

The following table presents the changes in level 3 instruments during the year:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Derivative financial asset		
Balance at the beginning of the year	683	1,214
Additions	1,842	–
Unrealized fair value losses recognized in profit or loss	(1,067)	(322)
Currency translation differences	100	(209)
Balance at the end of the year	1,558	683
Other investees		
Balance at the beginning of the year	35,645	34,206
Additions	5,401	3,408
Unrealized fair value losses recognized in profit or loss	(7,876)	(1,865)
Currency translation differences	278	(104)
Balance at the end of the year	33,448	35,645
Associate		
Balance at the beginning of the year	2,287	–
Additions	3,783	2,112
Unrealized fair value gains recognized in profit or loss	1,296	202
Currency translation differences	133	(27)
Balance at the end of the year	7,499	2,287

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(b) *Valuation processes inputs and relationships to fair value*

The Group has a team that manages the valuation of level 2 and level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. Every half year, the team would use valuation techniques to determine the fair value of the Group's level 2 and level 3 instruments. External valuation experts will be involved when necessary.

During the year ended December 31, 2025, the Group purchased wealth management products with variable return based on forward exchange rates or gold prices at certain dates. The Group classified these wealth management products into level 2 financial instruments as the inputs included were observable. The fair value of financial instruments in level 2 is determined using valuation techniques with the use of observable market data such as the future cash flows based on forward exchange rates or gold price and observable yield curve.

The components of the level 3 instruments include investments in unlisted companies classified as FVPL and derivative financial asset. As these investments and instruments are not traded in an active market, the majority of their fair values have been determined using applicable valuation techniques including comparable companies approach, comparable transactions approach and other option pricing approach. These valuation approaches require significant judgments, assumptions and inputs, including risk-free rates, expected volatility, relevant underlying financial projections, and market information of recent transactions (such as recent fund-raising transactions undertaken by the investees) and other exposure, etc.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Expected volatility for investments in unlisted companies and derivative financial asset are estimated based on average volatility for similar types of companies.
- Risk-free interest rate for investments in unlisted companies and derivative financial asset are derived from interest rates on treasury bonds over the same period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(b) Valuation processes inputs and relationships to fair value (Continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value at December 31,		Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	2025 USD'000	2024 USD'000		2025	2024	
Other investees	33,448	35,645	Expected volatility	36.73%-63.68%	41.10%-59.80%	Increased/decreased expected volatility by 100 basis points (bps), the fair value for investments in unlisted equity investments would have been approximately USD106,000 lower/USD 163,000 higher (2024: USD16,000 lower/USD 15,000 higher).
			Risk-free interest rate	1.19%-3.19%	1.08%-5.38%	
Associate	7,499	2,287	Expected volatility	46.60%-55.74%	51.90%-53.90%	Increased/decreased expected volatility by 100 bps, the fair value would have been approximately USD27,000 lower/USD 20,000 higher (2024: USD4,000 lower/USD 182,000 higher).
Derivative financial asset	1,558	683	Expected volatility	46.60%	42.20%	Increased/decreased expected volatility by 100 bps, the fair value would have been approximately USD6,000 higher/USD 4,000 lower (2024: USD10,000 higher/lower).

The carrying amounts of the Group's financial assets and liabilities, including cash and cash equivalents, trade and other receivables (excluding non-financial assets) less allowance for impairment, trade and other payables (excluding non-financial liabilities), lease liabilities, bank borrowings and other non-current financial liabilities approximated their fair value.

4 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Critical accounting estimates and judgements (Continued)

(a) Revenue recognition

– *Sales from rendering clear aligner treatment solutions*

Revenue from rendering clear aligner treatment solutions is recognized over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed up to date. The Group cannot change or substitute the deliverables in each solution contract or redirect the deliverables in each solution contract for another use as the deliverables in each solution contract are designed and custom-made for each specific patient based on his or her own orthodontic needs and teeth position and thus the deliverables in each solution contract do not have an alternative use to the Group. However, whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of the applicable laws that apply to the contract. Such determination requires significant judgements. In assessing whether the Group has an enforceable right to payment for its revenue contracts, the Group has obtained legal counsel's opinion regarding the enforceability of the right to payment, including an assessment on the contractual terms as well as any legislation that could supplement or override those contractual terms, and conducted an evaluation of any existence of circumstances that could restrict the Group to enforce its right to payment for specific performance. Management uses judgements, based on legal counsel's opinion, to classify whether sales contracts into those with right to payment. Management will reassess their judgements on a regular basis to identify and evaluate the existence of any circumstances that could affect the Group's enforceable right to payment and the implication of accounting for solution contracts.

The Group recognizes revenue from rendering clear aligner treatment solutions over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. The progress towards complete satisfaction of the performance obligation is measured using output method by reference to the value of deliverables transferred to the customer to date relative to the remaining deliverables promised under each contract. Significant judgements and estimations are required in determining the accuracy of progress towards complete satisfaction of the performance obligation of each contract at the reporting date, including value of deliverables transferred to the customer and remaining number of deliverables promised in each contract. Changing in value estimates in future periods can have effect on the Group's revenue recognized. In making the estimation of value transferred to the customer, the Group relies on generally accepted prices negotiated with its customers; while the Group estimates the remaining number of deliverables which are expected to be transferred for each solution case based upon its historical experience and actual number of clear aligners delivered for completed cases.

– *Revenue from sales of aligners with multiple distinct performance obligations*

The Group enter into sales contracts that may consist of multiple distinct performance obligations: initial aligners and the options of additional aligners. Certain performance obligations of the sales contract are not delivered in one reporting period.

Determining the allocation of contract prices to different performance obligations of revenue from sales of clear aligners at the inception of the contract is the result of various factors, which involves significant estimation and judgments and impacts the timing of revenue recognition. The Group considers a variety of factors to allocate contract prices to each performance obligation, with reference to the terms of contracts with customers, the historical exercise of options and number of clear aligners delivered in each performance obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Critical accounting estimates and judgements (Continued)

(b) Recognition and estimation of redemption liability

As mentioned in Note 27, the Group has redemption liability arising from a symmetrical put and call options arrangements with non-controlling shareholders of Aditek do Brasil S.A. (“Aditek”). The redemption liability is initially recognized under “Other non-current financial liabilities” in the consolidated financial statements at the present value of the estimated future cash outflows on exercise under the symmetrical put and call options. The carrying amount of the financial liability is adjusted subsequently to reflect actual and revised estimated cash outflows, which will be recognized in the consolidated statement of changes in equity. The estimation of which involves the use of significant accounting estimates and judgments.

(c) Estimation of the fair value of certain financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions, see Note 3.3.

(d) Expected credit loss for trade and other receivables

The loss allowances for receivables are based on assumptions about risk of default and expected loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past experience, existing market conditions as well as forward looking estimates at the end of the year. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b).

(e) Current tax and deferred tax

The Group is subject to income taxes in the PRC and other jurisdictions. Significant judgement is required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and provisions in the period in which such determination is made.

For temporary differences which give rise to deferred tax assets, the Group assesses the likelihood that the deferred tax assets may be recovered. Deferred tax assets are recognized based on the Group’s estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

(f) Assessment of impairment of goodwill

The Group tests at least annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.2.3. The recoverable amounts of CGUs was determined based on value-in-use calculations prepared on the basis of management’s assumptions and estimates (Note 14). These calculations require the use of estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Revenue from external customers is recognized over time and is derived from the rendering of:		
– Clear aligner treatment solutions	198,251	179,625
– Other services	2,138	2,425
Revenue from external customers is recognized at a point in time and is derived from:		
– Sales of clear aligners	154,384	74,008
– Sales of other products	15,508	12,729
Total revenue	370,281	268,787

The CODM identifies operating segments based on the internal organization structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments. An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the reportable segment profit, which is measured consistently with the Group's profit before tax except that other unallocated income, gains and losses, net impairment losses on financial assets, finance income-net, and share of results of investments accounted for using the equity method are excluded from such measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information (Continued)

Segment revenue and results

As a result of this evaluation, the Group has the following reportable segments for year ended December 31, 2025:

	Year ended December 31, 2025		
	Chinese Mainland Market USD'000	Global Markets (ex-Chinese Mainland) USD'000	Consolidated USD'000
Revenue	207,324	162,957	370,281
Cost of sales	(71,972)	(65,420)	(137,392)
Gross profit	135,352	97,537	232,889
Segment profit/(loss)	46,394	(14,757)	31,637
Other unallocated income, gains and losses			7,108
Net impairment losses on financial assets			(8,182)
Finance income – net			1,946
Share of results of investments accounted for using the equity method			(817)
Profit before tax			31,692
Income tax expense			(5,365)
Profit for the year			26,327
Other item			
Depreciation and amortization	13,926	4,501	18,427

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information (Continued)

Segment revenue and results (Continued)

As a result of this evaluation, the Group has the following reportable segments for year ended December 31, 2024:

	Year ended December 31, 2024		
	Chinese Mainland Market USD'000	Global Markets (ex-Chinese Mainland) USD'000	Consolidated USD'000
Revenue	188,238	80,549	268,787
Cost of sales	(69,043)	(31,516)	(100,559)
Gross profit	119,195	49,033	168,228
Segment profit/(loss)	26,846	(31,155)	(4,309)
Other unallocated income, gains and losses			10,740
Net impairment losses on financial assets			(150)
Finance income – net			5,458
Share of results of investments accounted for using the equity method			(72)
Profit before tax			11,667
Income tax expense			(1,651)
Profit for the year			10,016
Other item			
Depreciation and amortization	12,176	3,483	15,659

Geographical information

Information about the Group's non-current assets other than financial instruments and deferred tax assets is presented based on the geographical locations of the assets.

