



上海心瑋醫療科技股份有限公司 Shanghai HeartCare Medical Technology Corporation Limited

(A joint stock company incorporated in the People's Republic of China with limited liability)
(於中華人民共和國註冊成立的股份有限公司)

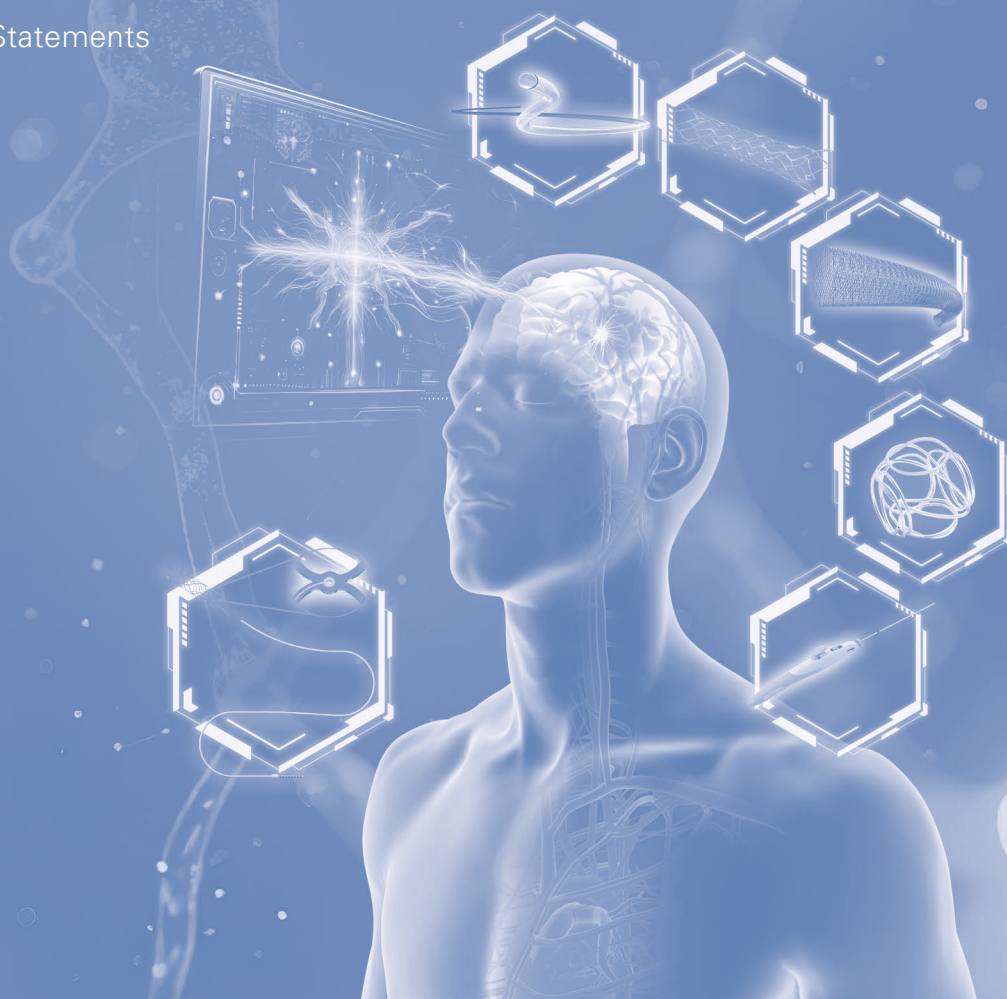
Stock Code 股份代號：6609

2025 Annual Report 年度報告



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. WANG Guohui (*Chairman, Chief executive officer*)
Ms. ZHANG Kun
Mr. WEI Jiawei (*Deputy general manager*)

Non-executive Directors

Mr. DING Kui
Mr. CHEN Shaoxiong
Mr. CHEN Gang

Independent Non-executive Directors

Mr. GUO Shaomu
Mr. FENG Xiangqian
Mr. GONG Ping

AUDIT COMMITTEE

Mr. GONG Ping (*Chairman*)
Mr. FENG Xiangqian
Mr. DING Kui

REMUNERATION COMMITTEE

Mr. GUO Shaomu (*Chairman*)
Mr. GONG Ping
Mr. WANG Guohui

NOMINATION COMMITTEE

Mr. FENG Xiangqian (*Chairman*)
Mr. GUO Shaomu
Ms. ZHANG Kun (*appointed on March 27, 2025*)
Mr. WANG Guohui (*ceased to be a member on March 27, 2025*)

STRATEGY COMMITTEE

Mr. WANG Guohui (*Chairman*)
Ms. ZHANG Kun
Mr. DING Kui
Mr. CHEN Gang

SUPERVISORS (The Supervisory Committee was abolished with effect from January 16, 2026)

Mr. JIANG Xinbei (*ceased on January 16, 2026*)
Ms. JIANG Xue (*ceased on January 16, 2026*)
Mr. LIU Hongbao (*appointed on July 25, 2025 and ceased on January 16, 2026*)
Mr. LIU Baiwei (*appointed on March 27, 2025 and resigned on July 25, 2025*)
Mr. XUE Zongyu (*resigned on March 27, 2025*)

JOINT COMPANY SECRETARIES

Mr. ZHANG Han
Ms. KWOK Siu Ying Sarah (*ACG, HKACG*)

AUTHORIZED REPRESENTATIVE

Mr. WANG Guohui
Mr. ZHANG Han
Alternate to authorized representatives
Ms. KWOK Siu Ying Sarah

HEADQUARTERS AND REGISTERED OFFICE IN THE PRC

Building 38
No. 356, Zhengbo Road
Lingang New District
Pilot Free Trade Zone
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1901, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong
PRC

Corporate Information (Continued)

LEGAL ADVISERS

As to Hong Kong and United States laws:

O'Melveny & Myers

31/F, AIA Central

1 Connaught Road

Central

Hong Kong

PRC

As to PRC law:

ALLBRIGHT LAW OFFICES

9, 11, 12/F, Shanghai Tower

No. 501, Yincheng Middle Road

Pudong New Area

Shanghai

PRC

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

PRC

PRINCIPAL BANK

China Merchants Bank Co., Ltd.

Shanghai Zhangjiang Sub-Branch

1F, No. 88, Keyuan Road

Shanghai

PRC

STOCK CODE

6609

COMPANY'S WEBSITE

www.heartcare.com.cn

LISTING DATE

August 20, 2021

AUDITOR

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

PRC

Financial Summary

	Year ended December 31,				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	408,286	277,899	232,344	183,032	90,089
Gross profit	289,521	181,716	163,759	124,333	54,950
PROFIT/(LOSS) BEFORE TAX	86,408	(11,992)	(102,920)	(201,249)	(197,906)
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR	83,335	(13,622)	(94,012)	(200,384)	(197,906)
Profit/(loss) and total comprehensive profit/(loss) attributable to:					
Owners of the parent	83,335	(13,622)	(94,012)	(200,384)	(194,225)
Non-controlling interests	—	—	—	—	(3,681)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic (RMB)	2.21	(0.36)	(2.47)	(5.24)	(5.82)
Diluted (RMB)	2.20	(0.36)	(2.47)	(5.24)	(5.82)

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Total non-current assets	205,019	182,451	195,853	180,537	172,324
Total current assets	1,087,164	1,023,798	1,005,392	1,132,022	1,332,324
Total current liabilities	94,582	82,425	59,782	67,506	55,388
Total non-current liabilities	65,250	61,576	65,819	79,576	76,709
Non-controlling interests	—	—	—	—	—
Total equity	1,132,351	1,062,248	1,075,644	1,165,477	1,372,551

Chairman's Statement

Dear Shareholders,

On behalf of the Board of HeartCare Medical, I am pleased to present to you the annual report of the Group for the year ended 31 December 2025.

The year 2025 marked a milestone in the Company's development history. The Group achieved a revenue of RMB408.3 million, representing a year-on-year increase of 46.9%; more significantly, we attained a historic breakthrough with a net profit after tax of RMB83.3 million, representing a fundamental turnaround from the net loss of RMB13.6 million in the prior year. This transformative breakthrough was underpinned by the synergistic growth of our three core business segments and the continuous improvement in operational efficiency, and demonstrated our profound expertise in the neuro-interventional field and our robust resilience in business development.

In respect of our core businesses, we continued to consolidate and expand our advantages in the industry. The ischemic stroke business maintained steady growth, with revenue increasing by 31.8% year-on-year: the Company's Aspiration Catheter, with differentiated competitive advantages, gained extensive clinical recognition. Its large-lumen aspiration technology and the Carotid artery heavy load thrombus aspiration technique (CATCH) were successfully incorporated into the "Chinese Expert Consensus on Endovascular Treatment Techniques for Acute Ischemic Stroke (2025)" as a Class I recommendation. The product has been adopted by over 450 hospitals. Meanwhile, mature products witnessed sharp sales growth subsequent to their inclusion in the volume-based procurement. All these translated into a dual-driving force of "technology leadership + scale ramping up". The hemorrhagic stroke business achieved explosive growth, with revenue surging by 223.2% year-on-year: we have established a comprehensive solution for aneurysm treatment. Our Intracranial Stent (NMPA innovative device qualification) was adopted by approximately 500 hospitals in its first year of commercialization, effectively driving a rapid rise in the market share of our Embolic Coil. In 2025, the Company's Flow Diverter Device successfully obtained the NMPA approval and was rolled out for clinical promotion, further enriching our product portfolio and providing clinicians with more comprehensive treatment options. The interventional access business continued to lead the market. Our flagship product, the Vascular Closure Device, delivered outstanding performance, with single-product revenue exceeding RMB100 million in 2025. The product has been adopted by over 1,800 hospitals, with annual usage volume at hospitals exceeding 200,000 units. Meanwhile, we are vigorously advancing the development and commercialization of our second-generation Vascular Closure Device to further reinforce our industry-leading position.

In 2025, the Group's gross profit margin improved from 65.4% in 2024 to 70.9%. This enhancement was attributable to the rising revenue share of high-margin innovative products, together with the effective implementation of cost-cutting and efficiency-enhancing measures such as continuous improvement of production processes and supply chain optimization. Even amid fierce market competition, we have steadfastly upheld high-quality standards. While refining our product layout and deepening cost reduction and efficiency enhancement, we achieved dual improvements in profitability and product quality. Moreover, as business scale steadily expanded, the Company achieved remarkable results in expense control, the expense rate of selling and distribution expenses and administrative expenses decreased from 49.6% in 2024 to 45.8%, with operational efficiency continuously optimized, injecting strong momentum into the enhancement of the Company's profitability.

Innovation is the core engine driving sustainable corporate growth and the fundamental support for us to stand firm amid intense industry competition and achieve long-term development. In 2025, the Company invested RMB40.8 million in R&D, focusing on cutting-edge innovative fields such as neuro-interventional medical devices

Chairman's Statement (Continued)

and brain-computer interface. In the ischemic stroke field, we have successfully obtained registration certificates for Aspiration Catheter, Thrombectomy Stent and supporting access devices. Our Self-expanding Intracranial Drug-eluting Stent has completed controlled clinical trials, and its registration application has been accepted by NMPA. According to public information inquiries, no similar products have been approved for marketing worldwide currently, and the Company's R&D progress for such products ranks at the leading level in the industry. We are also actively advancing clinical trials for Carotid Artery Stent, continuously broadening our product boundaries. In the hemorrhagic stroke field, we have become the domestic enterprise with the most comprehensive certifications, achieving a full-category layout covering Intracranial Stent, Flow Diverter Device, Embolic Coil and Neurovascular Occlusion Balloon System, thereby establishing a strong competitive moat. In the innovative business field, we are actively investing the R&D of Interventional Brain-Computer Interface. This product can effectively extract brain signals for human-computer interaction while ensuring surgical safety and long-term implantation stability. It is expected to initiate its first-in-human clinical trial in 2026, injecting lasting development momentum for the Company to explore new growth dimensions in the future. According to public information inquiries, no similar products have been approved for marketing worldwide currently, and the Company's R&D progress for such products ranks at the leading level in the industry.

While deeply cultivating the domestic market, we actively advanced our internationalization, with overseas business doubled over the past year. In 2025, overseas market revenue increased by 101.3% year on year, attributable to our accelerated progress in overseas product registration and market promotion. Currently, the Company has successfully obtained 60 registration certificates in 15 countries or regions. In addition, we kept on actively expanding overseas sales channels, thereby laying a solid foundation for the achievement of its long-term business development goals in overseas markets, and gradually introducing China's innovative neuro-interventional achievements to the global stage.

Looking back at 2025, we turned the tide amidst challenges and grew stronger through innovation, achieving a historic turnaround from loss-making to profit-making, with all business lines delivering remarkable results. Looking ahead, the medical device industry remains in a golden age of rapid development, and the neuro-interventional sector, as a core segment characterised by high growth and intensive innovation, presents vast development potential. Standing at this new starting point, we will focus on four core development directions to vigorously open up a new chapter of the Company's high-quality development: First, strengthening our brand positioning as a comprehensive neuro-interventional solution provider, accelerating the commercialization process of our products and the launch of pipeline products to expand our market share; Second, deepening our presence in emerging therapeutic fields and increasing R&D investment to develop core innovative products and lead the industry in technological advancement; Third, optimizing our manufacturing and supply chain system to ensure stable product supply while improving quality and production efficiency; Fourth, deepening our engagement with capital markets and enhancing shareholder returns through share buybacks and dividend distributions. We plan to submit an application for listing on the A-share Science and Technology Innovation Board (STAR Market) in 2026, and to include our H Shares in the Stock Connect program, thereby achieving a positive interaction between capital market engagement and business development.

In the end, I would like to take this opportunity to express my sincere gratitude to our Shareholders, employees, customers, suppliers as well as all those who care about HeartCare Medical. Thank you once again for your continued support for and trust in HeartCare Medical.

Mr. WANG Guo Hui

Chairman and Chief Executive Officer

Management Discussion and Analysis

I. BUSINESS

Overview

We are an innovative medical device company committed to improving the accessibility of innovative medical technologies and protecting lives and health. We have established a pioneering leadership position in China's neuro-interventional market and successfully provided the first domestic one-stop solution for stroke treatment and prevention. Leveraging our advantage in R&D, manufacturing and commercialization, we strive to fulfill the unmet needs of clinicians and patients in the fields with tremendous opportunities, redefine the standard of care, reduce mortality rate, and improve prognosis by continuously launching innovative medical devices.

In the fiscal year 2025, the Company recorded revenue of RMB408.3 million, representing a year-on-year increase of 46.9%. The Group recorded a net profit attributable to the Shareholders of RMB83.3 million, a significant turnaround from the net loss attributable to the Shareholders of approximately RMB13.6 million in the prior year. This transformation is primarily attributable to the rapid revenue growth in the Company's ischemic stroke, hemorrhagic stroke and interventional access businesses, coupled with the further improvement in the Company's operational efficiency.

In 2025, the revenue from the ischemic stroke business increased by 31.8% year-on-year, primarily due to (1) the Company's Aspiration Catheter with differentiated competitive advantages gaining extensive clinical recognition; with its large-lumen aspiration technology and the Carotid artery heavy load thrombus aspiration technique (CATCH) being incorporated into the "Chinese Expert Consensus on Endovascular Treatment Techniques for Acute Ischemic Stroke (2025)", the product has been adopted by more than 450 hospitals, driving a rapid surge in revenue scale; (2) mature products having witnessed sharp sales growth subsequent to their inclusion in the volume-based procurement.

In the hemorrhagic stroke business, the Company has established a comprehensive solution for aneurysm treatment. The Company's Intracranial Stent (NMPA innovative device qualification) has been adopted by around 500 hospitals in its first year of commercialization, driving a rapid rise in the market share of the Embolic Coil. Meanwhile, the Company's Flow Diverter Device obtained the NMPA approval in 2025 and has been rolled out for clinical promotion and application. Due to the aforementioned factors, the Company's revenue from the hemorrhagic stroke business increased by 223.2% year-on-year in 2025.

Management Discussion and Analysis (Continued)

In the interventional access business, the Company's flagship product, the Vascular Closure Device, has been adopted by more than 1,800 hospitals with cumulative clinical use and annual usage volume at hospitals exceeding 200,000 units, generating revenue exceeding RMB100 million in 2025. Meanwhile, the Company is advancing the development and commercialization of its second-generation Vascular Closure Device to further expand its market share.

The Company's gross profit margin increased to 70.9% in 2025, compared with 65.4% in 2024, primarily driven by the rising revenue share of high-margin innovative products and the effective implementation of cost reduction measures such as the continuous improvement of production processes and supply chain optimization. The improved product portfolio, together with consistent cost control and efficiency enhancement efforts has enabled the Company to maintain superior product quality and outstanding profitability despite the fierce market competition. As the business scale expands, the Company has achieved remarkable results in expense control, with the expense rate of the selling and distribution expenses and administrative expenses decreased from 49.6% to 45.8% compared with 2024.

During the Reporting Period, the Company recorded R&D costs of RMB40.8 million, which was mainly used for the development of innovative products such as neuro-interventional medical devices and brain-computer interface. As at the date of this annual report, the Company has achieved the following progress: (1) in the field of ischemic stroke, the Company has obtained registration certificates for Aspiration Catheter, Thrombectomy Stent and supporting access devices. The Company's Self-expanding Intracranial Drug-eluting Stent has completed controlled clinical trials, and its registration application has been accepted by NMPA. According to public information inquiries, no similar products have been approved for marketing worldwide currently, and the Company's research and development progress for such type of product ranks at the leading level in the industry. In the field of carotid artery stenosis, the Company is advancing the clinical trials of Carotid Artery Stent; (2) in the field of hemorrhagic stroke, the Company is the domestic enterprise with the most comprehensive certifications, having established a complete product portfolio covering Intracranial Stent (NMPA innovative device qualification), Flow Diverter Device, Embolic Coil and Neurovascular Occlusion Balloon System; (3) at the same time, the Company is actively pushing forward the R&D of its innovative product, Interventional Brain-Computer Interface. This product can effectively extract brain signals for human-computer interaction while ensuring surgical safety and the long-term implantation stability of the product, and is expected to initiate its first-in-human clinical trial in 2026.