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Chinese Mainland Market	105,648	87,280
Global Markets (ex-Chinese Mainland)	37,886	29,541
	143,534	116,821

Information about major customers

Since none of the Group's provision of services to a single customer amounting to 10% or more of the Group's total revenue for the year ended December 31, 2025 and 2024, no major customer information is presented in accordance with IFRS 8 "Operating Segments".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information (Continued)

Information about major customers (Continued)

(a) Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from fixed-price long-term contracts of clear aligner treatment solutions and sales of clear aligners:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Chinese Mainland Market		
– Within 1 year	45,634	45,599
– Over 1 year	23,780	30,291
	69,414	75,890
Global Markets (ex-Chinese Mainland)		
– Within 1 year	55,364	39,734
– Over 1 year	47,565	18,263
	102,929	57,997
	172,343	133,887

Management expects that unsatisfied performance obligations of approximately USD100,998,000 as at December 31, 2025 will be recognized as revenue within 1 year. The remaining unsatisfied performance obligations of approximately USD71,345,000 will be mainly recognized in 1 to 3 years.

All other contracts of products and services are for periods of one year or less. As permitted under IFRS 15, the transaction prices allocated to these unsatisfied contracts are not disclosed.

6 Other income, other expenses and other losses – net

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Other income		
Interest income on term deposits with initial terms over three months	9,945	8,252
Others	2,650	4,199
	12,595	12,451
Other expenses		
Donations	(135)	(143)
Other losses – net		
Net foreign exchange losses	(754)	(2,922)
Realized and unrealized (losses)/gains on financial assets at FVPL – net	(3,553)	1,436
Losses on disposals of a joint venture	–	(25)
Losses on disposals of property, plant and equipment	(502)	(58)
Gains on disposals of right-of-use assets	337	–
Others	(880)	1
	(5,352)	(1,568)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 Expenses by nature

Expenses included in cost of revenue, selling and marketing expenses, administrative expenses and research and development expenses are analysed below:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Changes in inventories of finished goods and work in progress	(3,319)	(1,061)
Raw materials and consumables used and other inventories	42,734	36,124
Employee benefit expenses (Note 8)	166,639	141,537
Advertising and promotion expenses	27,615	23,806
Depreciation and amortization	18,427	15,659
Professional service and consulting fees	15,100	11,930
Outsourcing costs	4,893	6,204
Travelling expenses	9,392	7,556
Delivery costs	29,778	14,173
Office expenses	5,422	3,361
Utility costs	3,989	2,908
Taxes and surcharges	2,908	2,354
Entertainment expenses	2,337	1,859
Short-term lease and variable lease expenses	671	129
Auditor's remuneration		
– Audit services	799	802
– Non-audit services	141	296
Recruitment expenses	1,081	879
Others	10,037	4,580
	338,644	273,096

8 Employee benefit expenses (including directors' emoluments)

(a) Employee benefit expenses are analysed as follows:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Salaries, wages and bonuses	126,984	102,640
Share-based compensation expenses (Note 23)	9,133	11,290
Pension costs – defined contribution plans	9,246	8,769
Other social security costs, housing benefits and other employee benefits	21,276	18,838
	166,639	141,537

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 Employee benefit expenses (including directors' emoluments) (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended December 31, 2025 included two (2024: two) directors whose emoluments are reflected in the analysis shown in Note 39(a). The emoluments payable to the remaining three (2024: three) individuals during the year ended December 31, 2025 are as follows:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Salaries and wages	813	851
Bonuses	646	493
Pension costs – defined contribution plans	9	47
Other social security costs, housing benefits and other employee benefits	252	223
Share-based compensation expenses	1,191	542
	2,911	2,156

The emoluments fell within the following bands:

Number of individuals

	Year ended December 31, 2025	Year ended December 31, 2024
Emolument bands		
HKD3,500,001 - HKD4,000,000	–	2
HKD6,000,001 - HKD6,500,000	1	–
HKD6,500,001 - HKD7,000,000	1	–
HKD8,000,001 - HKD9,000,000	–	1
HKD9,500,001 - HKD10,000,000	1	–
	3	3

During the year ended December 31, 2025, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Finance income – net

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Finance income:		
Interest income on bank deposits	3,689	7,000
Finance costs:		
Interest expense on lease liabilities (Note 29)	(609)	(659)
Interest expense on bank borrowings	(1,134)	(883)
	(1,743)	(1,542)
Finance income – net	1,946	5,458

10 Income tax expense

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Current income tax		
– Chinese Mainland corporate income tax	4,039	4,891
– Hong Kong profits tax	–	4
– Other countries and regions taxes	1,598	1
	5,637	4,896
Deferred income tax (Note 31)		
– Chinese Mainland corporate income tax	658	(1,498)
– Other countries and regions taxes	(930)	(1,747)
	(272)	(3,245)
	5,365	1,651

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Income tax expense (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the standard tax rate applicable to profit to the respective companies of the Group as follows:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Profit before income tax	31,692	11,667
Tax calculated at respective statutory tax rates	11,450	2,661
Tax effects of:		
– Preferential income tax rates applicable to subsidiaries	(4,113)	(3,219)
– Effect of change in the tax rates on deferred tax of prior years	–	266
– Expenses not deductible for taxation purposes	2,704	1,431
– Tax losses and temporary differences not recognized for deferred income tax	2,173	5,285
– Super deduction for research and development expenditures	(2,939)	(2,594)
– Income not subject to tax	(1,335)	(1,952)
– Share of results of investments accounted for using the equity method	133	2
– Recognition of tax losses and temporary differences not recognized for deferred income tax in prior years	(809)	(266)
– Utilisation of previously unrecognised tax losses	(2,740)	–
– Final settlement differences	841	37
	5,365	1,651

(a) Cayman Islands income tax

Under the prevailing laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, no Cayman Islands withholding tax is payable on dividend payments by the Company to its shareholders.

(b) Chinese Mainland corporate income tax (“CIT”)

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in Chinese Mainland and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowance. The general Chinese Mainland CIT rate is 25% during the year ended December 31, 2025.

The Company's subsidiary, Wuxi EA Medical Instruments Co., Ltd. (無錫時代天使醫療器械有限公司, “Wuxi EA”), was approved as High and New Technology Enterprise (“HNTE”) under the relevant tax rules and regulations of the PRC in 2014 and it has renewed the qualification of HNTE in 2017, 2020 and 2023, and accordingly, is subject to a reduced preferential CIT rate of 15% during the year ended December 31, 2025.

The Company's subsidiary, Shanghai EA Medical Instruments Co., Ltd. (上海時代天使醫療器械有限公司, “Shanghai EA”), was approved as HNTE under the relevant tax rules and regulations of the PRC in 2019 and it has renewed the qualification of HNTE in 2022 and 2025, and accordingly, is subject to a reduced preferential CIT rate of 15% for the year ended December 31, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 Income tax expense (Continued)

(b) Chinese Mainland corporate income tax (“CIT”) (Continued)

The Company’s subsidiary, Wuxi EA Bio-Tech Co., Ltd. (無錫時代天使生物科技有限公司), was approved as HNTE under the relevant tax rules and regulations of the PRC in 2023 and accordingly, is subject to a reduced preferential CIT rate of 15% for the year ended December 31, 2025.

According to the CIT laws and Detailed Implementation Rules, an enterprise is allowed to claim research and development expenses incurred for the development of new technologies, new products and new craftsmanship from 2008 onwards. From 2022, according to Cai Shui [2022] No. 16 (財稅[2022]16 號), an extra 100% of the amount of research and development expenses can be deducted before tax.

(c) Hong Kong profit tax

The Hong Kong profits tax rate of the subsidiaries of the Group incorporated in Hong Kong is 16.5%.

(d) Profit/income tax rate in other jurisdictions as shown below:

Countries	At December 31, 2025 and December 31, 2024	
	Income/profits tax rate	
United States	27.67%-29.84%	
Singapore	17%	
Brazil	15% and 34%	
Germany	Corporation tax standard rate: 15.83% Trade tax standard rate: 16.10%	
Netherlands	25%	
France	25%	
Spain	25%	
Australia	30%	

(e) Withholding tax

According to the relevant regulations of the CIT laws of Chinese Mainland, when a foreign investment enterprise in Chinese Mainland distributes dividends out of the profits earned from January 1, 2008 onwards to its investors in other countries and regions, such dividends are subject to withholding tax at a rate of 10%.

As at December 31, 2025, the retained earnings of the Group’s subsidiaries in Chinese Mainland not yet remitted to holding companies incorporated outside Chinese Mainland, for which no deferred tax liability had been provided, were approximately USD162,522,000 (2024: USD125,841,000). Such earnings are expected to be retained by the subsidiaries in Chinese Mainland for reinvestment purposes and would not be remitted to their holding companies outside Chinese Mainland in the foreseeable future based on management’s best estimates of the Group’s funding requirements in other countries and regions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 Earnings per share

(a) Basic earnings per share

Basic earnings per share (“EPS”) is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year ended December 31, 2025.

	Year ended December 31, 2025	Year ended December 31, 2024
Profit attributable to owners of the Company (USD’000)	28,437	12,114
Weighted average number of ordinary shares outstanding	169,010,690	168,238,930
Basic earnings per share (in USD)	0.17	0.07

(b) Diluted earnings per share

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

The Group has two categories of potential ordinary shares for the year ended December 31, 2025 which were the restricted shares granted after IPO (“the Post-IPO RSU Schemes”) (Note 23(a)) and the share options granted after IPO (“the Post-IPO Share Option Scheme”) (Note 23(b)).

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 during the period) based on the monetary value of the subscription rights attached to outstanding restricted share units and share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and the vest of restricted share units.

	Year ended December 31, 2025	Year ended December 31, 2024
Profit attributable to owners of the Company (USD’000)	28,437	12,114
Weighted average number of ordinary shares in issue	169,010,690	168,238,930
Adjustments for unvested restricted share units and share options	938,999	804,379
Weighted average number of ordinary shares for diluted earnings per share	169,949,689	169,043,309
Diluted earnings per share (in USD)	0.17	0.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 Property, plant and equipment

	Buildings USD'000	Plant and machinery USD'000	Transportation equipment USD'000	Furniture, fixtures and equipment USD'000	Leasehold improvements USD'000	CIP USD'000	Total USD'000
At January 1, 2024 (Restated)							
Cost	28,066	36,509	513	2,319	8,781	6,915	83,103
Accumulated depreciation	(2,596)	(12,628)	(354)	(1,111)	(5,866)	-	(22,555)
Closing net book amount	25,470	23,881	159	1,208	2,915	6,915	60,548
Year ended December 31, 2024							
Opening net book amount	25,470	23,881	159	1,208	2,915	6,915	60,548
Additions	112	5,925	318	771	491	19,891	27,508
Transfers	831	12,721	-	-	725	(14,277)	-
Disposals	(30)	(575)	-	(11)	(31)	-	(647)
Depreciation	(1,358)	(5,330)	(70)	(464)	(1,637)	-	(8,859)
Currency translation differences	(371)	(1,419)	(9)	(54)	(50)	(1,352)	(3,255)
Closing net book amount	24,654	35,203	398	1,450	2,413	11,177	75,295
At December 31, 2024							
Cost	28,556	51,714	739	2,937	7,321	11,177	102,444
Accumulated depreciation	(3,902)	(16,511)	(341)	(1,487)	(4,908)	-	(27,149)
Closing net book amount	24,654	35,203	398	1,450	2,413	11,177	75,295

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 Property, plant and equipment (Continued)

	Buildings USD'000	Plant and machinery USD'000	Transportation equipment USD'000	Furniture, fixtures and equipment USD'000	Leasehold improvements USD'000	CIP USD'000	Total USD'000
Year ended December 31, 2025							
Opening net book amount	24,654	35,203	398	1,450	2,413	11,177	75,295
Additions	204	5,394	297	346	257	23,869	30,367
Transfers	9,106	21,368	-	618	1,420	(32,512)	-
Disposals	(354)	(1,860)	(42)	(26)	-	-	(2,282)
Depreciation	(2,080)	(6,590)	(139)	(574)	(1,474)	-	(10,857)
Impairment charge	-	(469)	-	-	-	-	(469)
Currency translation differences	655	1,316	41	61	83	550	2,706
Closing net book amount	32,185	54,362	555	1,875	2,699	3,084	94,760
At December 31, 2025							
Cost	38,632	77,464	1,040	3,970	9,223	3,084	133,413
Accumulated amortisation	(6,447)	(22,633)	(485)	(2,095)	(6,524)	-	(38,184)
Impairment	-	(469)	-	-	-	-	(469)
Closing net book amount	32,185	54,362	555	1,875	2,699	3,084	94,760

As at December 31, 2025, the Group has pledged certain property, plants and equipment including CIP and plant and machinery in Brazil with a net carrying amount of BRL28,036,000 (equivalent to approximately USD5,097,000) (2024: BRL11,377,000 (equivalent to approximately USD1,871,000)) for the banking facilities granted to a subsidiary of the Group to finance the subsidiary's daily working capital and capital expenditure plans (Note 26).

Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Cost of revenue	6,733	4,498
Selling and marketing expenses	926	1,234
Administrative expenses	2,500	2,664
Research and development expenses	698	463
	10,857	8,859

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 Right-of-use assets

	Office premises USD'000	Equipments USD'000	Land use rights USD'000	Total USD'000
At January 1, 2024 (Restated)				
Cost	9,789	–	8,389	18,178
Accumulated depreciation	(3,355)	–	(812)	(4,167)
Net book amount	6,434	–	7,577	14,011
Year ended December 31, 2024				
Opening net book amount	6,434	–	7,577	14,011
Additions	4,333	4,771	–	9,104
Early termination of lease contracts	(11)	–	–	(11)
Depreciation	(2,904)	(1,590)	(167)	(4,661)
Currency translation differences	(375)	(34)	(110)	(519)
Closing net book amount	7,477	3,147	7,300	17,924
At December 31, 2024				
Cost	11,524	4,721	8,265	24,510
Accumulated depreciation	(4,047)	(1,574)	(965)	(6,586)
Net book amount	7,477	3,147	7,300	17,924
Year ended December 31, 2025				
Opening net book amount	7,477	3,147	7,300	17,924
Additions	6,554	–	–	6,554
Early termination of lease contracts	–	–	(3,068)	(3,068)
Depreciation	(3,390)	(1,646)	(131)	(5,167)
Currency translation differences	459	108	117	684
Closing net book amount	11,100	1,609	4,218	16,927
At December 31, 2025				
Cost	15,793	4,829	4,886	25,508
Accumulated amortisation	(4,693)	(3,220)	(668)	(8,581)
Net book amount	11,100	1,609	4,218	16,927

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 Right-of-use assets (Continued)

Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Cost of revenue	3,129	2,679
Selling and marketing expenses	886	782
Administrative expenses	858	914
Research and development expenses	294	286
	5,167	4,661

14 Intangible assets

	Goodwill USD'000	Software USD'000	Patents USD'000	Customer relationship USD'000	Brand USD'000	Technology USD'000	Total USD'000
At January 1, 2024 (Restated)							
Cost	8,267	5,388	1,120	3,458	1,132	7,427	26,792
Accumulated amortization	-	(2,374)	(416)	(539)	(217)	(707)	(4,253)
Net book amount	8,267	3,014	704	2,919	915	6,720	22,539
Year ended December 31, 2024							
Opening net book amount	8,267	3,014	704	2,919	915	6,720	22,539
Acquisition of a subsidiary	281	-	-	-	548	-	829
Additions	-	855	-	-	-	-	855
Amortization	-	(628)	(108)	(517)	(208)	(678)	(2,139)
Currency translation differences	(1,647)	(84)	(20)	(499)	(168)	(1,301)	(3,719)
Closing net book amount	6,901	3,157	576	1,903	1,087	4,741	18,365
At December 31, 2024							
Cost	6,901	6,182	1,088	2,813	1,450	5,926	24,360
Accumulated amortization	-	(3,025)	(512)	(910)	(363)	(1,185)	(5,995)
Net book amount	6,901	3,157	576	1,903	1,087	4,741	18,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Intangible assets (Continued)

	Goodwill USD'000 Note (a)	Software USD'000	Patents USD'000	Customer relationship USD'000	Brand USD'000	Technology USD'000	Total USD'000
Year ended December 31, 2025							
Opening net book amount	6,901	3,157	576	1,903	1,087	4,741	18,365
Additions	–	913	322	–	–	–	1,235
Amortization	–	(864)	(144)	(495)	(253)	(647)	(2,403)
Currency translation differences	689	101	16	184	67	492	1,549
Closing net book amount	7,590	3,307	770	1,592	901	4,586	18,746
At December 31, 2025							
Cost	7,590	7,290	1,441	3,096	1,559	6,551	27,527
Accumulated amortization	–	(3,983)	(671)	(1,504)	(658)	(1,965)	(8,781)
Net book amount	7,590	3,307	770	1,592	901	4,586	18,746

Amortization expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Cost of revenue	15	11
Selling and marketing expenses	147	141
Administrative expenses	2,015	1,819
Research and development expenses	226	168
	2,403	2,139

(a) Impairment tests for goodwill arising from business combinations

Goodwill of USD7,590,000 arising from business combinations has been allocated to the CGU or group of CGUs of subsidiaries acquired for impairment testing. Management performed an impairment assessment on the goodwill as at December 31, 2025. The goodwill (net book amount) is allocated in CGUs as follows:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Aditek	6,886	6,229
Others	704	672
	7,590	6,901

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Intangible assets (Continued)

(a) Impairment tests for goodwill arising from business combinations (Continued)

The recoverable amount of the CGUs is determined based on value-in-use calculations. The calculation of goodwill on the CGUs uses cash flow projections based on financial estimates made by the Directors, with reference to the prevailing market conditions. Forecast period is determined based on the business model and the current stage of individual CGUs.

Based on management's assessment results, there was no impairment of goodwill as at December 31, 2025 and 2024 and any reasonable change to the key assumptions would not lead to an impairment.

The following table sets out the key assumptions of the calculation on the Aditek CGU:

	Year ended December 31, 2025	Year ended December 31, 2024
Forecast period	5 years	5 years
Revenue growth rate	8.0%-47.1%	9.7%-57.8%
Gross profit margins	47.3%-55.7%	51.2%-55.8%
Terminal growth rate	2.9%	3.0%
Pre-tax discount rate	24.1%	24.2%

The expected revenue growth rates are following the business plan approved by the Group. The budgeted gross profit margin used in the goodwill impairment testing are determined by the management based on past performance and its expectation for market development. Pre-tax discount rates reflect market assessments of the time value and the specific risks relating to the industry.