Management Discussion and Analysis (Continued)

In 2025, the Company’s overseas market revenue increased by 101.3% compared with 2024, mainly due to the rapid progress in overseas product registration and promotion. In the overseas market, the Company has obtained CE or FDA certification of the Thrombectomy Stent, Balloon Guiding Catheter, Distal Access Catheter and Microcatheter, as well as 56 other registration certificates in 13 other countries or regions. Up to now, the Company has been working on exceeding 130 product registrations in 29 countries or regions, expanding sales channels, and laying the foundation for achieving long-term goals in overseas sales.

Products and Pipeline

As of the date of this annual report, we have 35 device products approved by NMPA, three device products approved by FDA and one product obtained CE Mark.

The following diagram summarizes the development status of our pipeline including approved products and broad product pipelines in the late-stage of R&D covering acute ischemic stroke and neurovascular stenosis treatment, hemorrhagic stroke treatment, ischemic stroke prevention, interventional access, peripheral interventional devices and innovative business as of the date of this annual report:

NMPA Pipeline

Product Field	Product Category	Design Stage	Clinical Trial Stage	Registration and Evaluation Stage	Approval	
Neuro-interventional treatment devices	Treatment of acute ischemic stroke	Thrombectomy Stent	████████████████████	████████████████████	████████████████████	████████████████████
		Aspiration Pump	████████████████████	████████████████████	████████████████████	████████████████████
		Aspiration Catheter	████████████████████	████████████████████	████████████████████	████████████████████
	Treatment of neurovascular stenosis	Intracranial Drug-eluting Stent	████████████████████	████████████████████	████████████████████	████████████████████
		Intracranial Balloon Dilatation Catheter	████████████████████	████████████████████	████████████████████	████████████████████
		Intracranial Low Pressure Balloon Dilatation Catheter	████████████████████	████████████████████	████████████████████	████████████████████
		Carotid Artery Balloon Dilatation Catheter	████████████████████	████████████████████	████████████████████	████████████████████
		Embolization Protection System	████████████████████	████████████████████	████████████████████	████████████████████
		Carotid Artery Stent	████████████████████	████████████████████	████████████████████	████████████████████
	Treatment of hemorrhagic stroke	Embolic Coil	████████████████████	████████████████████	████████████████████	████████████████████
		Intracranial Stent*	████████████████████	████████████████████	████████████████████	████████████████████
		Neurovascular Occlusion Balloon System	████████████████████	████████████████████	████████████████████	████████████████████
	Neuro-interventional access devices	Prevention of ischemic stroke	Flow Diverter Device	████████████████████	████████████████████	████████████████████
Left Atrial Appendage (LAA) Occluder			████████████████████	████████████████████	████████████████████	████████████████████
Balloon Guiding Catheter		████████████████████	████████████████████	████████████████████	████████████████████	
Distal Access Catheter		████████████████████	████████████████████	████████████████████	████████████████████	
Microcatheter		████████████████████	████████████████████	████████████████████	████████████████████	
Microcatheter for Coiling		████████████████████	████████████████████	████████████████████	████████████████████	
Microcatheter for Flow Diverter Device		████████████████████	████████████████████	████████████████████	████████████████████	
Navigation Catheter		████████████████████	████████████████████	████████████████████	████████████████████	
Vascular Closure Device		████████████████████	████████████████████	████████████████████	████████████████████	
Neuro-interventional Micro Guidewire		████████████████████	████████████████████	████████████████████	████████████████████	
Support Catheter		████████████████████	████████████████████	████████████████████	████████████████████	
Neuro-interventional Microcatheter		████████████████████	████████████████████	████████████████████	████████████████████	
Radial Access Catheter System		████████████████████	████████████████████	████████████████████	████████████████████	
Neuro Balloon Delivery Catheter		████████████████████	████████████████████	████████████████████	████████████████████	
Peripheral interventional devices		Fibered Occlusion Coil	████████████████████	████████████████████	████████████████████	████████████████████
		Disposable Venous Ablation Catheter	████████████████████	████████████████████	████████████████████	████████████████████
		Peripheral Thrombus AP Catheter	████████████████████	████████████████████	████████████████████	████████████████████
Innovative Business		Interventional Brain-Computer Interface	████████████████████	████████████████████	████████████████████	

* Eligible for NMPA Green Channel

Management Discussion and Analysis (Continued)

FDA and Conformité Européenne (CE) Pipeline

Product Field	Product Category	Submitted for Registration	Registration Approval
Neuro-interventional treatment devices	Treatment of acute ischemic stroke Thrombectomy Stent		CE
	Treatment of hemorrhagic stroke Embolitic Coil		CE
Neuro-interventional access devices	Balloon Guiding Catheter		FDA
	Microcatheter		FDA
	Distal Access Catheter		FDA
	Vascular Closure Device		CE

Our Key Neuro-interventional Products and Product Candidates

Ischemic Stroke Thrombectomy Devices

Core Product – Captor® Thrombectomy Stent (“Captor”) is the first domestic thrombectomy stent retriever with multi-markers approved by NMPA. Sales in China started in December 2020. As of the date of this annual report, we have upgraded Captor by adding more product models with stents of varying lengths and diameters. Depending on the occluded blood vessel diameter and thrombus size, physicians may choose the stent retriever with the proper length and size, out of a selection of nine product models. We are evaluating the opportunities for upgrading Captor for indication expansion. Further, we are evaluating the opportunities to market Captor overseas and may apply for its registration in the United States subject to the results of our evaluation. This product has obtained CE Mark.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP NEW INDICATION AND SPECIFICATIONS AND EXPAND OVERSEAS MARKET FOR OUR CAPTOR SUCCESSFULLY.

Aspiration Catheter is used in the aspiration thrombectomy procedure to retrieve the thrombus and restore blood flow in occluded cerebral vessels for patients with acute ischemic stroke with large vessel occlusion (“AIS-LVO”). Aspiration thrombectomy can be performed not only on a stand-alone basis, but also together with stent retrieving thrombectomy in accordance with the patient’s symptoms. We have obtained the NMPA approval for our aspiration catheter and sales commenced in 2022.

Carotid artery heavy load thrombus aspiration technique (CATCH) combines our 8F large-inner lumen Aspiration Catheter (“088 Aspiration Catheter”) with an approved aspiration indication. With a larger cross-sectional area, 088 Aspiration Catheter provides stronger negative pressure and thrombus accommodation space, enhancing recanalization rates. This allows physicians to precisely and rapidly remove thrombi during acute stroke thrombectomy, improving patient outcomes and gaining widespread clinical recognition.

Management Discussion and Analysis (Continued)

Besides Captor and Aspiration Catheter, our **Aspiration Pump** for the treatment of ischemic stroke has obtained the NMPA approval, and we had a product portfolio covering stents and aspiration thrombectomy procedure for the emergency treatment of different subtypes of acute ischemic stroke.

Intracranial Stenosis Treatment Devices

Intracranial Balloon Dilatation Catheter and Carotid Artery Balloon Dilatation Catheter are designed to be used in balloon angioplasty procedures for patients with intracranial stenosis, with the former used in intracranial vessels and the latter in the carotid artery. The balloon dilatation catheters are designed to be passed into the narrowed artery and push the plaque to the sides of the artery and improve the patient's blood flow. We received the NMPA approvals for our intracranial balloon dilatation catheter and carotid artery balloon dilatation catheter in 2021.

Embolization Protection System is used in interventional procedures for peripheral, coronary artery and carotid artery to capture and remove debris that dislodges during the procedures. It can help prevent the debris from blocking smaller vessels, which may result in procedural complications. We have obtained the NMPA approval for our embolization protection system.

The Self-expanding Intracranial Drug-eluting Stent is used to treat intracranial atherosclerotic stenosis. It exerts supportive and recanalization effects on stenotic and occluded lumens and can effectively prevent in-stent restenosis. According to public information inquiries, no similar products have been approved for marketing worldwide currently, and the Company's research and development progress for such type of product ranks at the leading level in the industry. As at the date of the annual report, the registration application of our Self-expanding Intracranial Drug-eluting Stent has been accepted by NMPA.

Carotid Artery Stent is an endovascular implantable device designed for the treatment of extracranial carotid artery stenosis, typically deployed via percutaneous transluminal angioplasty (PTA) with embolic protection. As at the date of the annual report, our carotid artery stent is in clinical trial stage.

Hemorrhagic Stroke Treatment Devices

Intracranial Stent (formerly known as Vascular Reconstruction Device) is used in aneurysm coiling procedures for patients with aneurysm. It is designed for bridging the neck of aneurysm to support the coils placed in the aneurysm. Our Intracranial Stent (NMPA innovative device qualification) is the first domestically developed aneurysm embolization assist stent and has been approved by NMPA in October 2024, and sales has commenced. As of the date of this annual report, our Intracranial Stent device has rapidly been adopted by approximately 500 medical institutions and gained widespread recognition, thus acting as a strong driver for revenue growth.

Management Discussion and Analysis (Continued)

Embolic Coil is a hemorrhagic stroke treatment device used to treat intracranial aneurysms through embolization. It can be released at the location of the aneurysm, filling the aneurysm to isolate the aneurysm from normal blood circulation and prevent the aneurysm from further expanding and breaking. We have obtained the NMPA approval and commenced sales in 2022.

Flow Diverter Device is a neurovascular stent placed in the blood vessel of an aneurysm, which can divert blood flow away from the aneurysm. Over time, blood flow into the aneurysm may slow down and the aneurysm may shrink, thus healing the blood vessel. As at the date of this annual report, our flow diverter device has obtained the NMPA approval and commenced sales.

Ischemic Stroke Prevention Devices

Core Product – LAA Occluder is a stroke prevention device designed to be permanently implanted at the opening of the LAA of patients with non-valvular atrial fibrillation (AF) to prevent thrombus escaping from the LAA, thus causing embolization. LAA Occlusion is a one-time surgical therapy with proven efficacy, in particular for the patient who is not suitable for long-term oral anticoagulation therapy and has a higher risk for bleeding complications. We have obtained the NMPA approval and commenced sales in 2022.

Vascular Access Devices

Vascular Closure Device is designed for closure of large bore femoral arterial access site when the neuro-interventional and cardiac-interventional procedures are completed. Our Vascular Closure Device features an extensive array of specifications and models to accommodate various clinical needs. Owing to its reliable performance and quality, Our Vascular Closure Device has received widespread market recognition, with its market share showing a continuous upward trend. Furthermore, we have established a strategic partnership with Hangzhou Matrix Medical Technology Co., Ltd (杭州矩正醫療科技有限公司) for the collaborative promotion of Collseal vascular closure device, enriching our comprehensive portfolio of hemostasis solutions.

Besides Vascular Closure Device, we are also developing various vascular access devices for use in interventional procedures. As of the date of this annual report, we have obtained the NMPA approvals for **Distal Access Catheter, Microcatheter, Balloon Guiding Catheter, Support Catheter, Neuro-Interventional Microcatheter, Neuro-interventional Micro Guidewire, Microcatheter for Coiling, Microcatheter for Flow Diverter Device, Navigation Catheter, Radial Access Catheter System and Neuro Balloon Delivery Catheter.**

In addition, we have several other product candidates in the design stage, which further supplement our full-set product portfolio for the treatment and prevention of stroke. For details of our products and product candidates, please refer to the Company's prospectus dated August 10, 2021.

Management Discussion and Analysis (Continued)

Innovative Business

Interventional Brain-Computer Interface (BCI) is a product developed using traditional minimally invasive vascular intervention technology, enabling long-term implantation and stable electroencephalogram signal acquisition. Unlike invasive and non-invasive BCIs, it utilizes standard interventional surgical procedures to implant a stent-electrode array into intracranial blood vessels, allowing for the precise capture of brain signals, and the signal processing unit performs accurate decoding of brain intentions. This technology strikes a balance between invasive and non-invasive BCI approaches in terms of trauma and signal precision, combining minimal invasiveness, high safety, precision, and reliability. As at the date of this annual report, the product is expected to initiate its first-in-human clinical trial in 2026.

Research and Development

The Company's product R&D aims to build a high-quality product portfolio with market competitiveness. Capitalizing on existing R&D platforms, certain products we developed are qualified for NMPA priority review. Meanwhile, we formed a multi-level product matrix through continuously iterating products approved for marketing, so as to meet the clinical needs.

As of the date of this annual report, we had 283 registered patents, including 147 invention patents, 125 utility models and 11 industrial design patents. As of the date of this annual report, we also had 79 pending patent applications, including 76 invention patents and 3 utility models.

Manufacturing

In terms of manufacturing, we continuously improve our product quality and competitive advantage based on a stable and efficient supply chain.

As of the date of this annual report, we have two production facilities in Shanghai Lingang New Area and Nanjing Jiangbei New Area, which can ensure a sufficient supply of products.

Commercialization

As of the date of this annual report, we have established an extensive distribution network covering over 3,000 hospitals across all provinces nationwide other than Macau.

Meanwhile, academic exchange platforms elaborately built by us contribute to our brand image and influence in the market through diversified channels and digital media, laying the foundation for long-term and stable revenue growth.

Management Discussion and Analysis (Continued)

Future and Outlook

We aim to become the leader in the neuro-interventional medical device market in China, and to develop into a competitive domestic device company in several innovative medical device markets within China.

We plan to implement the following strategies to achieve this goal:

- improve our brand recognition as a comprehensive neuro-interventional device solution provider in the market, expand sales of our commercialized neuro-interventional devices and rapidly advance our product candidates into commercialization;
- promote the development of innovative medical devices in emerging therapeutic fields with high potential growth market to form a second business unit with a competitive commercialized product portfolio in addition to our neuro-interventional business;
- further enhance our manufacturing capabilities to ensure reliability of our product supply; and
- in terms of the capital market, actively carry out share buybacks and dividend distributions to enhance returns to Shareholders. At the same time, we plan to submit an application for listing on the A-share Science and Technology Innovation Board (STAR Market) in 2026 and proactively advance the STAR Market listing process. Through the STAR Market listing, we aim to attract incremental A-share capital, draw greater attention from investors, and enable them to share in the benefits of the Company's rapid growth. In addition, we also plan to include part of the H Shares in the Stock Connect program, thereby enhancing the Company's valuation and liquidity in the Hong Kong stock market.

There is no assurance that the Issue of A shares will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the issue of A shares will be disclosed by the Company in due course.

Management Discussion and Analysis (Continued)

II. FINANCIAL REVIEW

Overview

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

Revenue

For the year ended December 31, 2025, our revenue was mainly generated from the sales of our commercialized neuro-interventional devices.

Revenue increased by 46.9% from RMB277.9 million for the year ended December 31, 2024 to RMB408.3 million for the year ended December 31, 2025. The increase in revenue was mostly attributable to the increased market share of ischemic stroke treatment devices and the access devices, as well as the increased sales of hemorrhagic treatment devices which are mainly related to the scaled commercialization of intracranial stent. Meanwhile, with multiple products registered abroad and the expansion of sales channels, our overseas revenue continues to grow steadily.

Cost of Sales

Cost of sales increased from RMB96.2 million for the year ended December 31, 2024 to RMB118.8 million for the year ended December 31, 2025, which was in line with the increase in our revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased from RMB181.7 million for the year ended December 31, 2024 to RMB289.5 million for the year ended December 31, 2025. Gross profit margin is calculated as gross profit divided by revenue. Our gross profit margin increased from 65.4% for the year ended December 31, 2024 to 70.9% for the year ended December 31, 2025, primarily due to the revenue growth of high-margin innovative products, combined with the increasingly mature manufacturing processes of products and the cost optimization effects brought by scaled commercialization.

Other Income and Gains

Other income and gains increased from RMB23.1 million for the year ended December 31, 2024 to RMB50.4 million for the year ended December 31, 2025, primarily attributable to (i) the increase in our government grants; and (ii) the increase in fair value gain on financial assets on fair value through profit or loss.

Management Discussion and Analysis (Continued)

Research and Development Costs

Research and development costs decreased from RMB58.9 million for the year ended December 31, 2024 to RMB40.8 million for the year ended December 31, 2025, primarily due to (i) the reduction in third party contracting costs incurred across different stages of the research projects; and (ii) the reduction in research and development staff costs.

The following table sets forth a breakdown of our research and development costs:

	Year ended December 31, 2025		Year ended December 31, 2024	
	RMB million	%	RMB million	%
Staff costs	17.5	42.9	22.6	38.4
Depreciation	6.5	15.9	8.0	13.6
Third party contracting costs	10.6	26.0	20.4	34.6
Raw materials and consumables	4.0	9.8	5.5	9.3
Others	2.2	5.4	2.4	4.1
Total	40.8	100.0	58.9	100.0

Administrative Expenses

Administrative expenses increased from RMB58.2 million for the year ended December 31, 2024 to RMB82.2 million for the year ended December 31, 2025, primarily attributed to an increase in staff costs resulting from one-off share award expenses.

Selling and Distribution Expenses

Selling and distribution expenses increased from RMB79.6 million for the year ended December 31, 2024 to RMB104.9 million for the year ended December 31, 2025, primarily attributed to an increase in staff costs and market development costs, which was in line with the increase of the sales.

Other Expenses

For the year ended December 31, 2025, we incurred other expenses of RMB23.6 million, which was primarily in relation to the impairment of inventories and the related expenses on disposal of plant and equipment.

Management Discussion and Analysis (Continued)

Finance Costs

Finance costs increased from RMB1.7 million for the year ended December 31, 2024, to RMB2.1 million for the year ended December 31, 2025.

Borrowings and Gearing Ratio

As at December 31, 2025, the Group has not incurred any outstanding borrowing. The gearing ratio (calculated by dividing the sum of borrowings and lease liabilities by total equity) of the Group as at December 31, 2025 was 3.8%, compared to 3.4% for the year ended December 31, 2024.

Liquidity and Financial Resources

We primarily rely on capital contributions by our shareholders, equity financing as the major sources of liquidity as well as cash generated from our sales revenue of existing commercialized medical device products. As part of our treasury policy, our management monitors and maintains a level of cash and bank balances deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As our business develops and expands, we expect to generate more cash from our operating activities, through increasing sales revenue of the existing commercialized products and by launching new products.

Our cash and bank balances as of December 31, 2025 were RMB589.7 million, representing a decrease of RMB12.2 million compared to RMB601.9 million as of December 31, 2024.

Our net current assets as of December 31, 2025 were RMB992.6 million, representing an increase of RMB51.2 million compared to RMB941.4 million as of December 31, 2024.

Capital Expenditure

For the year ended December 31, 2025, our total capital expenditure amounted to approximately RMB14.2 million as compared to a capital expenditure of RMB5.2 million for the year ended December 31, 2024, the capital expenditure was primarily used in the plant and equipment.

Management Discussion and Analysis (Continued)

Contingent Liabilities

As of December 31, 2025, the Group did not have any material contingent liabilities.

Significant Investments, Material Acquisitions and Disposals

As of December 31, 2025, the Group did not have material acquisitions and disposals of subsidiaries, associates and joint ventures, or had any significant investment accounting for more than 5% of the Group's total assets.

Pledge of Assets

As of December 31, 2025, the Group had no pledge of assets.

Foreign Exchange Exposure

We are exposed to foreign currency risk mainly arising from cash at bank denominated in USD, EUR and HKD. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

Future Plans for Material Investments or Capital Assets

We had not authorized any plan for the material investments or acquisition of capital asset as of the date of this annual report.

HUMAN RESOURCES

As of December 31, 2025, we had 368 employees in total, including full-time and part-time employees.

The remuneration policy for the Directors and senior management is based on their responsibility and general market conditions. Any discretionary and performance bonus are linked to the general performance of the Group and the individual performances of the Directors and senior management.

In compliance with the relevant PRC labor laws, we enter into individual employment contracts with our employees covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality obligations and grounds for termination.

Management Discussion and Analysis (Continued)

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. On May 26, 2025, the Company adopted the 2025 H Share Incentive Scheme as part of its effort to offer stock incentives to its employees. We also provide competitive salaries and stock incentive plans to our employees especially key employees. We believe our benefits, working environment and development opportunities for our employees have contributed to good employee relations and employee retention.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Subscription of Domestic Shares under Specific Mandate

On December 12, 2025, the Board resolved to propose the issuance of 1,000,000 Domestic Shares (the "Subscription Shares") under a specific mandate. On the same date, the Company entered into a subscription agreement with Mr. Zhang Han in relation to the subscription of the Subscription Shares (the "Subscription") at a subscription price of HK\$45.00 per Subscription Share. The Subscription was approved by the Shareholders at the extraordinary general meeting and the class meetings of H Shareholders and Unlisted Shareholders held on January 16, 2026. For further details, please refer to the announcements of the Company dated December 12, 2025 and January 16, 2026, and the circular dated December 31, 2025. The Subscription signifies Mr. Zhang's confidence in the Company's innovative medical device business and the long-term development and prospect of the Company, the Company will receive gross proceeds of HK\$45.0 million from the Subscription. As at the date of this annual report, the Subscription has not yet been completed and remains subject to completion of legal formalities in accordance with PRC laws and regulations.

Share Repurchase

Between January 2, 2026 and January 23, 2026, the Company repurchased a total of 339,550 H Shares on the Stock Exchange under the Repurchase Mandate (as defined below) for an aggregate consideration of approximately HK\$19.6 million (excluding transaction costs). These H Shares are currently held by the Company as treasury shares (as defined under the Listing Rules).

The Company intends to utilise the treasury shares for the 2025 H Share Incentive Scheme, to the extent permitted by the Listing Rules, all applicable laws and regulations, and the Articles of Association.

Save as disclosed above, there is no material subsequent event undertaken by the Company or by the Group after the Reporting Period and up to the date of this annual report.

Management Discussion and Analysis (Continued)

USE OF PROCEEDS FROM LISTING

The H Shares of the Company were first listed on the Main Board of the Stock Exchange on August 20, 2021. Net proceeds received from our Global Offering aggregated approximately HK\$1,014.8 million. Reference is made to the Company's prospectus dated August 10, 2021.

Details of the planned applications of net proceeds from the Listing were disclosed in the Prospectus. As at December 31, 2025, the utilization of the net proceeds from the Global Offering are as follows:

Use of proceeds	Planned applications (HK\$ million)	Actual utilization	Utilization during	Actual utilization	Balance as at December 31, 2025 (HK\$ million)	Expected timeline for full utilization of the unutilized net proceeds ⁽¹⁾
		as at December 31, 2024 (HK\$ million)	the Reporting Period (HK\$ million)	as at December 31, 2025 (HK\$ million)		
R&D, manufacturing and marketing of our core products	459.7	351.7	108.0	459.7	—	
R&D, product registration, manufacturing and marketing of other product candidates in our pipeline	404.9	270.5	39.9	310.4	94.5	December 31, 2027
Improvements to our R&D capacities and our continued expansion of product portfolio through internal research	48.7	48.7	—	48.7	—	—
Working capital and general corporate purposes	101.5	101.5	—	101.5	—	—
Total	1,014.8	772.4	147.9	920.3	94.5	

Note:

- The expected timeline to use the remaining proceeds is prepared based on the best estimate made by the Group, which is subject to change according to the current and future development of the market condition.

Directors, Supervisors and Senior Management

DIRECTORS

Executive Directors

Mr. WANG Guohui (王國輝), aged 48, is one of our single largest Shareholders and founders. As our director and chief executive officer since the establishment of our Company in June 2016, he was redesignated as our executive Director and appointed as our chairman of the Board on November 23, 2020. He is primarily responsible for the overall management of our Company.

Mr. Wang has over 21 years' experience in the fields of R&D and commercialization of medical devices. Prior to the founding of our Company, he worked at Shanghai MicroPort Medical (Group) Co., Ltd. (上海微創醫療器械(集團)有限公司, the "MicroPort"), a company primarily engaged in the R&D, manufacturing and marketing of medical devices and a subsidiary of MicroPort Scientific Corporation (微創醫療科學有限公司, the "MicroPort Scientific"), whose shares are listed on the Main Board of the Stock Exchange (stock code: 00853.HK), from August 2004 to February 2012. MicroPort Scientific was then a leading medical technology company that was developing, manufacturing and selling high-end medical devices in the PRC whose products included those used for vascular diseases and disorders, such as cardiovascular, neurovascular, aortic and peripheral vascular, as well as devices for cardiology, electrophysiology, orthopedics and diabetes. Mr. Wang was primarily responsible for the management of quality system and registration regulations at MicroPort. From March 2012 to November 2014, he was the senior director of quality regulations at Angiocare Medical Technology Corporation Limited (上海安通醫療科技有限公司, the "Angiocare"), a company primarily engaged in the development, production and sale of medical devices for renal denervation, where he was primarily responsible for quality control and products registration. From December 2014 to November 2015, Mr. Wang served as the deputy general manager of Essen Technology (Beijing) Corporation Limited (易生科技(北京)有限公司, the "Essen Technology"), a company primarily engaged in interventional cardiovascular devices in China with a current focus on the R&D and commercialization of DES products, where he was primarily responsible for the overall management of the company. From December 2015 to May 2016, he was the deputy general manager of Shanghai Bio-heart Biological Technology Co., Ltd. (上海百心安生物技術股份有限公司), which is a leading interventional cardiovascular device company in China with current focus on bioresorbable scaffolds and renal denervation, where he was primarily responsible for quality control and products registration.

In November 2007, Mr. Wang was certified as a standardization engineer by Shanghai Municipal Human Resources Bureau (上海市人事局), currently known as Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局). In November 2019, he was appointed as a committee member by the Youth Committee of Shanghai Stroke Association (上海卒中學會青年理事會). In September 2020, Mr. Wang was appointed as a professional consultant to the Life Science Blue Bay of Lin-gang Special Area (臨港新片區生命藍灣) by China (Shanghai) Pilot Free Trade Zone Lin-gang Special Area Administration (中國(上海)自由貿易試驗區臨港新片區管理委員會) and Shanghai Lin-gang Economic Development (Group) Corporation Limited (上海臨港經濟發展(集團)有限公司). Mr. Wang was also appointed as a committee member of the Cardiovascular Implant Sub-Technical Committee of the National Standardization Technical Committee for Surgical Implants and Orthopedic Devices (全國外科植入物和矯形器械標準化技術委員會心血管植入物分技術委員會) by the Standardization Administration of the PRC (國家標準化管理委員會), a vice managing committee member of the Intervention Medical Engineering Committee of the Shanghai Biomedical Engineering Society (上海市生物醫學工程學會介入醫學工程專會副主任委員), and was named as a "Shanghai Industry Elite" (上海產業菁英). In December 2022, he was certified as a senior engineer by Shanghai Municipal Human Resources and Social Security Bureau.

Directors, Supervisors and Senior Management (Continued)

Mr. Wang obtained his bachelor's degree in marine engineering management from Dalian Maritime University (大連海事大學) in the PRC in July 2000. He received his master's degree in applied chemistry from Shanghai University (上海大學) in the PRC in March 2005, and a degree of executive master of business administration from Tsinghua University (清華大學) in the PRC in January 2016.

Ms. ZHANG Kun (張坤), aged 49 and formerly named Zhang Ye (張葉), was redesignated as our executive director on November 23, 2020. She joined our Company as a Supervisor in April 2018 and has served as a Director of our Company since September 2019. Ms. Zhang was the deputy general manager of our Company from November 23, 2020 to March 27, 2025. She is currently the legal representative of the Company's subsidiary, Shanghai Weiqi Medical Devices Co., Ltd and is primarily responsible for its operations.

Ms. Zhang has over 25 years' experience in the fields of the R&D and commercialization of medical devices. Prior to the founding of our Company, she was the sales representative of Shanghai Zhenwei Science and Trade Corporation Limited (上海真維科貿有限公司), a company mainly engaged in the distribution of medical devices, from August 2000 to May 2002, where she was primarily responsible for the development, sale and marketing of the interventional products in Shanghai area. From May 2002 to March 2004, she was the regional sales manager in charge of Shanghai area at MicroPort and was then promoted to the head of marketing department and medical affairs department during the period from March 2005 to May 2009. From May 2009 to January 2011, she served as the national marketing director of Shanghai MicroPort EP MedTech Corporation Limited (上海微創電生理醫療科技股份有限公司), a company primarily engaged in the R&D, manufacturing and marketing of medical devices and equipment and a subsidiary of MicroPort Scientific where she was primarily responsible for the marketing of the company. From December 2012 to November 2014, Ms. Zhang was the director of clinical experiment department at Angiocare, where she was primarily responsible for the management of clinical experiments and the marketing of products. From November 2014 to October 2020, she was the deputy general manager at Essen Technology, where she was primarily responsible for the overall management of the company. Ms. Zhang has served as the director of the Hong Kong United Future Foundation (香港共融未來基金會) since October 2023; she also became a member of the Beijing Women's Association for Hong Kong, Macau, Taiwan and Overseas (北京港澳台僑婦女聯誼會) in 2024.

Ms. Zhang obtained her bachelor's degree in mechanical and electrical engineering from Beijing Academy of Armored Forces Engineering (北京裝甲兵工程學院) in the PRC in July 2000. She received her master's degree in business administration from the City University of Hong Kong in Hong Kong in February 2017. Since 2017, Ms. Zhang has held various positions at the City University of Hong Kong Executive Master of Business Administration (Chinese) Alumni Association (香港城市大學EMBA(中文)校友會, the "EMBA (Chinese) Alumni Association of CityU"). In September 2018, she was appointed as the deputy secretary-general for a term of two years from 2017 to 2019 by EMBA (Chinese) Alumni Association of CityU Limited (香港城市大學行政人員工商管理碩士(中文)校友會有限公司). Subsequently since December 2019, Ms. Zhang has been serving as a council member of EMBA (Chinese) Alumni Association of CityU for consecutive terms from 2019 to 2021, and 2021 to 2024. In December 2019, she was also appointed as a full-time deputy vice-president (devices) of the Biomedicine Professional Committee (生物醫藥專業委員會) of EMBA (Chinese) Alumni Association of CityU, certified as the founding member and appointed as the consultant to the presidential council of the EMBA (Chinese) Alumni Association of CityU.

Directors, Supervisors and Senior Management (Continued)

Mr. WEI Jiawei (韋家威), aged 48, joined our Company in September 2020 and was appointed as the deputy general manager in November 2020. He was redesignated as our executive director on June 10, 2022. He was appointed as the senior vice president and chief marketing officer of our Company in March 2025, primarily responsible for sales and marketing management of our Company.

Mr. Wei has extensive experience in the field of marketing and sale of medical devices. Between September 2005 to December 2008, he worked in the BSC International Medical Trading (Shanghai) Corporation Limited (波科國際醫療貿易(上海)有限公司). From July 2008 to July 2018, Mr. Wei was first a regional sales manager in Ev3 Medical Devices (Beijing) Corporation Limited (醫偉司安醫療器材(北京)有限公司) and then promoted to the manager of its national new business development department of Covidien Healthcare International Trading (Shanghai) Corporation Limited (柯惠醫療器材國際貿易(上海)有限公司), both companies being the subsidiaries of Medtronic plc. He was a deputy general manager of sales of Jiangsu Nico Medical Technology Corporation Limited (江蘇尼科醫療器械有限公司) from August 2018 to August 2020.

Mr. Wei obtained his bachelor's degree in chemical pharmaceutical technology from East China University of Science and Technology (華東理工大學) in the PRC in July 1999.

Non-executive Directors

Mr. DING Kui (丁魁), aged 43, joined our Company in April 2018 as a Director and was redesignated as our non-executive director on November 23, 2020. He is primarily responsible for providing strategic advice and recommendations on the operations and management of our Company.

Mr. Ding has more than 20 years' experience in financial and healthcare industries. From August 2005 to August 2012, Mr. Ding worked in Sinolink Securities Corporation Limited (國金證券股份有限公司) as a business director. He served as the deputy general manager at Shanghai Kinetic Medical Corporation Limited (上海凱利泰醫療科技股份有限公司, the "Kinetic") from August 2012 to October 2025, and as the secretary of the board of directors from August 2012 to April 2025 and again from May 2025 to December 2025. He has been serving as the general manager of Kinetic since October 2025. Since he joined Kinetic, Mr. Ding has also been serving as non-executive directors and supervisors in various companies Kinetic invested in.

Mr. Ding obtained his bachelor's degree in electrical engineering and automation from Tongji University (同濟大學) in the PRC in July 2003.

Mr. CHEN Shaoxiong (陳少雄), aged 64, was appointed as our non-executive director on November 9, 2022. He has worked at the Shanghai Biopharmaceuticals Industry Association ("SBIA") since May 2003 and is currently serving as the secretary general and executive president of SBIA. Mr. Chen was also appointed as the chairman of Shanghai Shenjiang Medical Science and Technology Development Foundation (上海申江醫學科技發展基金會) in May 2023 and began serving as an independent director of Shanghai Tellegen Life Technology Co., Ltd. (上海透景生命科技股份有限公司), a company listed on the Shenzhen Stock Exchange (300642.SZ) in December 2023. Mr. Chen was also appointed as the independent non-executive director of Both Engineering Technology Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 601133.SH) with effect from March 14, 2024. He was also appointed as the independent non-executive director of Shanghai No.1 Pharmacy Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600833.SH) with effect from June 21, 2024. Prior to joining SBIA, Mr. Chen Shaoxiong worked

Directors, Supervisors and Senior Management (Continued)

at Shanghai No.1 Biochemical and Pharmaceutical Co., Ltd. and its predecessor, Shanghai Biochemical Pharmaceutical Factory, between July 1984 and April 2003. Mr. Chen Shaoxiong has also served as the secretary general of the award committee of the C.C. Tan Life Science Award since May 2008 and the vice president of the Shanghai Federation of Industrial Economics: Shanghai Federation of Economic Organization since January 2010.

Mr. Chen Shaoxiong obtained his bachelor's degree in agriculture from the School of Agriculture and Biology of Shanghai Jiao Tong University (formerly known as Shanghai School of Agriculture) in July 1984, and he further obtained his executive master's degree in business administration from Antai College of Economics and Management at Shanghai Jiao Tong University in June 2010, and his doctorate of business administration from the Grenoble Ecole De Management in France in February 2018. Mr. Chen Shaoxiong has also been a qualified principal senior engineer since December 2018.

Mr. CHEN Gang (陳剛), aged 42, joined our Company in June 2020 as a Director and was redesignated and served as our non-executive director from November 2020 to August 2022. He was then appointed as our non-executive director on November 8, 2023. He is primarily responsible for providing strategic advice and recommendations on the operations and management of our Company.

Mr. Chen has over 18 years' experience in financial industry. From 2007 to 2011, Mr. Chen served as a project leader at L.E.K. Consulting (Shanghai) Co., Ltd. (艾意凱諮詢(上海)有限公司). Where he was primarily responsible for business strategy, merger and acquisition advisories for healthcare and life sciences clients. From 2013 to 2015, Mr. Chen worked at Vivo Capital Equity Investment Management (Shanghai) Co., Ltd. (維梧股權投資管理(上海)有限公司), where he was primarily responsible for investment due diligence, deal executions and portfolio management. From 2015 to 2017, Mr. Chen worked at Shanghai Aland Investment Holdings Co., Ltd. (上海艾蘭得投資控股有限公司). Mr. Chen joined LYFE Capital Equity Investment Management (Shanghai) Co., Ltd. (洲嶺私募基金管理(上海)有限公司) as a director in March 2017, and he has been its partner since March 2019.