15 Financial instruments by category

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	126,706	227,103
Restricted cash	510	99
Term deposits with initial terms over three months	318,237	126,293
Trade and other receivables excluding non-financial assets	39,951	26,448
	485,404	379,943
Financial assets at FVPL	85,439	136,393
	570,843	516,336
Financial liabilities		
Financial liabilities at amortized cost		
Other non-current financial liabilities	32,812	34,015
Trade and other payables excluding non-financial liabilities	39,421	23,905
Lease liabilities	13,786	11,135
Bank borrowings	2,517	3,348
	88,536	72,403

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Trade and other receivables and prepayments

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Included in current assets		
Trade receivables (Note (a))		
– Due from third parties	37,400	17,979
– Due from related parties (Note 35(d))	321	282
	37,721	18,261
Less: allowance for impairment of trade receivables	(7,441)	(3,823)
	30,280	14,438
Other receivables (Note (b))		
– Receivables from payment platforms	2,492	590
– Deposits receivables	2,328	1,787
– Loans to third parties	4,809	4,706
– Others	2,256	1,967
	11,885	9,050
Less: allowance for impairment of other receivables	(5,553)	(788)
	6,332	8,262
Prepayments for		
– Taxes	6,106	5,405
– Suppliers	11,991	8,279
	18,097	13,684
	54,709	36,384
Included in non-current assets		
Trade receivables (Note (a))		
– Due from third parties	198	251
Less: allowance for impairment of trade receivables	–	(15)
	198	236
Other receivables (Note (b))		
– Loans provided to employees	3,169	3,544
Less: allowance for impairment of other receivables	(28)	(32)
	3,141	3,512
Prepayments for		
– Suppliers	4,787	4,799
– Property, plant and equipment	2,568	620
	7,355	5,419
	10,694	9,167

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Trade and other receivables and prepayments (Continued)

- (a) Trade receivables mainly arise from rendering of clear aligner treatment solutions. The Group generally received advances prior to the rendering of services or sales, while certain customers are mainly given a credit term of 30 to 60 days.

The following is an aging analysis of trade receivables presented based on invoice date:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Within a year	30,459	13,284
1 to 2 years	3,048	2,037
2 to 3 years	1,292	289
Over 3 years	3,120	2,902
	37,919	18,512

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. Movements in the provision for impairment of trade receivables are disclosed in Note 3.1(b).

Trade receivables are denominated in the following currencies.

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
RMB	15,937	9,484
EUR	6,828	73
BRL	5,229	3,698
Australian Dollar ("AUD")	2,936	2,275
CAD	2,800	–
USD	1,452	901
Great Britain Pound	1,378	466
Swiss Franc	329	546
JPY	317	739
PLN	309	–
HKD	215	128
New Zealand Dollar	189	202
	37,919	18,512

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Trade and other receivables and prepayments (Continued)

As at December 31, 2024, the Group has pledged certain trade receivables in Brazil with a carrying amount of BRL13,734,000 (equivalent to approximately USD2,259,000) for the banking facilities granted to the subsidiary of the Group to finance the subsidiary's daily working capital and capital expenditure plans (Note 26). As at December 31, 2025, no trade receivables are pledged.

- (b) All other receivables excluding loans receivables were unsecured, interest-free and collectable on demand.

Other receivables are denominated in the following currencies.

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
USD	5,954	3,635
RMB	6,466	5,100
EUR	1,355	710
BRL	87	112
Others	1,192	3,037
	15,054	12,594

17 Cash and cash equivalents, term deposits and restricted cash

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Included in current assets		
Cash at banks	126,704	227,102
Cash on hand	2	1
Cash and cash equivalents	126,706	227,103
Term deposits with initial terms over three months	258,992	111,948
Restricted cash	510	99
Included in non-current assets		
Term deposits with initial terms over three months	59,245	14,345

The conversion of RMB denominated balances into foreign currencies and the remittance of cash and cash equivalents out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 Cash and cash equivalents, term deposits and restricted cash (Continued)

(a) Cash and cash equivalents, term deposits and restricted cash were denominated in the following currencies:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
USD	309,019	251,037
RMB	87,929	75,839
Others	48,505	26,619
	445,453	353,495

18 Inventories

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
At cost:		
Raw materials	14,215	15,908
Work in progress	865	429
Finished goods	5,145	2,262
	20,225	18,599
Less: Provision for impairment loss	(3,249)	(239)
	16,976	18,360

The costs of inventories recognized in the consolidated statements of comprehensive income are disclosed in Note 7.

19 Financial assets at FVPL

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Wealth management products with variable return (Note a)	42,934	97,778
Associates (Note b)	7,499	2,287
Other investees (Note c)	33,448	35,645
Derivative financial assets (Note d)	1,558	683
	85,439	136,393

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 Financial assets at FVPL (Continued)

(a) Wealth management products with variable return

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Balance at the beginning of the year	97,778	106,018
Additions	540,505	597,401
Realized fair value gains recognized in profit or loss	4,094	3,421
Disposals	(595,887)	(607,895)
Currency translation differences	(3,556)	(1,167)
Balance at the end of the year	42,934	97,778
– Included in current assets	42,934	97,778

(b) Associates

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Balance at the beginning of the year	2,287	–
Addition	3,783	2,112
Unrealized fair value gains recognized in profit or loss	1,296	202
Currency translation differences	133	(27)
Balance at the end of the year	7,499	2,287
– Included in non-current assets	7,499	2,287

All investments in associates measured at fair value through profit or loss are in the form of convertible redeemable preferred instruments or ordinary shares with preferential rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 Financial assets at FVPL (Continued)

(c) Other investees

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Balance at the beginning of the year	35,645	34,206
Additions	5,401	3,408
Unrealized fair value losses recognized in profit or loss	(7,876)	(1,865)
Currency translation differences	278	(104)
Balance at the end of the year	33,448	35,645
– Included in non-current assets	33,448	35,645

(d) Derivative financial assets

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Balance at the beginning of the year	683	1,214
Additions	1,842	–
Unrealized fair value losses recognized in profit or loss	(1,067)	(322)
Currency translation differences	100	(209)
Balance at the end of the year	1,558	683
– Included in non-current assets	1,558	683

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 Investments accounted for using the equity method

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Joint ventures (Note a)	11,629	3,773
Associate (Note b)	1,472	1,464
	13,101	5,237

(a) Investments in joint ventures

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Balance at the beginning of the year	3,773	1,924
Additions	8,406	2,111
Share of results of the joint ventures	(792)	(55)
Disposals	–	(46)
Currency translation differences	242	(161)
At the end of the year	11,629	3,773

(b) Investment in associates

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Balance at the beginning of the year	1,464	797
Additions	–	706
Share of results of an associate	(25)	(17)
Currency translation differences	33	(22)
At the end of the year	1,472	1,464

All investments in the form of ordinary shares with significant influence are accounted for using the equity method of accounting, after initially being recognized at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 Investments accounted for using the equity method (Continued)

- (c) There were no individually material joint venture and associate that are accounted for using the equity method as of December 31, 2025 and 2024. The joint ventures and associates have share capital consisting solely of ordinary shares, which are held directly by the Group and the Group's proportion of ownership interest is the same as the proportion of voting rights held by the Group. There were no contingent liabilities relating to the Group's interest in the joint ventures and associates as at December 31, 2025.

21 Share capital and premium and shares held for employee share scheme

(a) Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares USD	Share capital USD'000	Share premium USD'000
At January 1, 2024 (Restated)	169,097,784	16,910	17	439,086
New shares issued for options exercised	120,000	12	*	307
Shares issued for restricted share award scheme	826,941	83	–	–
Dividends	–	–	–	(23,837)
Repurchase and cancellation of shares	(19,400)	(2)	*	(130)
At December 31, 2024	170,025,325	17,003	17	415,426
At January 1, 2025	170,025,325	17,003	17	415,426
New shares issued for options exercised (i)	10,377	1	*	99
Shares issued for restricted share award scheme (ii)	736,920	74	–	–
Dividends (iii)	–	–	–	(18,340)
At December 31, 2025	170,772,622	17,078	17	397,185

* The balance represents an amount less than USD1,000.

- (i) On October 21, 2025, 10,377 shares of the Company were issued for the exercise of a senior management's option with exercise price of HKD52.55 per share. The consideration received amounting to HKD545,000 (equivalent to approximately USD70,000) and share-based compensation expenses recorded in other reserves during the vesting period were transferred to share capital and share premium.
- (ii) On June 26, 2025, the Company issued and allotted 736,920 shares to Cultivate Happiness Limited (the "Trustee"), an entity held by a trustee entrusted by the Group for the purpose of the Post-IPO RSU Scheme (Note 23(a)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Share capital and premium and shares held for employee share scheme (Continued)

(a) Share capital and premium (continued)

- (iii) On August 25 2025, the Board announced the payment of a special interim dividend of HKD0.46 per share (equivalent to approximately USD10,025,000) for the six months ended June 30, 2025 out of the share premium account of the Company, which was paid on September 30, 2025.

On March 20 2025, the Board recommended the payment of a special final dividend of HKD0.38 per share (equivalent to approximately USD8,315,000) for the year ended December 31, 2024 out of the share premium account of the Company, which was approved by the shareholders of the Company at the annual general meeting held on May 23, 2025 and paid on July 17, 2025.

(b) Shares held for employee share scheme

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Balance at the beginning of the year	*	*
Shares issued for restricted share award scheme (Note 23(a))	*	*
Transfer of shares held for employee share scheme upon vesting	*	*
Balance at the end of the year	*	*

* The balance represents an amount less than USD1,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 Other reserves

	Capital reserves USD'000	Statutory reserves USD'000 (Note (a))	Share-based payment reserves USD'000 (Note 23)	Currency translation reserves USD'000	Put option liabilities USD'000	Others USD'000	Total USD'000
Balance at January 1, 2024	(29,563)	15,196	32,516	(12,061)	(41,713)	48	(35,577)
Currency translation differences	-	-	-	(4,248)	-	-	(4,248)
Changes in put option liabilities in respect of non-controlling interests	-	-	-	-	7,698	-	7,698
New shares issued for options exercised	-	-	(163)	-	-	-	(163)
Share-based payments (Note 23)	-	-	11,290	-	-	-	11,290
Appropriation to statutory reserves (Note (a))	-	3,165	-	-	-	-	3,165
Balance at December 31, 2024	(29,563)	18,361	43,643	(16,309)	(34,015)	48	(17,835)
Balance at January 1, 2025	(29,563)	18,361	43,643	(16,309)	(34,015)	48	(17,835)
Currency translation differences	-	-	-	4,736	-	-	4,736
Changes in put option liabilities in respect of non-controlling interests	-	-	-	-	1,203	-	1,203
New shares issued for options exercised	-	-	(29)	-	-	-	(29)
Share-based payments (Note 23)	-	-	9,133	-	-	-	9,133
Appropriation to statutory reserves (Note (a))	-	3,599	-	-	-	-	3,599
Balance at December 31, 2025	(29,563)	21,960	52,747	(11,573)	(32,812)	48	807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 Other reserves (Continued)

- (a) In accordance with the PRC Company Law and the articles of association of the Group's PRC subsidiaries, the PRC subsidiaries are required to appropriate 10% of their profits after tax, as determined in accordance with Accounting Standards for Business Enterprises and other applicable regulations, to the statutory surplus reserve until such reserve reaches 50% of its registered capital. The appropriation to the reserve must be made before any distribution of dividends to shareholders of the PRC subsidiaries. Apart from the statutory surplus reserve, discretionary surplus reserve can be appropriated according to the resolution of shareholders' meeting. The surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalized as the PRC subsidiaries' capital provided that the amount of surplus reserve remaining after the capitalization shall not be less than 25% of its capital.

23 Share-based payments

(a) The Post-IPO RSU Schemes

The Post-IPO RSU Scheme was conditionally approved and adopted by the Shareholders on May 20, 2021 and amended on June 29, 2023, June 28, 2024 and August 25 2025.

The number of restricted shares granted to the Group's eligible participants is summarized as follows:

	Number of restricted shares	
	Year ended December 31,	
	2025	2024
Outstanding as at the beginning of the year	1,008,639	757,856
Granted (i)	809,895	826,941
Vested	(706,238)	(531,700)
Lapsed	(34,507)	(44,458)
Outstanding as at the end of the year	1,077,789	1,008,639

- (i) Pursuant to the Post-IPO RSU Scheme, 72,975 shares were granted to 50 eligible participants on March 21, 2025. The restricted share units will be vested based on the following schedule for the relevant financial year: (i) For 25,800 granted shares, 30%, 30%, 20% and 20% shall vest on the dates of September 30, 2025, 2026, 2027 and 2028, respectively. (ii) 47,175 RSUs granted shall vest in three tranches of 50%, 25% and 25% on the second, the third and the fourth anniversary of the hire date of the RSU Granted, respectively.

Pursuant to the Post-IPO RSU Scheme, 736,920 shares were further granted to 231 eligible participants on June 24, 2025. The restricted share units will be vested based on the following schedule for the relevant financial year: For 736,920 granted shares, 30%, 30%, 20% and 20% shall vest on the dates of September 30, 2025, 2026, 2027 and 2028, respectively.

The fair value of the restricted shares at grant date was determined with reference to the market price of the Company's shares on the respective grant dates.

During the year ended 31 December 2025, the fair value of granted shares was USD6,011,000 for the Post-IPO RSU Scheme. (2024: USD6,318,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Share-based payments (Continued)

(a) The Post-IPO RSU Schemes (Continued)

The outstanding restricted share as at 31 December 2025 were divided into three to seven tranches at their grant dates. The first tranche can be vested at a specified date or at the anniversary of the employment date of each grantee, and the remaining tranches will be vested in each subsequent year.

The Group has to estimate the expected percentage of eligible participants that will stay within the Group (the “Expected Retention Rate”) of the restricted share award scheme in order to determine the amount of share-based payment expenses charged to the consolidated statements of comprehensive income. As at December 31, 2025, the Expected Retention Rate was assessed to be 92% (2024: 92%).

(b) The Post-IPO Share Option Schemes

The Post-IPO Share Option Scheme was conditionally approved and adopted by the Group on May 20, 2021 and amended on June 29, 2023, January 28, 2024 and August 25 2025.

(i) Movements in the share options

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Year ended December 31,			
	2025		2024	
	Average exercise price HKD	Number of options	Average exercise price HKD	Number of options
Outstanding as at the beginning of the year	93.55	3,056,396	100.06	3,158,646
Granted (I)	56.53	157,422	58.75	60,000
Granted for Modification (II)	64.50	1,122,013	77.63	827,750
Exercised (III)	52.55	(10,377)	–	–
Cancelled (II)	92.16	(1,471,435)	100.06	(990,000)
Outstanding as at the end of the year	80.95	2,854,019	93.55	3,056,396
Exercisable as at the end of the year	95.28	1,564,810	100.06	789,662

- (i) On January 17, 2025, the Board announced that to provide long-term motivation to key employees, the Company granted 34,590 options to one grantee with rights to subscribe for an aggregate of 34,590 shares upon exercise of such options in accordance with the terms of the Post-IPO Share Option Scheme, subject to acceptance of the option grantee.

On June 24, 2025, the Board announced that to provide long-term motivation to key employees, the Company granted 122,832 options to two grantees with rights to subscribe for an aggregate of 122,832 shares upon exercise of such options in accordance with the terms of the Post-IPO Share Option Scheme, subject to acceptance of the option grantee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Share-based payments (Continued)

(b) The Post-IPO Share Option Schemes (Continued)

(i) Movements in the share options (Continued)

- (II) On November 24, 2025 (the “Modification Date”), the Board announced that after taking into consideration of the market conditions and to further incentivize and retain the relevant grantees to continuously contribute to the development of the Company, the Board resolved to cancel 919,324 and 552,111 unvested options granted on April 28, 2023 and, April 30, 2024 (the “Old Options”) and re-grant to them 1,122,013 new options (the “New Options”) in accordance with the terms and conditions of the Post-IPO Share Option Scheme (the “Cancellation and Re-Grant”).

The above transaction was considered as modification of share-based payment. The Group accounts for the incremental fair value of the New Options (compared with the Old Options) at the date of modification and it would spread this amount over the remaining vesting period of the New Options which is same with that of the Old Options. The Group uses the binomial option pricing model in determining the estimated fair value of the New Options and Old Options, and there is no incremental fair value.

- (III) On October 21, 2025, 10,377 shares of the Company were issued for the exercise of a senior management’s option with exercise price of HKD52.55 per share. The consideration received amounting to HKD545,000 and share-based compensation expenses recorded in other reserves during the vesting period were transferred to share capital and share premium.

(ii) Outstanding in the share options

Details of the expiry dates, exercise prices and the respective numbers of share options which remained outstanding as at 31 December 2025 and 31 December 2024 are as follows:

Grant Date	Expiry date	Exercise price	Number of share options	
			As at December 31, 2025	As at December 31, 2024
28 April 2023	28 April 2033	HKD100.06	1,249,322	2,168,646
30 April 2024	30 April 2034	HKD79.00	275,639	827,750
17 July 2024	17 July 2034	HKD58.75	60,000	60,000
17 January 2025	17 January 2035	HKD52.55	24,213	–
24 June 2025	24 June 2035	HKD57.65	122,832	–
24 November 2025	24 November 2035	HKD64.50	1,122,013	–
			2,854,019	3,056,396

The outstanding share options as at 31 December 2025 were divided into three to seven tranches at their grant dates. The first tranche can be exercised at a specified date and then the remaining tranches will become exercisable in each subsequent year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Share-based payments (Continued)

(b) The Post-IPO Share Option Schemes (Continued)

(iii) Fair value of options

The Group uses the binomial option pricing model in determining the estimated fair value of the options granted, which was to be expensed over the relevant vesting period. The weighted average fair value of options granted during the year ended 31 December, 2025 was USD3.29 per share. (31 December, 2024: USD4.27 per share).

Other than the exercise price mentioned above, the other significant inputs into the binomial valuation model were listed as below:

	Year ended December 31,	
	2025	2024
Weighted average share price at the grant date	HKD61.89	HKD77.48
Risk-free rate	2.38%-3.75%	3.27%-3.89%
Dividend yield	1.05%-1.23%	1.00%
Expected volatility	40.63%-40.91%	40.00%-45.29%

(c) Share-based compensation expenses

The total share-based compensation expenses recognized are as follows:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Expenses arising from equity-settled share-based payment transactions	9,133	11,290

24 Retained earnings

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
At the beginning of the year	76,495	67,546
Profit for the year	28,437	12,114
Appropriation to statutory reserves	(3,599)	(3,165)
At the end of the year	101,333	76,495

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Trade and other payables

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Employee benefits payable	28,794	26,919
Other taxes payable	13,367	9,944
Trade payables (Note (a))	11,128	9,530
Accrued expenses payable	9,237	6,480
Payables in relation with acquisition of non-current assets	9,151	3,574
Accrued professional service fees payable	3,615	1,220
Deposits payable	3,322	3,078
Accrued advertising and promotion expense payable	2,753	958
Provision for contingencies	994	760
Others	304	969
	82,665	63,432

- (a) The credit period granted by suppliers mainly ranges from 30 to 60 days. The following is an aging analysis of trade payables presented based on the invoice date:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Within a year	10,400	9,016
Over 1 year	728	514
	11,128	9,530

The carrying amount of the Group's trade payables is denominated in the following currencies:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
RMB	6,624	5,909
EUR	77	43
Others	4,427	3,578
	11,128	9,530

- (b) As at December 31, 2025, trade and other payables of the Group were interest-free.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 Bank borrowings

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Included in current liabilities:		
Bank borrowing, secured	1,779	2,860
Included in non-current liabilities:		
Bank borrowing, secured	738	488
	2,517	3,348

Assets pledged as security

The bank borrowings are secured by the Group's trade receivables and property, plants and equipment in Brazil. The carrying amounts of assets pledged as security for current and non-current borrowings were as follows:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Current		
– Trade receivables	–	2,259
Non-current		
– Property, plant and equipment	5,097	1,871
Total assets pledged as security	5,097	4,130

At December 31, 2025, the Group's borrowings were repayable as follows:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Within 1 year	1,779	2,860
Between 1 and 2 years	439	488
Between 2 and 5 years	299	–
	2,517	3,348

As at December 31, 2025, the Group's bank borrowings bear interests at fixed interest rates ranging from 5% to 7% (2024: 6% to 9%) per annum.