In his capacity as an investor, Mr. Chen served at various capacity for the following companies:

- From June 2018 to August 2020, as a director in Hangzhou Kangji Medical Instrument Co., Ltd. (杭州康基醫療器械有限公司) and from March 2020 to April 2022, Mr. Chen served as a non-executive director of Kangji Medical Holdings (康基醫療控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 9997).
- From October 2017 to November 2019, as a non-executive director at Cardiolink Science (Shenzhen) Medical Technology Development Co., Ltd. (科睿馳(深圳)醫療科技發展有限公司).
- From October 2020 to September 2021, as a non-executive director of Hangzhou Sciwind Biotech Co., Ltd. (杭州先為達生物科技有限公司).
- From November 2020 to June 2021, as a non-executive director at BirdoTech (Shanghai) Medical Technology Corporation Limited (都創(上海)醫藥科技股份有限公司).
- From December 2020 to April 2022, as a non-executive director of Nanjing Yoko Pharma Biotechnology Medicine Corporation Limited (南京優科生物醫藥股份有限公司).

Directors, Supervisors and Senior Management (Continued)

- From April 2021 to August 2022, as a non-executive director of Hangzhou Jianjia Robot Co., Ltd (杭州鍵嘉機器人有限公司).
- From June 2018 to December 2020, as a supervisor at Sino Medical Sciences Technology Inc. (賽諾醫療科學技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688108).
- From November 2020 to September 2022, as a supervisor of Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2179).
- From January 2018 to February 2023, as a non-executive director of Baicare Biotechnology Co., Ltd (北京百康芯生物技術有限公司).
- From July 2018 to September 2024, as a non-executive director of Beijing Anngen Biotechnology Co., Ltd. (北京安智因生物技術有限公司).
- From February 2022 to July 2025, as a non-executive director of MediLink Therapeutics (Suzhou) Co., Ltd. (蘇州宜聯生物醫藥有限公司).

Mr. Chen is currently serving the following positions outside our Group:

- Since May 2020, as a non-executive director of Shanghai Zhengge Biotech Co., Ltd. (上海臻格生物技術有限公司), a company primarily engaged in biologics CDMO service for biopharma and biotech companies.
- Since September 2020, as a non-executive director of Shenzhen ReeToo Biotech Co., Ltd. (深圳市瑞圖生物技術有限公司), a company primarily engaged in innovative AI-enhanced IVD products.
- Since January 2021, as a non-executive director of Shenzhen Edge Medical Robotics Co. Ltd. (深圳市精鋒醫療科技有限公司), a company primarily engaged in surgical treatments robotics.
- Since February 2021, as a non-executive director of Shanghai ShenQi Medical Technology Co. Ltd. (上海申淇醫療科技有限公司), a company primarily engaged in interventional medical devices.
- Since July 2023, as a board director of Fong's Engineering & Manufacturing Pte Ltd, a company based in Singapore engaged in medical device CDMO manufacturing.

Mr. Chen received his bachelor's degree in clinical medicine from Shanghai Medical School of Fudan University (復旦大學上海醫學院) in the PRC in July 2007 and master's degree in business administration from Northwestern University Kellogg School of Management in the U.S. in June 2013.

Directors, Supervisors and Senior Management (Continued)

Independent Non-executive Directors

Mr. GUO Shaomu (郭少牧), aged 60, has been our independent non-executive director since November 23, 2020. He is primarily responsible for providing independent advice on the operations and management of our Company to our Board.

Mr. Guo has over 13 years of experience in investment banking in Hong Kong, during which time he accumulated ample knowledge in the financial industry. From February 2000 to February 2001, Mr. Guo served as an associate of corporate finance at Salomon Smith Barney, an investment bank principally engaged in providing financial services (an investment banking arm of Citigroup Inc.), where he was primarily responsible for supporting the marketing and execution efforts of the China team. From March 2001 to September 2005, Mr. Guo served as an associate and an associate director of global investment banking at HSBC Markets (Asia) Limited, an investment bank principally engaged in providing financial services, where he was primarily responsible for the execution of China-related transactions. From October 2005 to April 2007, Mr. Guo served as a vice president and a director of the real estate team at J.P. Morgan Investment Banking Asia, an investment bank principally engaged in financial services, where he was primarily responsible for marketing efforts covering the real estate sector in the PRC. From April 2007 to April 2013, Mr. Guo served as a director and a managing director of the real estate team at Morgan Stanley Investment Banking Asia, an investment bank primarily engaged in providing financial services, where he was one of the key members responsible for the business in the real estate sector in the Greater China region.

Mr. Guo has served as an independent non-executive director of Yida China Holdings Limited, a property developer listed on the Main Board of the Stock Exchange (stock code: 3639.HK), since June 2014, Fantasia Holdings Group Co., Limited, a property developer listed on the Main Board of the Stock Exchange (stock code: 1777.HK), since February 2015. Moreover, Mr. Guo served as an independent non-executive director of GalaxyCore Inc. (格科微有限公司), a company listed on the Sci-Tech Board of the Shanghai Stock Exchange (stock code: 688728.SH) between March 2020 and March 2026, Ganglong China Property Group Limited, a property developer listed on the Main Board of the Stock Exchange (stock code: 6968.HK) between June 2020 and December 2023, and Sunkwan Properties Group Limited (上坤地產集團有限公司), a property developer listed on the Main Board of the Stock Exchange (stock code: 6900.HK) between October 2020 and July 2024, respectively.

Mr. Guo obtained his bachelor's degree in electrical engineering from Zhejiang University (浙江大學) in the PRC in July 1989, a master's degree in computer engineering from University of Southern California in May 1993. He received his master's degree in business administration from the School of Management of Yale University in May 1998.

Directors, Supervisors and Senior Management (Continued)

Mr. FENG Xiangqian (馮向前), aged 39, has been our independent non-executive director since November 23, 2020. He is primarily responsible for providing independent advice on the operations and management of our Company to our Board.

Mr. Feng has over 18 years' experience in financial industry. Mr. Feng was a senior manager of Caitong Securities Corporation Limited (財通證券股份有限公司) from July 2007 to October 2010 where he was primarily responsible for initial public offering affairs. He was a business director of the investment banking department of Donghai Securities Corporation Limited (東海證券股份有限公司) from November 2010 to February 2014. He worked at Shenzhen Stock Exchange from March 2014 to March 2017. From August 2017 to July 2018, Mr. Feng was the vice president of the investment banking division of China Merchants Pingan AMC (深圳市招商平安資產管理有限責任公司). Since April 2019, he has been employed by Xiangcai Securities Corporation Limited (湘財證券股份有限公司).

Mr. Feng obtained his bachelor's degree in biological science from Fudan University in July 2007 and his master's degree in finance from the University of Chinese Academy of Social Sciences (中國社會科學院大學) (formerly known as the Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院)) in the PRC in June 2013. In October 2020, Mr. Feng received his certificate of senior economist from Shenzhen Municipal Human Resources and Social Security Bureau (深圳市人力資源和社會保障局). In addition, he has been a member of the Global Association of Risk Professionals as a financial risk manager since August 2019.

Mr. GONG Ping (龔平), aged 39, has been our independent non-executive director since January 11, 2021. He is primarily responsible for providing independent advice on the operations and management of our Company to our Board.

Mr. Gong has over 16 years' experience in auditing and financial management. Mr. Gong was the audit manager of the Shanghai branch of Ernst & Young Hua Ming (LLP) (安永華明會計師事務所(上海分所)特殊普通合夥) from December 2009 to March 2015. He then served as the deputy director of capital market division of Broad Greenstate Ecological Construction Group Company Limited (博大綠澤生態建設集團有限公司) from March 2015 to April 2018. Mr. Gong served as the chief financial officer of Dook Media Group Limited (讀客文化股份有限公司) from April 2018 to April 2024, Shanghai Liangyu Biotechnology Co., Ltd. (上海量預生物科技股份有限公司) from May 2024 to November 2024, and Zhonglu Co., Ltd. (中路股份有限公司) from November 2024 to December 2025. Mr. Gong has served as the chief financial officer of Shanghai Jirui Medical Technology Co., Ltd. (上海吉銳醫學科技有限公司) since December 2025.

Mr. Gong obtained his bachelor's degree in international accounting (U.S. division) from Shanghai University of Finance and Economics (上海財經大學) in July 2009. He has also obtained his master's degree in business administration (MBA) from the Shanghai Jiao Tong University in March 2021. Mr. Gong was named as a Shanghai Outstanding Accounting Talent in November 2024 by the Shanghai Municipal Finance Bureau and Shanghai National Accounting Institute. Mr. Gong has been a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會, the "CICPA") since June 2015 and was duly admitted to full membership of Certified Public Accountants Association of Australia in February 2015.

Directors, Supervisors and Senior Management (Continued)

SUPERVISORS

Mr. JIANG Xinbei (姜心貝), aged 34, was appointed as our supervisor on November 9, 2022 and resigned as our supervisor on January 16, 2026, as the Supervisory Committee was abolished with effect from January 16, 2026. Mr. Jiang has been working at Shanghai Sharowin Equity Fund Management Co., Ltd since April 2021 and served as a senior investment manager, and was primarily responsible for equity investment management and consulting.

Mr. Jiang Xinbei was a technical salesperson at Covidien Medical Equipment International Trade (Shanghai) Co., Ltd from July 2018 to May 2019, and he then served as an investment manager at Jiangsu Tianhui Hongyou Investment Management Co., Ltd from September 2019 to April 2021.

Mr. Jiang Xinbei received his bachelor's degree in pharmaceutical engineering from China Pharmaceutical University in the PRC in July 2015 and his master's degree in medicinal chemistry from Peking Union Medical College in the PRC in July 2018.

Ms. JIANG Xue (姜雪), aged 40, joined our Company in October 2021 as a legal manager and was redesignated as our supervisor on November 9, 2022 and resigned as our supervisor on January 16, 2026, as the Supervisory Committee was abolished with effect from January 16, 2026. She is primarily responsible for monitoring and handling legal affairs of the Company.

Ms. Jiang Xue was a patent engineer at Shanghai Sinyang Semi-conductor Material Co., Ltd from September 2012 to July 2013, and she then served as a patent manager at Daicel Chiral Technologies (Shanghai) Co., Ltd from November 2013 to April 2018. Ms. Jiang Xue was an associate at Shanghai Ryser & Associates from May 2018 to September 2021.

Ms. Jiang Xue received her bachelor's degree in applied chemistry (fine chemicals) and her master's degree in chemical engineering and technology from the Dalian University of Technology in the PRC in July 2008 and July 2011, respectively. Ms. Jiang Xue holds the Lawyer Qualification Certificate (法律職業資格證書) in the PRC and is a qualified patent agent in the PRC.

Mr. Liu Hongbao (劉紅寶), aged 37, was appointed as our supervisor on July 25, 2025 and resigned as our supervisor on January 16, 2026, as the Supervisory Committee was abolished with effect from January 16, 2026. He joined the Company in February 2021 as the national sales director. Prior to joining the Company, he served as the sales and marketing manager of the neurointervention department of Genesis MedTech Group from September 2018 to February 2021. Moreover, he served as the regional supervisor of the neurointervention department of Covidien Healthcare Devices International Trading (Shanghai) Co. Ltd. from May 2016 to September 2018; and served as the senior sales representative of Terumo Medical Products (Shanghai) Co., Ltd. from July 2013 to May 2016; prior to that, he served as the medical information communication specialist of Pfizer Investment Co., Ltd. from July 2011 to July 2013. He has extensive experience in sales and marketing of medical devices.

Mr. Liu obtained his bachelor of pharmacology from Shandong University of Traditional Chinese Medicine in July 2011 and a master of business administration from Wuhan University in July 2024.

Directors, Supervisors and Senior Management (Continued)

SENIOR MANAGEMENT

Mr. WANG Guohui (王國輝), aged 48, has been our chief executive officer since the establishment of our Company in June 2016 and our chairman of the Board since November 23, 2020. For further details, please see the paragraphs headed “Directors, Supervisors and Senior Management — Directors — Executive Directors” in this section.

Mr. WEI Jiawei (韋家威), aged 48, has been appointed as our deputy general manager since November 2020, the senior vice president and the chief marketing officer of our company since March 2025. For further details, please refer to the paragraphs headed “Directors, Supervisors and Senior Management — Directors — Executive Directors” in this section.

Mr. ZHANG Han (張涵), aged 39, as the senior vice president, chief operating officer and chief financial officer of our Company, mainly responsible for taking the lead in the Company’s strategic execution work, assisting the Chairman in coordinating the daily operation and management of the enterprise, as well as the Company’s financial compliance, investment and financing, and market value management. Mr. Zhang joined our Company in November 2020 and appointed as the senior vice president and chief financial officer on November 23, 2020. He was appointed as our company secretary on December 22, 2020 and was further appointed as our chief operating officer in March 2025.

Mr. Zhang has extensive experience in equity capital market and financial management. Mr. Zhang started to work at Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)) in December 2009 and left as a senior associate in June 2012. From June 2012 to November 2020, he served as a senior manager, a director and an executive director of investment banking at Sinolink Securities Corporation Limited (國金證券股份有限公司), where he also served as the deputy general manager responsible for the corporate finance and M&A business in healthcare sector.

Mr. Zhang obtained his bachelor’s degree in accounting and international economic law from Shanghai University of Finance and Economics (上海財經大學) in the PRC in July 2009, and a master of business administration from China Europe International Business School (中歐國際工商學院) in November 2024. He is a member of CICPA since March 2014 and also a member of Certified Public Accountants Association of Australia since June 2012.

The Stock Exchange has confirmed that Mr. Zhang Han is qualified to act as the company secretary of the Company under Rule 3.28 of the Listing Rules upon expiry of the waiver granted by the Stock Exchange from strict compliance from Rules 3.28 and 8.17 of the Listing Rules for three years up to August 19, 2024.

Mr. XUE Zongyu (薛宗玉), aged 40, joined our Company in November 2017 and was appointed as the senior vice president in March 2025, primarily responsible for quality management and regulatory registration for the Group’s medical devices throughout their R&D and production. Mr. Xue was our supervisor from November 8, 2023 to March 27, 2025.

Mr. Xue was a quality engineer at Shanghai Medical Instruments (Group) Co., Ltd. Surgical Instruments Factory (上海醫療器械(集團)有限公司手術器械廠) from April 2009 to May 2010 and also as a quality engineer at Shanghai MicroPort Orthopedic Medical Technology Co., Ltd. (上海微創骨科醫療科技有限公司) from May 2010 to March 2012. He subsequently served as a quality manager at Shanghai AngioCare Technology Company Limited (上海安通醫療科技有限公司) from April 2012 to October 2017.

Directors, Supervisors and Senior Management (Continued)

Mr. Xue received his bachelor's degree in material science and engineering from Taiyuan University of Science and Technology (太原科技大學) in July 2006 and his master's degree in material processing engineering from Shanghai University (上海大學) in March 2009.

Mr. XIAN Wenlong (咸文龍), aged 38, joined our Company in November 2020 and was appointed as supply chain director. He was appointed as the vice president of the supply chain on January 2022 and was further appointed as the senior vice president and the general manager of the Company's subsidiary, Nanjing SealMed Medical Technology Co., Ltd ("SealMed"), in March 2025, primarily responsible for the production operation and supply chain management of the Company and managing SealMed. Mr. Xian has over 15 years of rich experience in supply chain operation and management of medical device products. He worked in Shanghai MicroPort Medical Group from 2009 to November 2020, successively serving as production director, senior supervisor of quality and business development, senior director of supply chain and manager of precise tubing operation center. He was awarded "First Prize of Science and Technology Award" (上海市科學技術獎一等獎) granted by the Shanghai Municipal Government in 2020.

Mr. Xian graduated from University of Shanghai for Science and Technology in January 2014, possessing a bachelor degree in medical instrument engineering.

JOINT COMPANY SECRETARIES

Mr. ZHANG Han (張涵), aged 39, was appointed as a joint company secretary of our Company on December 22, 2020. Mr. Zhang is also the senior vice president, chief financial officer and chief operating officer of our Company. For further details, please see the paragraphs headed "Directors, Supervisors and Senior Management — Senior Management" in this section.

Ms. KWOK Siu Ying Sarah (郭兆瑩), aged 42, was appointed as a joint company secretary of our Company on March 24, 2022. Ms. Kwok is currently a manager of corporate services of Vistra Corporate Services (HK) Limited. She has over ten years of experience in the corporate services industry.

Ms. Kwok obtained a bachelor's degree in Business Studies from University College Dublin, National University of Ireland in June 2012 and a master's degree in Corporate Governance from Hong Kong Metropolitan University (香港都會大學) (formerly known as The Open University of Hong Kong) in November 2017. She has been an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom since 2018. She is also an affiliate member of The Society of Trust and Estate Practitioners.

Ms. Kwok is currently the company secretary of NVC International Holdings Limited, a Main Board listed company in Hong Kong (stock code: 2222) and the joint company secretary of Shanghai Bio-heart Biological Technology Co., Ltd., a Main Board listed company in Hong Kong (stock code: 2185), Beauty Farm Medical and Health Industry Inc., a Main Board listed company in Hong Kong (stock code: 2373) and Black Sesame International Holding Limited, a Main Board listed company in Hong Kong (stock code: 2533).