The Group has complied with all loan covenants (including financial and non-financial) throughout the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 Other non-current liabilities

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
– Redemption liability (Note (a))	32,812	34,015
– Taxes payable	153	353
	32,965	34,368

(a) It mainly comprised redemption liability arising from put option arrangements with non-controlling shareholders of Aditek of approximately USD31,356,000 (2024: USD34,015,000).

28 Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Included in current liabilities		
Clear aligner treatment solutions	40,506	42,291
Sales of clear aligners	35,742	14,273
Other services	50	108
	76,298	56,672
Included in non-current liabilities		
Clear aligner treatment solutions	15,850	18,291
Sales of clear aligners	27,718	2,877
	43,568	21,168

(a) Significant changes in contract liabilities

Contract liabilities of the Group mainly arose from the advance payments made by customers while the underlying goods or services are yet to be provided. During the year, the contract liabilities increased due to increase in number of new contracts entered with customers compared with the year 2024, which resulted in increase in advanced payments received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 Contract liabilities (Continued)

(b) Revenue recognized in relation to contract liabilities

The following table shows the revenue recognized during the year relates to carried-forward contract liabilities.

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Revenue recognized that was included in the contract liabilities balance at the beginning of the year		
– Clear aligner treatment solutions	42,291	52,092
– Sales of clear aligners	14,273	11,409
– Other services	108	118
	56,672	63,619

29 Lease liabilities

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Minimum lease payments due		
– Within 1 year	5,697	4,632
– Between 1 and 2 years	3,549	3,647
– Between 2 and 5 years	5,362	3,205
– Over 5 years	445	621
	15,053	12,105
Less: future finance charges	(1,267)	(970)
Present value of lease liabilities	13,786	11,135
Within 1 year	5,100	4,176
Between 1 and 2 years	3,206	3,397
Between 2 and 5 years	5,043	2,965
Over 5 years	437	597
	13,786	11,135

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 Lease liabilities (Continued)

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Interest expense (included in finance costs-net)	609	659
Variable terms lease expenditure for equipment	233	19
Short-term lease expenditure for office premises, dormitories and equipment	438	110
	671	129
Cash outflow for lease payments	5,444	5,357
Cash outflow for short-term lease and variable terms lease	175	129
	5,619	5,486

The Group leases various properties and equipment to operate its businesses and these lease liabilities were measured at net present value of the lease payments during the lease terms that are not yet paid. No extension options are included in such property and equipment leases across the Group.

30 Deferred income

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Included in non-current liabilities		
Deferred Income		
– To be realized within 12 months	465	451
– To be realized after more than 12 months	3,397	3,789
	3,862	4,240

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 Deferred income tax

(a) Deferred tax assets

The analysis of deferred tax assets is as follows:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
The balance comprises temporary differences attributable to:		
Unused tax losses	6,028	4,021
Accrued expenses	1,788	1,699
Lease liabilities	1,410	1,550
Deferred income	579	636
Impairment on financial assets	554	384
Employee benefits	81	42
Others	5	719
Total deferred tax assets	10,445	9,051
Total deferred tax assets		
– to be recovered within 12 months	1,938	2,386
– to be recovered after more than 12 months	8,507	6,665
	10,445	9,051
Offsetting against deferred tax liabilities (i)	(2,805)	(1,560)
Net deferred tax assets	7,640	7,491

- (i) Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority.

The movement in deferred tax assets is as follows:

	Unused tax losses USD'000	Accrued expenses USD'000	Lease liabilities USD'000	Deferred income USD'000	Impairment on financial assets USD'000	Employee benefits USD'000	Others USD'000	Total USD'000
As at January 1, 2024 (Restated)	3,478	-	1,131	683	675	-	485	6,452
Credited/(charged) to the consolidated statements of comprehensive income	874	1,717	459	(37)	(284)	42	358	3,129
Currency translation differences	(331)	(18)	(40)	(10)	(7)	-	(124)	(530)
As at December 31, 2024	4,021	1,699	1,550	636	384	42	719	9,051
As at January 1, 2025	4,021	1,699	1,550	636	384	42	719	9,051
Credited/(charged) to the consolidated statements of comprehensive income	1,761	49	(196)	(70)	160	37	(770)	971
Currency translation differences	246	40	56	13	10	2	56	423
As at December 31, 2025	6,028	1,788	1,410	579	554	81	5	10,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 Deferred income tax (Continued)

(a) Deferred tax assets (Continued)

Deferred tax assets are recognized for tax losses carry-forward to the extent that the realization of the related tax benefits through the future taxable profits is probable. For the year ended December 31, 2025, the Group did not recognize deferred tax assets in respect of losses amounting to USD13,808,000 (2024: USD23,753,000) due to the unpredictability of future profit streams.

The expiry of the deductible tax losses that are not recognized as deferred tax assets is analyzed below:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Indefinite	57,494	56,429

(b) Deferred tax liabilities

The analysis of deferred tax liabilities is as follows:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
The balance comprises temporary differences attributable to:		
Intangible assets	2,231	2,434
Right of use assets	1,988	1,522
Property, plant and equipment	113	119
Fair value changes on financial assets at FVPL	207	38
Others	608	–
Total deferred tax liabilities	5,147	4,113
Total deferred tax liabilities		
– to be recovered within 12 months	478	776
– to be recovered after more than 12 months	4,669	3,337
Offsetting against deferred tax assets (i)	(2,805)	(1,560)
Net deferred tax liabilities	2,342	2,553

- (i) Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 Deferred income tax (Continued)

(b) Deferred tax liabilities (Continued)

The movement in deferred tax liabilities is as follows:

	Intangible assets USD'000	Right-of use assets USD'000	Property, plant and equipment USD'000	Fair value changes on financial assets at FVPL USD'000	Others USD'000	Total USD'000
As at January 1, 2024 (Restated)	3,572	1,131	170	100	–	4,973
(Charged)/credited to the consolidated statements of comprehensive income	(475)	431	(19)	(53)	–	(116)
Currency translation differences	(663)	(40)	(32)	(9)	–	(744)
As at December 31, 2024	2,434	1,522	119	38	–	4,113
As at January 1, 2025	2,434	1,522	119	38	–	4,113
(Charged)/credited to the consolidated statements of comprehensive income	(454)	402	(18)	166	601	697
Currency translation differences	251	64	12	3	7	337
As at December 31, 2025	2,231	1,988	113	207	608	5,147

32 Dividends

The Board has recommended the payment of a final dividend of HKD0.48 per share and a special final dividend of HKD4.99 per share for the year ended December 31, 2025 which is subject to the approval by the shareholders at the annual general meeting of the Company on May 19, 2026 (2024: a special final dividend of HKD0.38 per share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 Cash flow information

(a) Reconciliation of profit before income tax to cash generated from operations:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Profit before income tax	31,692	11,667
Adjustments for:		
Interest income (Note 9)	(3,689)	(7,000)
Interest on term deposits with initial terms over three months (Note 6)	(9,945)	(8,252)
Interest on loans to employees	(43)	(137)
Interest expense (Note 9)	1,743	1,542
Losses/(gains) on financial assets at fair value through profit or loss (Note 6)	3,553	(1,436)
Depreciation of property, plant and equipment (Note 12)	10,857	8,859
Depreciation of right-of-use assets (Note 13)	5,167	4,661
Amortization of intangible assets (Note 14)	2,403	2,139
Losses on disposal of property, plant and equipment (Note 6)	502	58
Gains on disposal of right-of-use assets (Note 6)	(337)	–
Losses on disposals of joint venture (Note 6)	–	25
Net impairment losses on financial assets (Note 3.1(b))	8,182	150
Impairment losses on property, plant and equipment (Note 12)	469	–
Provision of inventory (Note 18)	3,010	–
Share-based compensation expenses (Note 23)	9,133	11,290
Share of results of investments accounted for using the equity method (Note 20)	817	72
Operating cash flows before changes in working capital	63,514	23,638
Changes in working capital:		
Inventories	(1,626)	(4,892)
Trade and other receivables and prepayments	(36,027)	(8,149)
Trade and other payables	13,285	9,444
Contract liabilities	43,729	4,134
Cash generated from operations	82,875	24,175

In the consolidated statements of cash flows, proceeds from disposals of property, plant and equipment comprise:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Net book amount (Note 12)	2,282	647
Losses on disposal of property, plant and equipment (Note 6)	(502)	(58)
Proceeds from disposal of property, plant and equipment	1,780	589

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 Cash flow information (Continued)

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in the debt for each of the year presented.

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Lease liabilities	13,786	11,135
Bank borrowings	2,517	3,348
Net cash	16,303	14,483

	Liabilities from financing activities		
	Lease liabilities USD'000	Bank borrowings USD'000	Total USD'000
Net debt as at January 1, 2024 (Restated)	6,767	2,450	9,217
Cash flows	(5,357)	720	(4,637)
Acquisition of new lease contracts	9,104	–	9,104
Early termination of lease contracts	(11)	–	(11)
Interest accrued	659	883	1,542
Currency translation differences	(27)	(705)	(732)
Net debt as at December 31, 2024	11,135	3,348	14,483
Net debt as at January 1, 2025	11,135	3,348	14,483
Cash flows	(5,444)	(2,701)	(8,145)
Acquisition of new lease contracts	6,554	–	6,554
Early termination of lease contracts	(3,068)	–	(3,068)
Interest accrued	609	1,134	1,743
Currency translation differences	4,000	736	4,736
Net debt as at December 31, 2025	13,786	2,517	16,303

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Commitments

(a) Commitments relating to short-term leases

The Group has recognized right-of-use assets and lease liabilities for these leases, except for short-term leases, see Note 13 and Note 29 for further information.

The future aggregate minimum lease payments under non-cancellable short-term leases contracted for at the end of the year but not recognized as liabilities, are as follows:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
No later than 1 year	337	321

(b) Capital commitments

The Group's capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Property, plant and equipment	2,578	1,788
Intangible assets	1,276	521
	3,854	2,309

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Related party transactions

(a) Names and relationships with related parties

Below is the summary of the Group's related parties during the year ended December 31, 2025:

Name of the related party	Relationship with the Group
CareCapital Group	The ultimate holder of the Company
Astro Science do Brasil Pesquisa e Desenvolvimento S.A. ("Astro Science")	Joint venture held by the Group
Shanghai Songbai Xingqi Enterprise Management Consulting Co., LTD ("Songbai Xingqi")	An entity controlled by CareCapital Group
Huizhou Dental Hospital	An entity controlled by CareCapital Group
Guiyang Jinxin Medical Instrument Co., Ltd. ("Guiyang Jinxin")	An entity controlled by CareCapital Group
Zhengzhou Smile Songbai Industrial Co., Ltd. ("Zhengzhou Smile")	An entity controlled by CareCapital Group
Changsha Minjian Medical Equipment Co., Ltd. ("Changsha Minjian")	An entity significantly influenced by CareCapital Group
Henan Red Sun Medical Instrument Co., Ltd. ("Henan Red Sun")	An entity controlled by CareCapital Group
Taiyuan Yishunkang Medical Device Co., Ltd. ("Yishunkang")	An entity controlled by CareCapital Group
Guangzhou Yilu Precision Medical Devices Co., Ltd. ("Guangzhou Yilu")	An entity controlled by CareCapital Group
Guangzhou Songbai Times Medical Technology Co., Ltd. ("Guangzhou Songbai")	An entity controlled by CareCapital Group
Luoyang Smile Songbai Medical Equipment Co., Ltd. ("Luoyang Smile")	An entity controlled by CareCapital Group
Songbai Leye Medical Equipment (Ningbo) Co., Ltd. ("Songbai Leye")	An entity controlled by CareCapital Group
Zhenjiang Wenjie Medical Equipment Co., Ltd. ("Zhenjiang Wenjie")	An entity controlled by CareCapital Group
Songbai Maishi (Shaanxi) Medical Instrument Co., Ltd. ("Songbai Maishi")	An entity controlled by CareCapital Group
Songbai Oukang (Liaoning) Medical Instrument Co., Ltd. ("Songbai Oukang (Liaoning)")	An entity controlled by CareCapital Group
Shanghai Qimei Dental Clinic Co., Ltd. ("Shanghai Qimei")	An entity controlled by CareCapital Group
Songbaiqihai (Qingdao) Medical Instrument Co., Ltd. ("Songbai Qihai")	An entity controlled by CareCapital Group
Songbai Huaren (Shaanxi) Medical Instrument Co., Ltd. ("Songbai Huaren")	An entity controlled by CareCapital Group
Chengdu YaFei Dental Co., Ltd. ("Chengdu Yafei")	An entity controlled by CareCapital Group
Hemai Songmao (Shaanxi) Medical Devices Co., Ltd. ("Hemai Songmao")	An entity controlled by CareCapital Group
Songbai Oukang (Dalian) Medical Devices Co., Ltd. ("Songbai Oukang (Dalian)")	An entity controlled by CareCapital Group
Hefei Chuangxiang Biological Engineering Co., Ltd. ("Hefei Chuangxiang")	An entity controlled by CareCapital Group
Huizhou Huiyang Huikou Dental Clinic Co., Ltd. ("Huikou Dental Clinic")	An entity controlled by CareCapital Group
Purgo Biologics Inc. ("Purgo Biologics")	An entity controlled by CareCapital Group
Shanghai Maxflex Medical Technology Co., Ltd. ("Shanghai Maxflex")	An entity significantly influenced by CareCapital Group
Hunan Songbei Medical Technology Co., Ltd ("Hunan Songbei")	An entity controlled by CareCapital Group
Nogueira & Lopes Holding Ltda. ("Nogueira")	An entity controlled by Aditek's minority shareholders
Shanghai Kaihao Technology Co., Ltd. ("Shanghai Kaihao")	An entity significantly influenced by minority Shareholder

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Related party transactions (Continued)

(b) Transactions with related parties

During the year ended December 31, 2025, save as disclosed elsewhere in this report, the following is a summary of the significant transactions carried out between the Group and its related parties.

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
<i>Sales of clear aligner treatment solutions and other products</i>		
Guangzhou Yilu	6,934	6,280
Zhengzhou Smile	5,266	4,368
Songbai Oukang (Liaoning)	2,368	1,315
Zhenjiang Wenjie	1,737	1,244
Yishunkang	1,296	1,042
Songbai Maishi	525	106
Songbai Leye	394	329
Songbai Oukang (Dalian)	272	–
Changsha Minjian	256	141
Guangzhou Songbai	237	–
Hemai Songmao	227	–
Hefei Chuangxiang	89	–
Songbai Qihai	62	41
Guiyang Jinxin	9	16
Henan Red Sun	9	4
Luoyang Smile	5	15
Huizhou Dental Hospital	1	1
Chengdu Yafei	1	9
Huikou Dental Clinic	1	–
Songbai Huaren	–	1
Shanghai Qimei	–	1
	19,689	14,913
<i>Purchase of raw materials</i>		
Shanghai Kaihao (i)	7,275	–
Shanghai Maxflex	2,103	217
Astro Science	505	371
Hunan Songbei	–	5
	9,883	593

- (i) Purchases from Shanghai Kaihao during the period from July 2025 to December 2025 amounted to approximately RMB24,580,000 (approximately USD3,444,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Related party transactions (Continued)

(b) Transactions with related parties (Continued)

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
<i>Payment of property leases</i>		
Nogueira	202	56
Purgo Biologics	15	–
	217	56
<i>Purchase of consulting services</i>		
CareCapital Orthotech	–	252
Songbai Xingqi	–	119
	–	371
<i>Acquisition of a Subsidiary</i>		
Beijing Jolly Oralcare Technology Ltd	–	520
<i>Capital injection</i>		
Shanghai Maxflex	1,401	647

(c) Key management compensation

Key management comprise the Company's directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31, 2025 USD'000	Year ended December 31, 2024 USD'000
Fees	283	282
Salaries and wages	1,723	2,070
Bonuses	1,577	1,086
Share-based compensation expenses	3,302	4,808
Pension costs – defined contribution plans	37	88
Other social security costs, housing benefits and other employee benefits	273	254
	7,195	8,588

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Related party transactions (Continued)

(d) Outstanding balances arising from sales of goods and services

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Trade receivables		
Guangzhou Songbai	272	–
Guiyang Jinxin	41	54
Chengdu Yafei	8	6
Guangzhou Yilu	–	87
Changsha Minjian	–	49
Zhenjiang Wenjie	–	47
Zhengzhou Smile	–	29
Songbai Leye	–	8
Songbai Oukang (Liaoning)	–	1
Yishunkang	–	1
	321	282

As at December 31, 2025, the balances were with trade nature, unsecured, interest-free, and repayable on demand.

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
Contract liabilities		
Zhengzhou Smile	1,983	1,944
Guangzhou Yilu	1,698	1,858
Songbai Oukang	836	390
Yishunkang	512	457
Zhenjiang Wenjie	456	433
Henan Red Sun	209	10
Songbai Leye	111	140
Songbai Maishi	99	52
Songbai Oukang (Dalian)	64	–
Hemai Songmao	57	–
Guiyang Jinxin	48	–
Luoyang Smile	9	14
Hefei Chuangxiang	5	–
Huizhou Dental Hospital	1	–
Songbai Qihai	–	27
	6,088	5,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Related party transactions (Continued)

(d) Outstanding balances arising from sales of goods and services (Continued)

Contract liabilities of the Group mainly arose from the advance payments made by customers while the underlying goods or services are yet to be provided.

(e) Outstanding balances arising from purchase of raw materials

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
<i>Trade payables</i>		
Shanghai Kaihao	425	–
Shanghai Maxflex	158	–
Astro Science	15	64
	598	64

(f) Outstanding balances arising from loans provided to key management

	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
<i>Loans provided to key management</i>		
At the beginning of the year	2,596	2,758
Proceeds of loans repaid by key management	(269)	(194)
Interests incurred	67	94
Currency translation differences	45	(62)
At the end of the year	2,439	2,596

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 Contingent liabilities

The Group, in the ordinary course of its business, is involved in various claims, suits, and legal proceedings that arise from time to time. Since August 2025, Angelalign has been involved in various lawsuits initiated by Align Technology, the parent company of Invisalign in relation to patent infringement.

In this connection, Angelalign has faced legal actions in the United States (including the U.S. District Court for the Eastern District of Texas and the United States International Trade Commission (ITC)), Europe (the Unified Patent Court (UPC)), and China (Intermediate People's Court of the PRC, China National Intellectual Property Administration). The cases are currently in the adjudicative stages and not yet concluded.