CHANGES IN DIRECTORS' INFORMATION

Save as disclosed herein, as at the date of this annual report, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

In addition, reference is made to the Company's announcement dated March 6, 2025 in connection to an regulatory announcement made by the Stock Exchange in connection with Mr. Guo Shaomu in his capacity as an independent non-executive director of another company listed on the Main Board of the Stock Exchange.

Corporate Governance Report

The Board is pleased to present the corporate governance report for the Company for the year ended December 31, 2025.

COMPANY'S CULTURE

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Company to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen.

Our vision is becoming an innovative medical device company that improves the accessibility of cutting-edge medical technologies and protects lives and health.

Our long-term business model is to redefine the standard of care, reduce mortality rates, and improve prognosis by continuously launching innovative medical devices.

Our strategy is to become the leader in the neuro-interventional medical device market in China.

The Board sets and promotes corporate culture and expects and requires all employees to reinforce. All of our new employees are required to attend orientation and training programs so that they may better understand our corporate culture, structure and policies, learn relevant laws and regulations, and raise their quality awareness. In addition, from time to time, the Company will invite external experts to provide training to our management personnel to improve their relevant knowledge and management skills.

The Board considers that the corporate culture and the purpose, values and strategy of the Group are aligned.

More information about the Company's vision, mission and values is available on the sections headed "Report of Directors — Business Review", "Corporate Governance Report" and "Environmental, Social and Governance Report" of this annual report.

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders of the Company as a whole. The Company has adopted the code provisions as set out in the CG Code as its own code to govern its corporate governance practices.

Except for code provision C.2.1 set out below, in the opinion of the Directors, the Company has complied with all the code provisions as set out in Part 2 of the CG Code during the Reporting Period.

Corporate Governance Report (Continued)

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wang Guohui is the chairman of the Board and chief executive officer of the Company. With extensive experience in the medical devices industry and having served in the Company as the general manager since the very early stage of our Company, Mr. Wang is in charge of overall management of the Company. Despite the fact that the roles of our chairman of the Board and our chief executive officer are both performed by Mr. Wang which constitutes a deviation from code provision C.2.1 of the CG Code, the Board considers that vesting the roles of both chairman of the Board and chief executive officer all in Mr. Wang has the benefit of ensuring consistent leadership and more effective and efficient overall strategic planning of the Company. The balance of power and authority is ensured by the operation of our Board, which comprises experienced and diverse individuals. The Board currently comprises three non-executive Directors and three independent non-executive Directors as compared to three executive Directors. Therefore, the Board possesses a strong independent element in its composition.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

BOARD INDEPENDENCE

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 support independent views. The Board currently comprises three independent non-executive Directors, being one-third of the Board and meeting the independence requirements under the Listing Rules. The Remuneration Committee, Audit Committee and Nomination Committee are all chaired by independent non-executive Directors. 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. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. 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 in an open manner, and in a confidential manner, should circumstances require.

Corporate Governance Report (Continued)

DIRECTORS' AND SUPERVISORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors, Supervisors and the Company's senior management who, because of their office or employment, are likely to possess inside information in relation to the Company or its securities.

Pursuant to paragraph A.3 of Appendix C3 to the Listing Rules, the Directors are prohibited from dealing in any securities of the Company on any day on which its financial results are published and during the period of 30 days immediately preceding the publication date of the interim results of the Company for the six months ended June 30, 2025 (the "Interim Results"), as well as any period of delay in the publication of the Interim Results announcement (the "Black-out Period"). As disclosed in the announcement of the Company dated August 19, 2025, the meeting of the Board for the publication of the Interim Results is scheduled on August 29, 2025.

Pursuant to paragraph B.8 of Appendix C3 to the Listing Rules, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (other than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement.

Mr. Chai Yanpeng (the spouse of Ms. Zhang Kun, an executive Director), through Ningbo Tongchuangsuwei Investment Partnership (LP)* (寧波同創速維投資合夥企業(有限合夥)), a limited partnership controlled by him, disposed of a total of 99,650 H Shares at consideration between HK\$52.0 to HK\$65.2 per H Share (the "Transfers") during the Black-out Period in the open market without first having notified the Company prior to the Transfers, resulting in a non-compliance incident of paragraphs A.3 and B.8 of Appendix C3 to the Listing Rules. For further details, please refer to the Company's announcement dated September 18, 2025.

Save as disclosed above and upon specific enquiry, all the Directors and Supervisors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

BOARD OF DIRECTORS

As of the date of this annual report, the Board comprises three executive Directors, three non-executive Directors, and three independent non-executive Directors.

Executive Directors

Mr. WANG Guohui (*Chairman, Chief executive officer*)

Ms. ZHANG Kun

Mr. WEI Jiawei (*Deputy general manager*)

Non-executive Directors

Mr. DING Kui

Mr. CHEN Shaoxiong

Mr. CHEN Gang

Corporate Governance Report (Continued)

Independent Non-executive Directors

Mr. GUO Shaomu

Mr. FENG Xiangqian

Mr. GONG Ping

The biographical details of the current Directors are set out in the section headed “Directors, Supervisors and Senior Management” on pages 21 to 30 of this annual report. The Directors are appointed to the second session of the Board, which will be in session between November 8, 2023 to November 7, 2026. The tenure of each Director, beginning from the time when they first joined the Company as a Director, is also set out in the Directors’ respective biographical details.

Save as disclosed in this annual report, there is no any relationship (including, financial, business, family or other material/relevant relationship(s)) between the Board members.

CONFIRMATION OF INDEPENDENCE BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

During the Reporting period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

Corporate Governance Report (Continued)

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive directors, non-executive directors and independent non-executive directors of the Company has entered into a service contract with the Company which contains provisions in relation to, among other things, compliance of relevant laws and regulations, observance of the Articles of Association and provisions on arbitration.

None of the Directors has or is proposed to have entered into any service contract with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

Pursuant to the Articles of Association, the Directors are elected and appointed by the Shareholders at a Shareholders' meeting for a term of three years, which is renewable upon re-election and re-appointment.

The Company may, in accordance with the Articles of Association, by ordinary resolution remove any Director before the expiration of his/her term of office notwithstanding anything to the contrary in the Articles of Association or in any agreement between the Company and such Director.

Where vacancies on the Board exist, the Nomination Committee evaluates skills, knowledge and experience required by the Board, and identifies if there are any special requirements for the vacancy. The Nomination Committee identifies appropriate candidates and convenes Nomination Committee meeting to discuss and vote in respect of the nominated Directors and recommends candidates for Directors to the Board.

The Nomination Committee considers candidates with individual skills, experience and professional knowledge that can best assist and facilitate the effectiveness of the Board.

The Nomination Committee takes the policy on Board diversity of the Company into consideration when it considers the balance of composition of the Board as a whole.

The Company has a director nomination policy. When evaluating and determining the candidates of Directors, the Nomination Committee and the Board of Directors shall consider the following factors: personal characters; professional qualifications, skills, knowledge, and experience related to the Group's business and strategy; willing to devote sufficient time to fulfill the duties of the Directors and members of the special committees of the Board of Directors; whether their appointment is in compliance with the requirements of the Listing Rules (including the independence requirements of independent non-executive Directors); whether their appointment is in compliance with the Company's Board diversity policy and any measurable targets adopted by the Nomination Committee to diversify the members of the Board.

Corporate Governance Report (Continued)

RESPONSIBILITIES OF THE DIRECTORS

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs. The Board 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 four Board committees including the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference.

All Board committees are provided with sufficient resources to perform their duties. All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S LIABILITY INSURANCE

The Company has arranged appropriate insurance cover for Directors', Supervisors' and senior management's liabilities in respect of legal actions against Directors, Supervisors and senior management of the Company arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

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

During the Reporting Period, all Directors, namely Mr. WANG Guohui, Ms. ZHANG Kun, Mr. WEI Jiawei, Mr. DING Kui, Mr. CHEN Shaoxiong, Mr. CHEN Gang, Mr. GUO Shaomu, Mr. FENG Xiangqian and Mr. GONG Ping were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. All Directors have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary. All Directors are encouraged to attend relevant training courses at the Company's expenses and required to submit a signed training records to the Company on an annual basis.

BOARD COMMITTEES

We have established an Audit Committee, a Remuneration Committee, a Nomination Committee and a Strategy Committee on our Board. The committees operate in accordance with the terms of reference established by our Board. The terms of reference of each of these committees are available on the websites of the Company and the Stock Exchange.

Corporate Governance Report (Continued)

Audit Committee

Our Company has established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph A.2 and paragraph D.3 of the CG Code. The Audit Committee consists of one non-executive Director, Mr. DING Kui, and two independent non-executive Directors, Mr. GONG Ping and Mr. FENG Xiangqian. The chairman of the Audit Committee is Mr. GONG Ping who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee are to assist our Board by way of providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process, and performing other duties and responsibilities as assigned by our Board.

During the Reporting Period, four Audit Committee meetings were held. The attendance record of the committee members is set out in the paragraphs headed "Board Meetings, Committee Meetings and General Meetings" in this section. The following is a summary of work performed by the Audit Committee during the Reporting Period:

- reviewed the annual results announcement and annual report of the Group for the year ended December 31, 2024, the interim results announcement and interim report of the Group for the six months ended 30 June 2025;
- reviewed the scope of audit and appointment of auditors and discussed matters with respect to the Group's financial and accounting policies and practices and internal control with senior management members of the Company; and
- reviewed the risk management, internal control and compliance systems and the effectiveness of internal audit function and discussed with the management team and internal audit on their findings.

The Audit Committee also met three times with Ernst & Young, the external auditors of the Company during the Reporting Period. There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters.

Corporate Governance Report (Continued)

Remuneration Committee

Our Company has established a remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the CG Code. The Remuneration Committee consists of one executive Director, Mr. Wang, and two independent non-executive Directors, Mr. GUO Shaomu and Mr. GONG Ping. Mr. GUO Shaomu is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include, but are not limited to, the following: (i) presenting recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for development policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving, if appropriate, performance-based remuneration by reference to corporate goals and objects resolved by our Board on a regular basis.

During the Reporting Period, three Remuneration Committee meetings were held. The attendance record of the committee members is set out in the paragraphs headed "Board Meetings, Committee Meetings And General Meetings" in this section. The following is a summary of work performed by the Remuneration Committee during the Reporting Period:

- reviewed and made recommendations to the Board on the remuneration package of the Directors and senior managements, including salary and share incentive scheme;
- reviewed and made recommendations to the Board on the Company's policy and structure for the remuneration of the Directors and senior management;
- reviewed and made recommendations on the Company's 2025 H Share Incentive Plan adopted by the Shareholders on May 26, 2025; and
- reviewed the performance of duties of Directors and senior management of the Company and conduct annual performance appraisals on them.

Details of the Directors' and Supervisors' remuneration for the Reporting Period are set out in note 9 to the financial statements.

Corporate Governance Report (Continued)

The remuneration of the members of senior management (including two Directors) of the Group by band for the Reporting Period is set out below:

REMUNERATION BANDS (RMB)	NUMBER OF SENIOR MANAGEMENT
19,500,000–20,000,000	1
2,500,000–3,000,000	1
2,000,000–2,500,000	1
1,500,000–2,000,000	2
TOTAL	5

Nomination Committee

Our Company has established a nomination committee with written terms of reference in compliance with Rule 3.27 of the Listing Rules and paragraph B.3 of the CG Code. During the period from January 1, 2025 to March 26, 2025, the Nomination Committee consists of one executive Director, Mr. Wang, and two independent non-executive Directors, Mr. GUO Shaomu and Mr. FENG Xiangqian. Mr. Feng is the chairman of the Nomination Committee. On March 27, 2025, Mr. Wang ceased to be a member of the Nomination Committee and the vacancy was filled by Ms. ZHANG Kun, an executive director of the Company.

The primary functions of the Nomination Committee include, without limitation, reviewing the structure, size and composition of our Board, assessing the independence of our independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

During the Reporting Period, one Nomination Committee meeting was held. The attendance record of the committee members is set out in the paragraphs headed “Board Meetings, Committee Meetings And General Meetings” in this section. The following is a summary of work performed by the Nomination Committee during the Reporting Period:

- assessed the independence of the independent non-executive Directors;
- considered and made recommendations to the Board on the appointment of the senior management and the Board committee members;
- reviewed and recommended to the Board updates to its terms of reference; and
- reviewed the structure, size and composition of the Board.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company’s Board diversity policy, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

Corporate Governance Report (Continued)

Strategy Committee

Our Company has established a strategy committee on August 30, 2024 with written terms of reference. The Strategy Committee consists of two executive Directors, Mr. WANG Guohui and Ms. ZHANG Kun, and two non-executive Directors, Mr. Ding Kui and Mr. CHEN Gang. Mr. Wang is the chairman and convener of the Strategy Committee. The primary functions of the Strategy Committee include, without limitation, reviewing the business plans formulated by the Company's operating decision-making committee, reviewing the major investment plans formulated by the Company's operating decision-making committee, reviewing the organisational structure and institutional setup of the Company's management, proposing plans for the Company's equity and bond financing, proposing plans for the Company's profit distribution and loss compensation and give advices to the Board.

During the Reporting Period, six Strategy Committee meetings were held. The attendance record of the committee members is set out in the paragraphs headed "Board Meetings, Committee Meetings And General Meetings" in this section. The following is a summary of work performed by the Strategy Committee during the Reporting Period:

- reviewed the plans formulated by the Company's operating decision-making committee and make recommendations to the Board;
- reviewed the major investment plans formulated by the Company's operating decision-making committee and make recommendations to the Board; and
- reviewed the organisational structure and institutional setup of the Company's management.

NOMINATION POLICY

All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence (for appointment of independent non-executive Directors), and Board diversity aspects, where appropriate, before making recommendation to the Board.

BOARD DIVERSITY POLICY

Pursuant to Rule 13.92 of the Listing Rules, the Nomination Committee (or the Board) shall have a policy concerning diversity of board members, and shall disclose the policy on diversity or a summary of the policy in the corporate governance report.

The Board has adopted a board diversity policy in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background and professional experience that the Nomination Committee may consider relevant from time to time towards achieving a diversified Board. The board diversity policy will be reviewed by the Nomination Committee annually.

Corporate Governance Report (Continued)

As at the date of this annual report, our Board consists of eight male members and one female member with two Directors of age 31 to 40 years old, five Directors of age 41 to 50 years old and two Directors who are over 50 years old. Our Company has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operation.

The Board targets to maintain at least the current level of female representation and will continue to take steps to promote gender diversity at the Board of our Company. Going forward, we will strive to achieve gender balance of the Board through certain measures to be implemented by our Nomination Committee in accordance with our board diversity policy. To further ensure gender diversity of our Board in a long run, our Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our Nomination Committee periodically in order to develop a pipeline of potential successors to our Board to promote gender diversity of our Board.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall management and strategic development, finance and accounting, as well as relevant professional experiences relevant to the Group's operations. The diverse skills of different Director's serves and complements the Company's purpose, values, strategies and desired culture, promoting business and operational growth of the Group, as well as good corporate governance and development of the Group. The Company has three independent non-executive Directors with different industry backgrounds, representing one third of the members of the Board. Further details on the biographies and experience of the Directors are set out on pages 21 to 30 of this annual report.

WORKFORCE DIVERSITY

The Company has established workforce diversity principles with the aim of promoting diversity and inclusion across all levels of the Group. In assessing diversity, the Company considers a range of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, and knowledge. The Company is committed to providing equal employment opportunities and fostering an inclusive, respectful, and supportive working environment. The Company promotes diversity at both management and employee levels through recruitment, promotion, and succession planning. The Board will review the Group's diversity practices and related initiatives annually to ensure their effectiveness.

The male to female gender ratio in the workforce (including senior management) for Reporting Period is 65:119, and none of the Group's senior management roles are held by women. The chart below summarizes the ratio of women at different position levels across the Group as at December 31, 2025.

Gender	Senior Management	Middle Management	Employee
Male	5	17	108
Female	—	17	221

Note: The above data is calculated based on the number of total employees of the Group as of December 31, 2025.

The total gender diversity of the Group is acceptable and the Group will strive to continue maintaining a gender diverse workforce. For further details of gender ratio, please refer to the disclosure in the section headed "Environmental, Social and Governance Report" of this annual report.

Corporate Governance Report (Continued)

KEY TERMS OF EMPLOYMENT CONTRACTS

We normally enter into (i) an employment contract, (ii) a confidentiality agreement, and (iii) a non-competition agreement with our senior management members and other key personnel. Below sets forth the key terms of these contracts we entered into with our senior management members and other key personnel.

Confidentiality

Scope of confidential information. The employee shall keep the following information confidential:

- (a) any proprietary information of our Company, including, but not limited to: trade secret, experimental and clinical data, business plan and market information, client and financial information etc.;
- (b) any information obtained or to be obtained by our Company which is owned by third parties for which the Company owes a duty of confidentiality to such third party.

Confidential obligation. The employee shall not leak, publish or otherwise make available to any third party (including employees who are not privy to such trade secrets) any aforesaid information of our Company or our Company's customers in any manner and shall not utilize aforesaid information beyond his/her scope of work. The employee must return to our Company all documents, drawings, records, work-related equipment as and when required by our Company.

Confidential period. The confidentiality obligation shall continue in force after the cessation of the employee's employment with our Company, until the confidential information becomes available in the public domain and is known to the public.

Non-competition covenants

Non-competition obligation during employment term. During the term of the employment with our Company, unless with our prior consent, the employee shall not engage in any business or engage in a course of employment that develops, produces, or sells products or provides service that are the same or similar to those offered by the Group.

Non-competition obligation upon expiry of employment term. Upon the date of termination or expiration of the employment contract, the employee shall not serve in any capacity at any company which is engaged in the business, or the manufacturing of any product, that is similar to that of the Group, for two years commencing from the date of termination or expiration of the employment contract, subject to applicable laws and regulations.