Management assessed the aforesaid matters related to the lawsuits, after taking into considerations of opinions from professional advisors, it is concluded that Angelalign has valid grounds to respond to the relevant authorities. The Group, hence, has not made any material provision as of December 31, 2025 pertaining to these matters.

Conclusions of legal proceedings, investigations and allegations could take a long period of time, and the Group could receive judgments or enter into settlements that may adversely affect its operating results or cash flows. Quantifying the related financial effects is not practical at this stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 Subsidiaries

The following is a list of principal subsidiaries at December 31, 2025, all of these are limited liability companies:

Name of subsidiaries	Place and date of incorporation/ Acquisition	Principal activities and place of operation	Particulars of issued share capital/ registered capital	Attributable equity interest to the Group As at December 31, 2025	Attributable equity interest to the Group As at December 31, 2024
Wuxi EA	PRC, February 10, 2010	Product design, manufacturing, research and development of clear aligner treatment solutions, PRC	USD 56,000,000	100%	100%
Shanghai EA	PRC, September 5, 2011	Product design, sales and marketing, research and development of clear aligner treatment solutions, PRC	RMB 30,000,000	100%	100%
Wuxi EA Bio-Tech Co., Ltd.* (無錫時代天使生物科技有限公司)	PRC, July 11, 2018	Manufacturing, research and development of clear aligner treatment solutions, PRC	RMB 400,000,000	100%	100%
Angelalign Orthodontics Development	Cayman Islands, March 19, 2024	Investing, Cayman Islands	USD 50,000	100%	100%
ANGELALIGN TECH PTE. LTD.	SGP, January 19, 2022	Wholesale trade of a variety of goods without a dominant product, SGP	USD 5,000,000	100%	100%

* The English names of the subsidiaries represent management's best efforts in translating their Chinese names as they do not have official English names.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 Balance sheet and reserve movement of the Company

	Note	As at December 31, 2025 USD'000	As at December 31, 2024 USD'000
ASSETS			
Non-current assets			
Investment in subsidiaries		151,451	152,203
Property, plant and equipment		492	1
Right-of-use assets		67	23
		152,010	152,227
Current assets			
Receivables from subsidiaries		70,059	55,726
Financial assets at fair value through profit or loss		30,107	32,840
Restricted cash		2	–
Term deposits with initial terms over three months		157,965	76,845
Cash and cash equivalents		21,082	125,330
		279,215	290,741
Total assets		431,225	442,968
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	21	17	17
Share premium	21	397,185	415,426
Other reserves	(a)	32,796	25,171
Accumulated losses	(b)	(5,477)	(7,159)
Total equity		424,521	433,455
Liabilities			
Current liabilities			
Other payables		6,636	9,488
Lease liabilities		43	25
		6,679	9,513
Non-current liabilities			
Lease liabilities		25	–
Total liabilities		6,704	9,513
Total equity and liabilities		431,225	442,968

The balance sheet of the Company was approved by the Board of Directors on March 27, 2026 and were signed on its behalf.

Mr. Hu Jiezhang

Director

Ms. Dong Li

Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 Balance sheet and reserve movement of the Company (Continued)

(a) Other reserves

	Share-based payment reserves USD'000	Currency translation reserves USD'000	Total USD'000
Balance at January 1, 2024 (Restated)	15,070	(3,948)	11,122
Equity-settled share-based payment transactions	11,290	–	11,290
New shares issued for options exercised	(163)	–	(163)
Currency translation differences	–	2,922	2,922
Balance at December 31, 2024	26,197	(1,026)	25,171
Balance at January 1, 2025	26,197	(1,026)	25,171
Equity-settled share-based payment transactions	9,133	–	9,133
New shares issued for options exercised	(29)	–	(29)
Currency translation differences	–	(1,479)	(1,479)
Balance at December 31, 2025	35,301	(2,505)	32,796

(b) Accumulated losses of the Company

	Accumulated losses USD'000
Balance at January 1, 2024 (Restated)	(10,089)
Profit for the year	2,930
Balance at December 31, 2024	(7,159)
Balance at January 1, 2025	(7,159)
Profit for the year	1,682
Balance at December 31, 2025	(5,477)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 Benefits and interests of directors

(a) Directors' emoluments

The remuneration of every director and chief executive is set out below:

For the year ended December 31, 2025:

Name	Fees USD'000	Salaries and wages USD'000	Bonuses USD'000	Share-based compensation expenses USD'000	Pension costs – defined contribution plans USD'000	Other social security costs, housing benefits and other employee benefits USD'000	Total USD'000
Year ended December 31, 2025							
Executive directors							
Ms. DONG Li	-	258	235	1,452	2	-	1,947
Mr. HU Jiezhong	-	297	320	-	12	10	639
Mr. HUANG Kun	-	96	99	-	2	-	197
Mr. SONG Xin	-	258	277	659	12	10	1,216
Non-executive director							
Mr. FENG Dai	-	-	-	-	-	-	-
Independent non-executive directors							
Mr. HAN Xiaojing	103	-	-	-	-	-	103
Mr. SHI Zi	77	-	-	-	-	-	77
Mr. ZHOU Hao	103	-	-	-	-	-	103
	283	909	931	2,111	28	20	4,282

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 Benefits and interests of directors (Continued)

(a) Directors' emoluments (Continued)

For the year ended December 31, 2024:

Name	Fees USD'000	Salaries and wages USD'000	Bonuses USD'000	Share-based compensation expenses USD'000	Pension costs – defined contribution plans USD'000	Other social security costs, housing benefits and other employee benefits USD'000	Total USD'000
Year ended December 31, 2024							
Executive directors							
Ms. DONG Li	-	259	127	2,804	2	-	3,192
Mr. HU Jiezhong	-	298	146	-	12	23	479
Mr. HUANG Kun	-	96	45	-	2	2	145
Mr. SONG Xin	-	253	124	1,166	12	23	1,578
Non-executive director							
Mr. FENG Dai	-	-	-	-	-	-	-
Independent non-executive directors							
Mr. HAN Xiaojing	103	-	-	-	-	-	103
Mr. SHI Zi	77	-	-	-	-	-	77
Mr. ZHOU Hao	103	-	-	-	-	-	103
	283	906	442	3,970	28	48	5,677

During the year ended December 31, 2025, no emoluments were paid by the Group to directors as an inducement to join or upon joining the Group or as compensation for loss of office.

(b) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 35, 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 during the year.

40 Subsequent events

Details of the proposed dividend are given in Note 32.

FIVE-YEAR FINANCIAL SUMMARY

	Year ended December 31				2025 USD'000
	2021 RMB'000	2022 RMB'000	2023 USD'000 (Restated)	2024 USD'000	
Revenue	1,271,677	1,269,706	209,616	268,787	370,281
Cost of revenue	(445,031)	(484,016)	(78,908)	(100,559)	(137,392)
Gross profit	826,646	785,690	130,708	168,228	232,889
Selling and marketing expenses	(236,516)	(298,170)	(70,068)	(105,004)	(121,462)
Administrative expenses	(183,185)	(185,027)	(39,755)	(46,210)	(52,152)
Research and development expenses	(123,094)	(147,681)	(24,645)	(21,323)	(27,638)
Net losses of impairment on financial assets	(245)	(9,029)	(651)	(150)	(8,182)
Other income	18,598	27,108	4,798	12,451	12,595
Other expenses	–	–	–	(143)	(135)
Other (losses)/gain – net	16,070	38,427	(4,313)	(1,568)	(5,352)
Operation (loss)/profit	318,274	211,318	(3,926)	6,281	30,563
Finance income	16,890	42,289	13,586	7,000	3,689
Financial Costs	(1,230)	(1,676)	(1,149)	(1,542)	(1,743)
Finance income – net	15,660	40,613	12,437	5,458	1,946
Share of results of investments accounted for using the equity method	(1,850)	(183)	65	(72)	(817)
Profit before income tax	332,084	251,748	8,576	11,667	31,692
Income tax expense	(46,512)	(38,591)	(1,743)	(1,651)	(5,365)
Profit for the year	285,572	213,157	6,833	10,016	26,327
Profit attributable to					
– Owners of the Company	285,848	213,781	7,530	12,114	28,437
– Non-controlling interests	(276)	(624)	(697)	(2,098)	(2,110)
	285,572	213,157	6,833	10,016	26,327

FIVE-YEAR FINANCIAL SUMMARY

	As of December 31,				2025 USD'000
	2021 RMB'000	2022 RMB'000	2023 USD'000 (Restated)	2024 USD'000	
ASSETS					
Total non-current assets	407,603	615,407	146,532	186,439	263,618
Total current assets	3,733,241	3,870,802	525,069	491,672	500,827
Total assets	4,140,844	4,486,209	671,601	678,111	764,445
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital and share premium	3,118,030	2,941,986	439,103	415,443	397,202
Shares held for employee share scheme	(4,393)	(1,098)	*	*	*
Other reserves	(27,545)	237,820	(35,577)	(17,835)	807
Retained earnings	232,978	428,058	67,546	76,495	101,333
Non-controlling interests	(4,338)	(4,569)	10,058	6,139	4,818
Total equity	3,314,732	3,602,197	481,130	480,242	504,160
Liabilities					
Total non-current liabilities	127,643	102,522	66,352	69,776	92,161
Total current liabilities	698,469	781,490	124,119	128,093	168,124
Total liabilities	826,112	884,012	190,471	197,869	260,285
Total equity and liabilities	4,140,844	4,486,209	671,601	678,111	764,445

* The balance represents an amount less than USD1,000.

ANGELALIGN TECHNOLOGY INC.
時代天使科技有限公司

用科技创新影响世界的微笑