Compensation for breach. If the employee breaches the obligations under the confidentiality agreement, our Group shall be entitled to seek damages for all economic losses arising from such breach; if the employee breaches the obligations under the non-competition agreement, our Group shall be entitled to a certain liquidated sum determined with reference to the economic and commercial losses suffered by our Group and the non-competition compensation originally payable to the employee.

Corporate Governance Report (Continued)

CORPORATE GOVERNANCE FUNCTION

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

The Board had reviewed:

- the Company's policies and practices on corporate governance, compliance with legal and regulatory requirements;
- code of conduct and compliance manual (if any) applicable to employees and Directors;
- the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- training and continuous professional development of Directors and senior management relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

BOARD MEETINGS, COMMITTEE MEETINGS AND GENERAL MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Both the Nomination Committee and the Remuneration Committee shall meet at least once every year; and the Audit Committee shall meet at least twice a year. Notices of not 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 and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the intended date of the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting. 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 of the board or the committee members prior to the meeting. Minutes of meetings are kept by the Joint Company Secretaries with copies circulated to relevant Board or Board Committee for comments and records.

Minutes of the Board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Board or committee members and dissenting views expressed. Draft minutes of each Board meeting and committee meeting are sent to the relevant board or committee members 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 Directors.

During the Reporting Period, six Board meetings; four Audit Committee meetings, three Remuneration Committee meetings, one Nomination Committee meeting and six Strategy Committee meetings were held. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the CG Code.

Corporate Governance Report (Continued)

A summary of the attendance record of the Directors at Board meetings, committee meetings and general meetings during the Reporting Period is set out in the following table below:

Name of Director	Number of meeting(s) attended/number of meeting(s) held during the year ended December 31, 2025					
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Strategy Committee	General
Executive Directors:						
Mr. WANG Guohui ^(Note 1)	6/6	N/A	3/3	1/1	6/6	3/3
Ms. ZHANG Kun ^(Note 2)	6/6	N/A	N/A	N/A	6/6	3/3
Mr. WEI Jiawei	6/6	N/A	N/A	N/A	N/A	3/3
Non-executive Directors:						
Mr. DING Kui	6/6	4/4	N/A	N/A	6/6	3/3
Mr. CHEN Shaoxiong	6/6	N/A	N/A	N/A	N/A	3/3
Mr. CHEN Gang	6/6	N/A	N/A	N/A	6/6	3/3
Independent Non-executive Directors:						
Mr. GUO Shaomu	6/6	N/A	3/3	1/1	N/A	3/3
Mr. FENG Xiangqian	6/6	4/4	N/A	1/1	N/A	3/3
Mr. GONG Ping	6/6	4/4	3/3	N/A	N/A	3/3

Notes:

1. Mr. WANG Guohui ceased to be a member of the Nomination Committee with effect from March 27, 2025.
2. Ms. ZHANG Kun was appointed as a member of the Nomination Committee with effect from March 27, 2025.

During the Reporting Period, the Company convened one annual general meeting on May 26, 2025 and two extraordinary general meetings on May 26, 2025 and August 29, 2025 respectively. For details, please refer to the Company's prior announcements.

During the Reporting Period, the Chairman held one meeting with independent non-executive directors without presence of other directors.

DISSEMINATION OF INSIDE INFORMATION

The Group regulates the handling and dissemination of inside information according to internal procedures and policy so as to ensure inside information remains confidential until the disclosure and publication of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Board is responsible for approving the policy on disclosure of inside information which aims at providing guiding principles, practices and procedures to assist employees and officers of the Group in (i) relaying inside information to the Board to enable it to make timely decisions on disclosure, if necessary; and (ii) communicating with the Group's stakeholders, in ways which are in compliance with the SFO and the Listing Rules.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the Reporting Period in accordance with statutory requirements and applicable accounting standards.

Corporate Governance Report (Continued)

The Directors also acknowledge their responsibilities to ensure that the financial statements of the Company are published in a timely manner. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements of the Group on a going concern basis.

AUDITOR'S RESPONSIBILITY AND REMUNERATION

The Company appointed Ernst & Young, Certified Public Accountants and Registered Public Interest Entity Auditor as the auditors for the Reporting Period. A statement by Ernst & Young about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report on pages 108 to 113 of this annual report.

Audit fees of the Group for the Reporting Period payable to the external auditors were approximately RMB3.0 million. No fees were payable to the external auditors or their affiliates for any non-audit services.

Details of the fees paid or payable to the Company's auditors, in respect of the audit services for the Reporting Period are set out in the table below:

Services rendered for the Company	RMB'000
Audit services:	
Annual audit service	2,700
Other audit services	300
Total	3,000

JOINT COMPANY SECRETARIES

The Company engaged Ms. KWOK Siu Ying, Sarah, the manager of Corporate Services of Vistra Corporate Services (HK) Limited (a company secretarial service provider), as a joint company secretary of the Company. Mr. ZHANG Han is another joint company secretary of the Company and is the primary corporate contact person of Ms. Kwok at the Company.

Mr. ZHANG Han and Ms. KWOK Siu Ying, Sarah have undertaken not less than 15 hours of relevant professional training to update their skills and knowledge for the Reporting Period.

SHAREHOLDERS' RIGHTS

Rights to Convene Extraordinary General Meeting

To safeguard Shareholders' interests and rights, the Shareholders are encouraged to participate at the general meetings of the Company and to vote thereat. An annual general meeting of the Company shall be held each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

Corporate Governance Report (Continued)

The annual general meeting of the Company will provide a forum for the Board and the Shareholders to communicate. The Board will answer questions raised by Shareholders at the annual general meeting.

Pursuant to Article 66 of the Articles of Association, the general meeting shall be convened by the Board. If the Board is unable or fails to fulfill the obligation of convening the meetings of the general meeting, the Audit Committee shall convene such meetings. If the Audit Committee does not convene such meetings, any shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days may convene such meetings on their own.

Procedures for Putting Forward a Proposal at the General Meeting

Pursuant to Article 50 and Article 74 of the Articles of Association, shareholders who individually or collectively hold more than 1% of the Company's shares shall have the rights to propose forward an interim proposal to the Company and submit them in writing to the Board 10 days prior to the general meeting.

Procedures for a Shareholder of the Company to propose a person for election as a Director

Subject to the Articles of Association and the Company Law, the Directors shall be elected by the general meeting.

Article 126 of the Articles of Association provides that written notice concerning proposed nomination of a director candidate and indication of the candidate's intention to accept the nomination shall be sent to the Company seven (7) days before the shareholders' general meeting is convened. When calculating the time limit of the notice, the date of the meeting and the day on which the notice is given shall be excluded.

Right to Put Enquiries to the Board

Shareholders and investors may send written enquiries or requests to the Company as follows:

Address:

Building 38

No. 356, Zhengbo Road

Lingang New District

Pilot Free Trade Zone

Shanghai

PRC

Attention: Mr. ZHANG Han

Email: ir@heartcare.com.cn

Enquiries will be dealt with in a timely and informative manner.

Corporate Governance Report (Continued)

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

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 recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The Company adopted the shareholders communication policy, which set out the framework the Company has put in place to promote effective communication with shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner. The shareholders communication policy will be reviewed on a regular basis by the Board.

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group available on the Company's website and the Stock Exchange's website; (iv) the Company's website offering communication channel between the Company and its stakeholders; (v) the Company's H share registrar in Hong Kong serving the Shareholders in respect of all share registration matters; and (vi) convening investor meeting and/or analyst briefings, which led by our executive Directors and investor relations team with existing and potential investors.

The Company held its annual general meeting on May 26, 2025. Shareholders representing 19,345,422 Shares, including their proxies or representatives attended the annual general meeting and shares voted is approximately 49.82% of the total issued shares of the Company. All resolutions proposed at the annual general meeting were passed.

The Company also held one extraordinary general meeting on May 26, 2025. Shareholders representing 16,417,741 Shares, including their proxies or representatives attended the extraordinary general meeting and shares voted is 42.28% of the total issued shares of the Company. All resolutions proposed at the extraordinary general meeting were passed.

The Company further held one extraordinary general meeting on August 29, 2025. Shareholders representing 18,332,518 Shares, including their proxies or representatives attended the extraordinary general meeting and shares voted is 47.21% of the total issued shares of the Company. The resolution proposed at the extraordinary general meeting was passed.

Having considered the multiple channels of communication and shareholders engagement in the general meeting held during the year, the Board is satisfied that the shareholders communication policy has been properly implemented during 2025 and is effective.

Corporate Governance Report (Continued)

DIVIDEND POLICY

We currently expect to retain all future earnings for use in the operation and expansion of our business, and do not have any dividend policy to declare or any dividends to pay in the near future.

The declaration and payment of any dividends in the future will be determined by the Board and subject to the Articles of Association and the PRC Company Law, and will depend on a number of factors, including the successful commercialization of the pipeline products of the Company as well as the Group's earnings, capital requirements, overall financial condition and contractual restrictions. No dividend shall be declared or payable except out of profits and reserves lawfully available for distribution. As confirmed by the Company's legal advisor as to PRC law, according to PRC Law, any future net profit that the Company makes will have to be first applied to make up for our historically accumulated losses (if any), after which the Company will be obliged to allocate 10% of the net profit to statutory common reserve fund until such fund has reached more than 50% of the registered capital, at which point no further allocation is required.

CONSTITUTIONAL DOCUMENTS

The amended and restated Articles of Association took effect from January 16, 2026, and is available on the respective websites of the Stock Exchange and the Company.

On January 16, 2026, the Shareholders approved the adoption of an amended Articles of Association in connection with (i) reforming the organizational structure, strengthen the protection of the rights and interests of small and medium Shareholders, abolishing the Supervisory Committee and providing that the Audit Committee of the Board shall exercise the powers and functions of the Supervisory Committee in line with revised Company Law of the PRC, and (ii) reflecting the change to the Company's registered share capital, number of board members and other house-keeping changes.

There is no change in constitutional documents of the Company during the Reporting Period.

Corporate Governance Report (Continued)

RISK MANAGEMENT AND INTERNAL CONTROL

It is the responsibility of the Board of Directors to ensure that the Group maintains sound and effective risk management and internal control systems, and make annual review on the effectiveness of such systems, in order to safeguard the Shareholders' investment and the Group's assets at all times. We have adopted a series of internal control policies and procedures designed to achieve effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. Highlights of our internal control system include the following:

- We will comply with the CG Code. We have established four board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee, with respective written terms of reference in compliance with the CG Code.
- Our internal audit department is responsible for identifying and assessing key risks on various aspects of our operations and supervising the rectification of internal control deficiencies. In order to formalize risk management across our Group and set a common level of transparency and risk management performance, our internal audit department (i) gathers information about the risks relating to our operation or function; (ii) conducts risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect our objectives and establish a uniform risk assessment standard; (iii) continuously monitors the key risks relating to our operation or function; (iv) implements appropriate risk responses where necessary; and (v) develops and maintains an appropriate mechanism to facilitate the application of our risk management framework.
- We have adopted various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to corporate governance, connected transactions, notifiable transactions, inside information and securities transactions by the Directors.
- We have engaged a PRC law firm to advise us on and keep us abreast with PRC laws and regulations. We will continue to arrange various training to be provided by external legal advisors from time to time when necessary and/or any appropriate accredited institution to update our Directors, supervisors, senior management and relevant employees on the latest applicable laws and regulations.

Corporate Governance Report (Continued)

- We have provided and will provide regular anti-corruption and anti-bribery compliance training for our Directors, senior management and sales employees in order to enhance their knowledge and compliance of applicable laws and regulations.

During the Reporting Period, our internal audit department conducted an annual review on the effectiveness of our internal controls associated with our major business processes, identified deficiencies and improvement opportunities, provided recommendations on remedial actions and reviewed the implementation status of these remedial actions. As a result, we have not identified any material deficiencies in our internal control system. Our Directors are of the view that our enhanced internal control system is adequate and effective for our current operations. For the year ended December 31, 2025, the Company was not subject to any government investigation or litigation with respect to claims or allegations of monetary and non-monetary bribery activities, and to the best knowledge of the Directors, none of our employees were involved in any bribery or kickback arrangements.

Anti-corruption Policy

The Company does not tolerate any form of bribery, whether direct or indirect, by, or of, its Directors, officers, employees, agents or consultants or any persons or companies acting for it or on its behalf. The Company adopts the anti-corruption policy in assisting the employees in recognising circumstances which may lead to or give the appearance of being involved in corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance if necessary.

The anti-corruption policy will be reviewed on a regular basis, any convicted cases will be reported to the Board.

Whistleblowing Policy

The Company expects and encourages employees of the Group and those who deal with the Group (e.g. suppliers, customers, creditors and debtors) to report to the Company, in confidence, any suspected impropriety, misconduct or malpractice concerning the Group. The Company adopts the whistleblowing policy to provide reporting channels and guidance on reporting possible improprieties and reassurance to whistleblowers of the protection that the Group will extend to them in the formal system.

The whistleblowing policy will be reviewed on a regular basis, any suspected cases will be reported to the Board.

Environmental, Social and Governance Report

1 ENVIRONMENTAL, SOCIAL AND GOVERNANCE OVERVIEW

1.1 ESG REPORT

1.1.1 Company Profile

Shanghai HeartCare Medical Technology Corporation Limited (the “Group”, “we”/“us”/“our”, “HeartCare Medical”) is an innovative medical device company committed to improving the accessibility of innovative medical technologies and protecting lives and health. In just nine years, HeartCare Medical has pioneered the first one-stop solution for stroke treatment and prevention in China in the field of neurointervention, creating a full product pipeline from acute ischemic stroke, neurovascular stenosis treatment, hemorrhagic stroke treatment and ischemic stroke prevention to interventional access equipment.

Leveraging our advantages in R&D, manufacturing and commercialization, we strive to fulfill the unmet needs of clinicians and patients in the fields with tremendous opportunities, redefine the standard of care, reduce mortality rate, and improve prognosis by continuously launching innovative medical devices.

1.1.2 Report Preparation Principles

This Report summarizes the Group’s annual performance in environmental, social and governance aspects, so that all stakeholders can better understand the Group’s sustainable development philosophy, management methods, measures and related performance. This Report clarifies the principles that the Group upholds in fulfilling our corporate social responsibility, and the Group’s vision and commitment to corporate social responsibility. The key performance indicators (KPIs) in this Report are prepared with reference to the relevant calculation standards and methodologies as provided in the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) issued by the Hong Kong Stock Exchange, with every effort made to avoid omissions or reporting errors.

1.1.3 Reporting Coverage

This Report summarizes the Group’s annual performance in environmental, social and governance aspects, so that all stakeholders can better understand the Group’s sustainable development philosophy, management methods, measures and related performance. This Report clarifies the principles that the Group upholds in fulfilling our corporate social responsibility, and sets forth the Group’s vision and commitment to corporate social responsibility. The ESG report covers the Company and each of its subsidiaries and branches. This Report covers a period from January 1, 2025 to December 31, 2025.

Environmental, Social and Governance Report (Continued)

1.1.4 Mission and Vision

The corporate vision of the Group is “becoming an innovative medical device company that improves the accessibility of cutting-edge medical technologies and protects lives and health”. The Group researches, develops and manufactures innovative medical device products in response to unmet medical needs in China, aiming to define new treatment standards, significantly reduce disease mortality rate and improve prognosis. With the first domestic one stop solution for stroke treatment and prevention, the Group aims to become a leader in China’s neuro-interventional market and provide domestic medical workers with innovative devices with reliable quality, stable supply and more cost-effectiveness, so as to improve the popularity of neuro-interventional surgery, save more patients and fulfill the Group’s corporate responsibility of giving back to the society.

As a public company, the Group will more actively promote the sustainable development of the Group in environmental protection, social and corporate governance while developing our business. The Board of Directors of the Group seeks to integrate the concept of sustainable development into daily operations of the Group, so as to align the overall strategic direction of the Group with our sustainable development objectives. The Board of Directors of the Group assumes the final responsibility for the ESG strategy and management of HeartCare Medical. Moreover, the Board of Directors will to a bigger extent participate in and supervise ESG-related matters, perfect the ESG governance architecture and management mechanism without cease, and actively propel the organic fusion between the ESG concept and the corporate development. In the future, the Board of Directors of the Group will continue to eye the ESG development trend and performance records of peers, assess related risks and opportunities, and update the management outline and strategy to ensure the ESG-related work will advance with the time. The Group will define annual ESG management objectives and corresponding implementation measures covering aspects such as resource utilization, health and safety, regularly review the progress of related objectives and provide suggestions to promote the fulfillment of these objectives.

1.2 GROUP HONORS AND STAKEHOLDERS

1.2.1 Corporate Honor Overview

In 2025, the Group successfully passed the reappraisal process for the selection of National Specialized and Sophisticated “Little Giant” Enterprises, and was recognized as a National High-Tech Enterprise by the Ministry of Science and Technology, and earned the designation of “Shanghai Municipal Enterprise Technology Center” by the Shanghai Municipal Commission of Economic and Informatization in 2024, reflecting the continued recognition of our innovation capabilities, growth potential and specialized development. In addition, the Group’s Interventional Brain-Computer Interface program was featured on the “2025 Innovation Mission-embedded Project List for the Artificial Intelligence-based Medical Device Sector” by the Ministry of Industry and Information Technology. Furthermore, the Group obtained the MDSAP certification, demonstrating that the Group’s quality management system is further aligned with international regulatory requirements.

Environmental, Social and Governance Report (Continued)

The Group's wholly-owned subsidiaries, Weiming Medical, Weiqi Medical, Weilang Medical and Nanjing SealMed Medical, were all recognized as National Science and Technology-based SMEs, with Weiming Medical additionally receiving the title of National High-Tech Enterprise. Nanjing SealMed Medical was awarded the titles of Jiangsu Province Specialized and Sophisticated SME, Jiangsu Province Innovative Enterprise, Jiangbei New District Science and Technology R&D Enterprise, and Lingque Enterprise (One Star).

During the Reporting Period, the technologies and products developed by the Group also received multiple accolades. For instance, the Aspiration Catheter was shortlisted as a "Demonstrative Case for the Application of Innovative Medical Devices" under the 2025 High-Quality Development Programme for the Science and Technology Sector of Shanghai, and was included in the "Shanghai Biopharmaceutical 'New and Excellent Medical Devices' Product Catalog (Sixth Batch)". The project entitled "Interventional Brain-Computer Interface-based Time-Critical Treatment Devices cum Key Intelligent Rehabilitation Technologies and Their Applications" was awarded the First Prize for Technological Invention by the Tianjin Municipal Government. These developments reflect the Group's phased achievements in product research and development, quality system development, and commercialisation advancement.



Specialized and Sophisticated "Little Giant" Enterprises



Tianjin Municipal Prize for Technological Invention

Environmental, Social and Governance Report (Continued)

1.2.2 Stakeholder Engagement

The Group believes that maintaining communication with stakeholders is an important part of the Group's sustainable development. Stakeholders of the Group include shareholders/investors, customers, employees, suppliers as well as partners, governments and regulators, and the community and the public. The Group actively maintains communication with various stakeholders through various channels, and keeps abreast of their opinions and expectations on the Group's sustainable development performance.

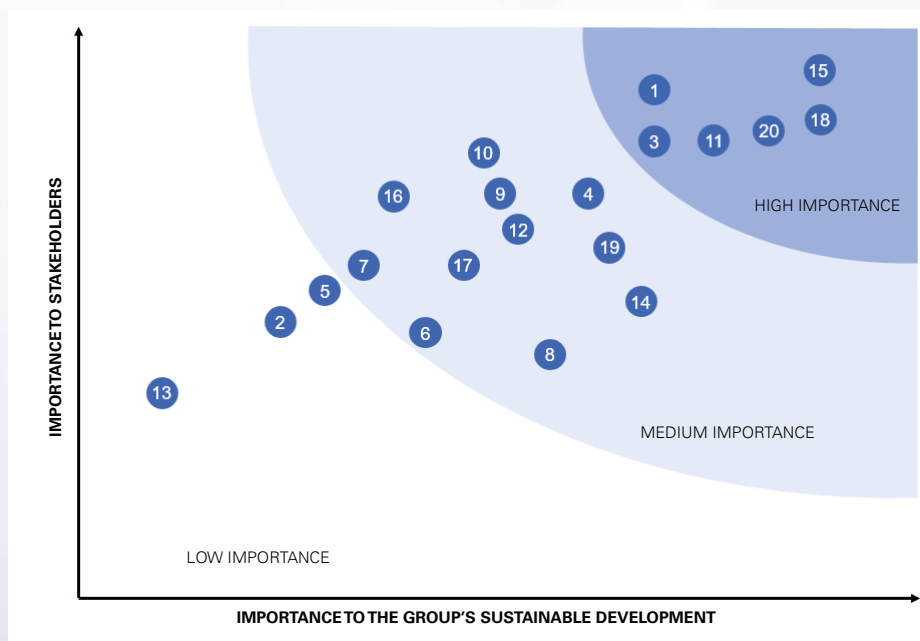
Stakeholders	Expectations and Requirements	Ways of Communication
Shareholders/Investors	ESG Governance Corporate Governance Compliance Operations	Shareholders' Meeting Public Information Disclosure Investors Communication
Customers	Quality Service and Stable Supply Price Innovation and R&D	Academic Exchange Customer Visit Market Research
Employees	Health and Safety Interest Protection Personal Development Diversity and Equality	Internal Communication Group System Release Employee Training
Suppliers and Partners	Supply Chain Management Sustainability Development Win-win Cooperation	Suppliers Evaluation Suppliers Communication
Government and Regulators	Compliance Operations Safe Production Environmental Protection	Policy Implementation Information Disclosure Exchanges and visits
Community and General Public	Public Benefits Employment Environmental Protection	Charitable Activities Company Information Disclosure Media

Environmental, Social and Governance Report (Continued)

1.2.3 Materiality Assessment

Based on the environmental and social aspects set out in the ESG Reporting Code, market surveys, benchmarking with peers, information gathered from stakeholders in previous years and an assessment of business materiality, the Group has established a list of ESG-related issues and a materiality matrix for the year to demonstrate areas of high importance to stakeholders and the Group, and to emphasize relevant issues in the Group’s ESG decisions.

ESG-related Issues		
Environmental	Social	Governance
1) Air Emission	8) Human Resource Management	18) Anti-Corruption and Anti-Money Laundering
2) Greenhouse Gas Emission	9) Employment and Compensation Policy	19) Intellectual Property Management
3) Waste Management	10) Employees Equal Opportunity	20) Corporate Governance and Risk Management
4) Energy Consumption	11) Employee Health and Workplace Safety	
5) Water Consumption	12) Employee Development and Training	
6) Packaging Material	13) Prevention of Child Labor and Forced Labor	
7) Environmental Risk Management	14) Supplier Management	
	15) Product Quality and Customer Satisfaction	
	16) Customer Privacy Protection	
	17) Community Investment	



MATRIX OF ESG MATERIAL ISSUES OF THE GROUP IN 2025

Environmental, Social and Governance Report (Continued)

2 CORPORATE ENVIRONMENTAL PERFORMANCE ANALYSIS

2.1 CORPORATE EMISSION RELATED ANALYSIS

The Group strictly abides by relevant laws, regulations and standards on exhaust gas and greenhouse gas emissions, sewage to water and land, hazardous and harmless waste disposal, as well as local environmental protection management measures, including but not limited to the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Air Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on Prevention and Control of Noise Pollution, the Comprehensive Emission Standards of Air Pollutants, the Energy Conservation Law of the People's Republic of China, the Comprehensive Discharge Standards of Sewage (DB31/199–2018), Standard for Pollution Control of Hazardous Waste Storage (GB18597–2023), the Regulations of Shanghai Municipality on Domestic Waste Management, the Regulations of Shanghai Municipality on Energy Conservation, etc., to ensure that the enterprise's operation meets the requirements of the national and local environmental protection. We uphold the concept of green development, consistently optimize the efficiency of resource utilization, control pollution emission, explore more innovative measures for sustainable development, and contribute to the realization of a win-win situation between environmental protection and economic development.

2.1.1 Analysis of Corporate Emission Related Indicators

Total emission volume and intensity of corporate exhaust

The Group's exhaust emissions are mainly from the combustion of gasoline in motor vehicles. The emissions from the combustion of relevant fossil fuels mainly include pollutants such as nitrogen oxides (NO_x), sulphur oxides (SO_x) and suspended particulate matter (PM). The Group emitted a total of approximately 32.5 kilograms ("kg") of emissions in 2025, with an emission intensity of approximately 8.0 kg/RMB100 million of revenue.

Emissions and intensity of the Group by type of exhaust for 2025 are shown in the table below:

Type of exhaust	Emissions (kg)	Emission intensity (kg/RMB100 million of revenue)
Nitrogen oxides (NO _x)	29.6	7.3
Sulphur oxides (SO _x)	0.1	0.0
Suspended particulate matter (PM)	2.8	0.7
Total	32.5	8.0

Note: Exhaust emissions mainly include the exhaust gas generated by the vehicles of the Group, and the Group does not generate exhaust gas in the actual production process.

Environmental, Social and Governance Report (Continued)

Total emission volume and intensity of corporate greenhouse gases

The greenhouse gases emitted by the Group mainly originate from the combustion of fuels in its own vehicles, as well as greenhouse gas emissions such as carbon dioxide generated from the consumption of electricity in its daily operations. The Group's amount of greenhouse gas emissions consists of two parts: direct emissions, which are greenhouse gases directly released into the atmosphere by the Group's production activities; and indirect emissions, which are mainly greenhouse gas emissions generated from the purchase and use of external electric power. In 2025, the Group emitted a total of approximately 2,470.5 tons of carbon dioxide equivalent ("tCO₂e") of greenhouse gases, with an emission intensity of approximately 610.0 tCO₂e/RMB100 million of revenue.

The Group's emissions in 2025 by type and source of greenhouse gases are shown in the table below:

Direct greenhouse gas emissions

Type of greenhouse gas	Emissions (tCO ₂ e)	Emission intensity (tCO ₂ e/RMB100 million of revenue)
Carbon dioxide (CO ₂)	8.78	2.17
Methane (CH ₄)	0.02	0.00
Nitrous oxide (N ₂ O)	1.17	0.29
Total	9.97	2.46

Indirect greenhouse gas emissions

Indirect emission sources	Emissions (tCO ₂ e)	Emission intensity (tCO ₂ e/RMB100 million of revenue)
Electricity resource usage	2,460.5	607.5
Total	2,460.5	607.5

Note: The direct emissions of greenhouse gases mainly include the greenhouse gases generated by the Group's own vehicles. The Group does not directly emit greenhouse gases in the actual production process.

Environmental, Social and Governance Report (Continued)

Total discharge volume and intensity of corporate wastewater and solid waste

The Group strictly adheres to national laws and regulations regarding pollutant discharge management in its operations and actively responds to requirements under the environmental protection policies of local governments. In 2025, the wastes discharged by the Group mainly included 890 waste lead-acid batteries, 6.6 tons of liquid hazardous waste, 8.4 tons of solid hazardous waste, 10.5 thousand sheets of office paper and 14.2 tons of waste packaging materials. The Group engages professional entities licensed for hazardous waste disposal to treat the solid and liquid hazardous waste generated and discharged. Meanwhile, the Group utilizes digital tools to precisely calculate the daily consumption of chemicals and accurately determine the procurement demands, reduce the scrap rate of chemicals, ensure no waste and scrap in the use of chemicals, lower safety risks and enhance environmental protection requirements.

The discharge volume and intensity of the Group's wastes by type in 2025 are shown in the table below:

Type of Waste	Unit	2025
Hazardous waste		
Waste Lead-Acid Battery	Unit	890
Hazardous Waste — Liquid	Ton	6.6
Hazardous Waste — Solid	Ton	8.4
Non-Hazardous Waste		
Office Paper	'000 sheets	10.5
Waste Packaging Materials	Ton	14.2

Type of Waste	Unit	Emission intensity
Hazardous waste		
Waste Lead-Acid Battery	Unit/RMB100 million revenue	218.1
Hazardous Waste — Liquid	Ton/RMB100 million revenue	1.6
Hazardous Waste — Solid	Ton/RMB100 million revenue	2.1
Non-Hazardous Waste		
Office Paper	'000 sheets/RMB100 million revenue	2.6
Waste Packaging Materials	Ton/RMB100 million revenue	3.5

Environmental, Social and Governance Report (Continued)

2.1.2 Measures and Targets for Emission Reduction and Waste Reduction Implemented by the Corporate

Air emission reduction targets and corresponding measures set by the corporate

The Group is committed to promoting green, low-carbon operations and has set the following greenhouse gas emission management goals: to reduce the intensity of greenhouse gas emissions on a long-term and sustained basis, and to ensure that the intensity of greenhouse gas emissions in 2026 does not exceed the level of this year.

The Group strictly complies with the Environmental Protection Law of the People's Republic of China, the Comprehensive Emission Standards for Air Pollutants and other relevant national laws and regulations, as well as local requirements regarding environmental protection and pollutant discharge. Exhaust gases generated during the Group's production process are effectively treated by environmental protection facilities and discharged in compliance with the standards. Specific measures include: for exhaust gases generated from coating, welding, pharmaceutical spraying and alcohol wiping processes, the Group adopts activated carbon purification devices for adsorption and treatment, and discharges them into the air; for exhaust gases generated from titration testing, chromatography testing and acid washing and polishing processes, they are channeled into alkaline spray towers through a collection system for treatment and discharge into the air. In addition, the Group commissions qualified testing organizations to conduct regular monitoring of exhaust gas emissions and no incidents of exceeding the emission standards occurred during the Reporting Period. In 2025, the Group timely replaced the activated carbon in the exhaust gas treatment devices and prioritized the selection of equipment equipped with dust collection facilities to reduce exhaust gas emissions, continuously improved the energy efficiency of equipment, further reduced the Group's overall exhaust gas emissions, and continuously minimized the potential environmental impact of the Group's production and operations.

Methods of handling waste, waste reduction goals and measures of the corporate

The Group remains committed to strengthening its waste management practices and has set the following waste management goals: to reduce the intensity of both hazardous and non-hazardous waste emissions on a long-term and sustained basis, and to ensure that the relevant emission intensity in 2026 does not exceed the level of this year.

The Group strictly complies with the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution in the Environment, the Shanghai Municipal Domestic Waste Management Regulations and other relevant national and local laws and regulations on the management of pollutant discharge, and has established the Waste Management System to ensure the achievement of environmental protection objectives. The Waste Management System clearly stipulates the categories of waste and disposal requirements, regulating the requirements for waste classification, recycling and reduction, and requires that all high-concentration waste liquids be disposed of as hazardous waste. Meanwhile, the Group is equipped with a reverse osmosis treatment system for the recovery of ultrasonic cleaning media after acid washing to reduce the generation of hazardous waste. The Group has also entered into disposal contracts with qualified waste disposal companies for the centralized disposal of hazardous waste generated. The Group attaches great importance to the environmental friendliness of product packaging, strictly controls the types and quantities of packaging materials, and prioritizes the use of recyclable and degradable environmentally friendly materials to reduce environmental impact. In 2025, the Group further optimized packaging design, reduced the consumption of packaging materials, and actively explored innovative solutions to promote the recycling and reuse of packaging materials, supporting the Group's sustainable development goals.

Environmental, Social and Governance Report (Continued)

2.2 CORPORATE RESOURCE USE RELATED ANALYSIS

2.2.1 Structure of Corporate Consumption of Main Energies

The Group adheres to the philosophy of conserving resources and energy, is committed to reducing the consumption of energy and raw materials, strengthens energy management, and raises the level of rational energy consumption, thereby maximizing the recycling of energy and resources in the production process. In 2025, the Group consumed approximately 4,000 liters of gasoline, approximately 3,121.8 MWh of electricity, and approximately 23,618.5 m³ of water resources.

The Group's consumption of energy by type in 2025 is shown in the table below:

Energy type	Unit	Consumption volume
Gasoline	0'000 liters	0.4
Electrical energy	MWh	3,121.8
Water	m ³	23,618.5

The Group's consumption intensity of energy by type in 2025 is shown in the table below:

Energy type	Unit	Consumption intensity
Gasoline	0'000 liters/RMB100 million revenue	0.1
Electrical energy	MWh/RMB100 million revenue	770.8
Water	m ³ /RMB100 million revenue	5,831.7

Note: Gasoline consumption mainly includes the consumption by the Group's own vehicles.

All packaging materials of the Group's finished products by type of product packaging materials in 2025 are shown in the table below:

Product packaging material	Unit	Consumption volume
Plastic	Ton	4.1
Paper	Ton	27.6

Environmental, Social and Governance Report (Continued)

2.2.2 Energy Efficiency Goals and Measures Formulated by the Corporate

The Group is committed to improving energy efficiency and has set the following energy management goals: to reduce the overall energy consumption intensity on a long-term and sustained basis, and to ensure that the overall energy consumption intensity in 2026 does not exceed the level of this year.

The Group strictly complies with the Energy Conservation Law of the People's Republic of China, the Shanghai Energy Conservation Regulations and other relevant laws and regulations on energy conservation, and strengthens energy consumption control through daily management to enhance resource utilization efficiency, continuously exploring opportunities to optimize management methods and improve energy efficiency. The Group's energy-saving initiatives cover various aspects, including actively promoting online meeting systems, applying energy-saving control systems, carrying out energy-saving renovation projects, and advocating energy-saving measures such as "turning off lights when leaving" in daily office operations. To further strengthen employees' awareness of energy conservation, the Group has enhanced energy-saving training and education, encouraging staff to consciously develop energy-saving habits in both work and daily life. Meanwhile, the Group adopts energy-efficient lighting, rationally arranges lighting equipment, and fully utilizes natural light sources to reduce unnecessary lighting duration and intensity. In addition, the Group conducts regular maintenance and cleaning of the air-conditioning system to ensure its normal operation, and sets temperature and humidity appropriately to avoid energy wastage.

2.2.3 The Corporate's Methods to Obtain the Applicable Water Sources and Goals and Measures to Improve Water Efficiency

The Group remains committed to enhancing water resource utilization efficiency and has set the following water resource management goals: to reduce water consumption intensity on a long-term and sustained basis, and to ensure that the water consumption intensity in 2026 does not exceed the level of this year.

The Group regards water conservation as an environmental obligation to be fulfilled in the course of business development. To enhance water efficiency, the Group has deployed clean water drinking facilities to reduce the consumption and wastage of bottled or barreled water. Meanwhile, through posting water-saving signs to remind employees to conserve water, the Group advocates secondary water use among employees to further improve the utilization efficiency of water resources. To prevent wastage of water resources caused by equipment damage, the Group conducts regular inspections of water-consuming equipment, renovates water facilities in water rooms and restrooms, gradually phases out water appliances and facilities that do not meet water conservation standards, and installs water-saving faucets and water-saving flushes that comply with national standards to further enhance water efficiency.



Environmental, Social and Governance Report (Continued)

2.3 CORPORATE ENVIRONMENT AND NATURAL RESOURCES RELATED ANALYSIS

2.3.1 Analysis of the Significant Impact of Corporate Business Activities on the Environment and Natural Resources and Related Measures

As a socially responsible public company, the Group remains vigilant about and is dedicated to minimising the impact of its operations on the environment and natural resources, and regards environmental protection as a core responsibility for sustainable development. In the course of business operation, the Group's business activities involve energy consumption, use of water resources, chemical management and procurement of raw materials, which may have direct or indirect impacts on the environment and natural resources.

The Board of Directors of the Group is responsible for overseeing the formulation of environmental and climate-related strategies, and the Administration Department takes the lead in coordinating with various business divisions to carry out day-to-day management in strict compliance with national environmental protection policies and international standards. Through regular environmental data monitoring and staff training, we ensure the effective implementation of various systems, while actively exploring green technological innovations to achieve a double reduction in resource consumption and environmental impact. In the future, we will continue to strengthen collaboration with our supply chain partners, promote the fulfillment of environmental responsibility along the entire value chain, and contribute to the protection of ecosystems and natural resources.

2.4 ANALYSIS OF CORPORATE RESPONSE TO CLIMATE CHANGE

2.4.1 Analysis of Climate Change Risks and Opportunities Faced and Related Measures Adopted by the Corporate

The Group clearly recognizes the far-reaching impact of climate change on business operations, social well-being and the ecological environment, and has integrated climate risk management into its daily operations and strategic planning. The management of the Group has clearly defined the management responsibilities for climate-related risks and opportunities, and established corresponding monitoring measures and procedures to supervise climate-related risks and opportunities, integrating them with the workflow of internal functional departments to ensure effective implementation of management requirements.

Based on the timeframe of its strategic decision-making, the Group maps climate risks across the short, medium and long terms to the immediate response stage, the phased planning stage and the long-term strategic planning stage, respectively. These stages are aligned with the Group's decision-making frameworks for day-to-day operations, medium-term development plans and long-term strategic direction, to ensure that measures to address climate-related risks are consistent with the Group's overall strategic planning. In 2025, the Group believes that episodes of severe air pollution may, in the short to medium term, have a certain impact on the Group's strategy and decision-making, cash flow, business model and value chain.

Climate change risks faced and addressing measures adopted by the corporate:

Risks	Heavy Pollution Weather Alerts
Description of risks	<ul style="list-style-type: none"> — Risk category: Transformation risk — Timeframe of impact: The risk falls within the short term during the alerting period; however, should policies continue to tighten, it may extend into the medium term

Environmental, Social and Governance Report (Continued)

Analysis of Climate

Risk Impacts	Impacts	Addressing Measures
Strategies and decision-making	— As the environmental protection authorities require voluntary emission reductions during heavy pollution alerts, the Group may adjust its production plans and resource allocation to meet compliance requirements	— In the short term, the Group has implemented emergency emission reduction measures in response to heavy pollution episodes. By optimising production scheduling and reducing equipment load, it has directly reduced emissions to comply with relevant climate and environmental protection requirements.
Cash flows, access to finance or cost of capita	— Emergency emission reduction measures implemented during heavy pollution weather alerts may affect production schedules and equipment utilisation rates, thereby impacting the Company's cash flow; should environmental protection policies become more stringent, financing channels and the cost of capital may also be affected	— In the medium term, the Group will continue to optimise production processes, improve production efficiency and implement refined management practices, with a long-term commitment to achieving green transition and further enhancing its capacity for sustainable development
Business models and value chains	— During heavy pollution weather alerts, the Group is required to implement voluntary emission reductions in accordance with the emergency emission reduction requirements issued by the environmental protection authorities; this will have a direct impact on production schedules and operational timings	— The Group provides the necessary support for emergency emission reductions and related climate response measures through the allocation of internal working capital and resources
Financial	— In the short term, emergency emission reduction measures implemented during heavy pollution episodes may affect the Group's financial position during the Reporting Period through their impact on production volumes and equipment utilisation rates; in the medium term, investments and funding arrangements related to emission reduction may affect the Group's capital expenditure and profitability; in the long term, the Group's green transition strategy may affect its long-term asset structure and competitiveness	
Strategies and resilience of business models	— The requirements for emergency emission reduction measures during heavy pollution weather alerts necessitate the Company to adjust its production and operational strategies	

Environmental, Social and Governance Report (Continued)

Corporate Measures to Address Opportunities Arising from Climate Changes

The Group has established a process for identifying and assessing climate-related opportunities, prioritising them and ensuring continuous monitoring. Integrated with relevant scenario analysis, this process aids in evaluating the potential value and implementation pathways of such opportunities. Furthermore, the Group has integrated the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities into its overall risk management framework, aligning them with the Company's existing risk management systems and processes to ensure that climate-related matters are managed systematically and considered holistically.

3 CORPORATE SOCIAL RESPONSIBILITY ANALYSIS

3.1 ANALYSIS OF THE CURRENT SITUATION OF CORPORATE EMPLOYMENT

The Group always regards employees as the core driving force for sustainable corporate development. Through systematic human resources management and innovative employee care mechanisms, we safeguard employees' rights and interests and foster a diverse, inclusive, equal and dynamic workplace ecosystem, endeavoring to promote the common development of the Group and its employees. In 2025, building upon the existing management framework, we continued to deepen the protection of employees' rights and interests and support for their development, and remained committed to achieving deep synergy and mutual promotion between our talent development strategy and corporate social responsibility objectives.

3.1.1 Employment Principles

The Group strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Special Rules on Labor Protection for Female Employees and other laws and regulations of the jurisdictions where it operates in the processes of recruitment and employment. The Group has established comprehensive human resources management systems, and takes the HeartCare Medical Employee Handbook as the guiding document, following fair practices related to remuneration and performance, promotion and dismissal, working hours, welfare systems, equal opportunities, diversity, anti-discrimination and other benefits and welfare to standardize employee management and safeguard the legitimate rights and interests of employees. The Group adheres to the principle of equal employment and resolutely opposes any discrimination on the grounds of age, gender or otherwise, as well as vicious competition, striving to integrate the concept of fairness and inclusiveness into all aspects of the Group's employment to protect employees' rights and interests to the greatest extent. While pursuing its own development, the Group is committed to continuously optimizing its talent management philosophy to create a better working atmosphere for employees.

Environmental, Social and Governance Report (Continued)

3.1.2 Remuneration Management

The Group strictly complies with the Social Insurance Law of the People's Republic of China, the Housing Provident Fund Administration Regulations and other relevant laws and regulations, and has formulated the Remuneration and Benefits System to provide a comprehensive remuneration protection system for its employees. The Group elaborates on the remuneration level and scope by formulating the "Reference Table of Employee Rank and Remuneration Level", and divides the posts and remunerations into different grades and intervals subject to the status quo and the medium and long-term development needs, so as to further ensure the systematization of our remuneration system and the standardization and rationalization of our employee career development channels. The comprehensive remunerations of the Group's employees are principally composed of fixed salary, bonuses (including performance bonus, intellectual property bonus, project bonus, production attendance bonus, sales performance commission bonus, advanced employee bonus), allowances (including meal allowance, mission allowance, technical allowance, management allowance, special post allowance and other allowances), short-term incentives and long-term incentives to demonstrate our respect and acknowledgment of talent values. In addition, every year, the Group initiates the remuneration adjustment and stock incentive plans, makes the stock incentive plans in accordance with the development status in the year, and counts backbone talents who will be awarded shares.

3.1.3 Performance Management

The Group has formulated the Performance Management System in the employee handbook to standardize and improve the Group's performance management system. The Performance Management System clearly describes the responsibilities of each department responsible for performance management and specific performance appraisal methods. Each department will develop detailed quarterly and annual assessment indicators based on employee development status, and grant promotion and salary adjustment opportunities based on the assessment results. The human resources and administration departments of the Group are responsible for the design, optimization and safeguard management of the performance management plan as well as the management and closed loop of the entire performance flow. In addition, they will empower the business managers and provide performance management tools and methods, and will assist the business managers to set monthly performance objectives and annual performance objectives based on employees' status, working status and employee communication, and make the performance improvement plan based on assessment results to promote the achievement of objectives. The Group's performance appraisal method is oriented to performance results, adheres to the principles of fairness and impartiality, and follows the principles of effective and continuous communication, providing the Group's employees with opportunities to work with their superiors to formulate working plans and improve work performance.

The Group has clearly stipulated the procedures and systems relating to dismissal in labor contracts and the Employee Handbook, handling dismissal-related matters with transparency and fairness as the cornerstone. The Group strictly complies with relevant national laws and regulations, relevant terms and conditions and labor contracts, and provides employees with corresponding termination indemnities to ensure the compliance and reasonableness of its operations.

Environmental, Social and Governance Report (Continued)

3.1.4 Working Hours and Employee Benefits

To safeguard employees' rights and interests and create a humanized working atmosphere, the Group has established a comprehensive Attendance Management System based on relevant regulations of labor authorities and the working pattern requirements of employees in different functions. The Group clearly implements a standard working hour system of 40 hours per week and flexibly applies an irregular working hour system according to the characteristics of positions, ensuring that employees' rest rights and interests are fully protected through the accurate recording and management of working hours.

To further enhance the motivation and satisfaction of our employees, the Group is committed to improving employee satisfaction through various voluntary benefits, including frontline position subsidies, employee health checkups, marriage gifts, maternity gifts, commercial insurance, birthday and holiday benefits, employee meal subsidies and employee activities. According to applicable legal requirements, the Group pays statutory social insurance and housing provident fund contributions for employees on time and provides corresponding statutory benefits. Meanwhile, the Group has established the Holiday Management Requirements in the Employee Handbook, providing employees with various types of leave including annual leave, sick leave, personal leave, marriage leave, bereavement leave, maternity leave, breastfeeding leave and care leave, ensuring that employees can reasonably enjoy various types of holidays.

3.1.5 Employees Activities

The Group organizes exchange activities on a regular and irregular basis, including but not limited to departmental gatherings, annual meetings, etc., in order to further enhance mutual understanding among employees, enrich their lives, develop a healthy and positive corporate culture of the Group, and advocate the spirit of teamwork in a happy and harmonious manner. The Group listens carefully to the opinions of its employees and, based on their feedback, provides them with recreational activities that can mobilize their vitality, thereby creating a warm and accommodating working environment for them and continuously enhancing their sense of belonging and corporate cohesion.

In 2025, the Group maintained its focus on employees' wellbeing and corporate culture development. Multi-faceted staff activities were organised, combining dynamic and relaxing elements to help employees unwind both physically and mentally amidst their busy work schedules, whilst further enhancing team cohesion and a spirit of collaboration. During the year, the Group hosted a Women's Day themed event, arranging a flower-arranging workshop for female staff to express gratitude for their dedicated efforts and positive contributions to the Group's development. Additionally, the Group organised a range of team-building and sporting activities, including our 9th anniversary celebration, basketball tournaments and hiking events, to encourage employee participation in healthy exercise, foster cross-team collaboration and create a positive, united and harmonious corporate atmosphere.

Environmental, Social and Governance Report (Continued)



9th Anniversary Celebration



Special Care Event for
International Women's Day



3rd Basketball Tournament



April Hiking Event

3.1.6 Employee Satisfaction Survey

In order to create a more friendly working environment and optimize corporate management, the Group has established a robust communication mechanism to enable our employees to express their suggestions and ideas in a timely manner. Employees can put forward reasonable suggestions by mail, WeChat or DingTalk or through superiors. And meanwhile, the Group has formulated the "Employee Suggestion and Improvement Reward System", which details the rights and interests owned by employees and specific ways and means of making proposals, so as to further encourage employees to put forward constructive proposals on operations of the Group and our corporate culture construction. The Group irregularly asks employees for their opinions on work and operations in different ways, such as written or oral communication, and keeps it confidential to improve the management of the Group and further enhance employee satisfaction.

Environmental, Social and Governance Report (Continued)

3.1.7 Current Employment

The Group's current employees for 2025 are shown in the table below:

	Number of employees at the end of 2025	Percentage
Total Employees	368	100.0%
By employment type		
Full Time	367	99.7%
Part Time	1	0.3%
By gender		
Male	130	35.3%
Female	238	64.7%
By academic qualification		
Doctoral degree and above	3	0.8%
Master's degree	50	13.6%
Bachelor's degree	144	39.1%
Junior college	60	16.3%
High school and below	111	30.2%
By Age		
30 and below	66	17.9%
31–50	298	81.0%
51 and above	4	1.1%
By Region		
Shanghai	194	52.7%
Nanjing	71	19.3%
Beijing	18	4.9%
Others	85	23.1%

As of December 31, 2025, the Group had a total of 368 current employees. Among them, the number of full-time employees was 367, accounting for 99.7% of the total. The number of employees working in Shanghai was 194, accounting for 52.7%.

Divided by gender, the majority of the Group's current employees are female employees, accounting for 64.7% of the total current employees. The Group strictly complies with the Special Rules on Labor Protection for Female Employees and other relevant regulations, making every effort to safeguard the statutory leave and insurance benefits for female employees and promoting the work-life balance of female employees.

Environmental, Social and Governance Report (Continued)

Divided by age, employees aged 30 and below, aged 31–50 and aged 51 and above account for 17.9%, 81.0% and 1.1% respectively. While injecting vibrant new energy into the collective, the Group also cherishes experienced employees.

Divided by educational degree, the number of employees having a junior college degree or above is 257, accounting for 69.8% of the total employees of the Group, and the overall scientific literacy and cultural level of the employees are relatively high.

3.1.8 Employee Turnover

We understand that attracting and retaining talents is an important part of the Group's sustainable development. As at December 31, 2025, the total number of staff turnover of the Group during the Reporting Period was 78, with a total staff turnover rate of 21.9%. We are committed to retaining corporate talent through effective salary administration, bonuses, allowances, a comprehensive promotion mechanism and corporate autonomy benefits. At the same time, through the "Employee Suggestion and Improvement Reward System", we encourage our employees to make constructive suggestions on all aspects of the Group, so as to provide them with a better working environment and build a more harmonious corporate culture from the employees' perspective.

Employee turnover of the Group in 2025 is shown in the table below:

	Employee Turnover Rate in 2025
Overall	21.9%
By Gender	
Male	19.1%
Female	23.4%
By Age	
30 and below	36.6%
31–50	17.9%
51 and above	20.0%
By Region	
Shanghai	25.4%
Nanjing	7.1%
Beijing	31.3%
Others	24.6%

Environmental, Social and Governance Report (Continued)

3.2 EMPLOYEE HEALTH AND SAFETY OVERVIEW

Adhering to the principle of “people-oriented, safety first”, the Group has always attached great importance to the health and safety of our employees, striving to safeguard their life safety and occupational health through sound systems and management. The Group strictly abides by laws and regulations such as the Production Safety Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, and the Fire Services Law of the People’s Republic of China. The Group has also standardized employees’ work conduct and smoking guidelines in the office environment in the employee handbook, and is committed to creating a safe and healthy working environment for employees. As the production process of the Group’s products involves chemical products and special equipment, the Group also strictly abides by the Regulations on the Safety Management of Hazardous Chemicals, the Regulations on Safety Supervision of Special Equipment and other relevant laws and regulations. The Group regularly organizes safety training for employees covering fire safety, hazardous chemicals knowledge and production safety to enhance their safety awareness. Meanwhile, the Group regularly improves our corporate emergency management mechanism in order to establish a more complete employee health and safety management system.

With these efforts, the Group had no work-related deaths of employees from 2023 to 2025. During the Reporting Period, the Company recorded zero lost work time resulting from work-related injuries.

3.2.1 Production Safety

The Group always places the safety of employees in the production process in an important position. The Group strictly abides by the Production Safety Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases and other laws and regulations, and has obtained relevant certificates including ISO 14001 and ISO 45001. To ensure employee safety in the production process, the Group has formulated the Production Safety Responsibility Management System and the production safety management manual, which clearly define the safety management responsibilities of managers at all levels, standardize safety standards and risk prevention and control measures, and ensure that all employees are able to carry out their work in a controlled and safe environment. Besides, the Group has established a safety committee to plan and decide on the Group’s production safety work and ensure the effective operation of safety measures. In addition, the Group regularly inspects and maintains production equipment and conducts safety inspections on production sites to ensure the safety of production equipment, and takes corresponding measures in a timely manner against any safety hazard identified.

As the Group’s production process involves chemical products and special equipment, the Group strictly abides by the Regulations on the Safety Management of Hazardous Chemicals, the Regulations on Safety Supervision of Special Equipment and other relevant laws and regulations. The Group implements a three-tier education and training system for all new employees, covering company-level, department-level and position-level training, to ensure that employees possess the necessary production safety knowledge. For employees involved in the operation of special equipment and hazardous chemicals, the Group conducts specialized position training to help them identify and avoid risk factors in the production process. Meanwhile, the Group obliges each employee to report to his supervisor any matters as found that may endanger safety, so as to promptly respond to possible safety hazards in the production process. The Group has also formulated detailed contingency plans for production safety accidents and conducts drills for the corresponding emergency response plans, including special equipment drills once a year, hazardous chemical leakage drills once a year, environmental emergency drills once a year, and anti-theft and robbery drills once a year, continuously improving employees’ emergency response capabilities. The Group always upholds the principle of safety first in the production process, and seeks to ensure the safety and health of our employees while extending quality products and services to our customers.

Environmental, Social and Governance Report (Continued)

3.2.2 Fire Safety

The Group strictly abides by the Fire Services Law of the People's Republic of China, Shanghai Fire Services Regulations and other laws and regulations, and has formulated the Fire Safety Management System in light of the Group's actual situation to minimize the risk of fire, raise the awareness of fire safety among employees and enhance their fire emergency response capability. To ensure fire safety in the Group's workplaces, the Group has installed specialized fire prevention and firefighting equipment in office and production areas, and posted clear emergency evacuation guidelines in major corridors. Meanwhile, the Group requires all employees to receive fire safety training and emergency evacuation training at their workplaces every year, and organizes relevant activities and publicity during Safety Month and Fire Safety Month to continuously enhance employees' safety awareness. In addition, the Group's safety emergency plan includes annual fire drills to ensure that employees are able to respond quickly and correctly in emergency situations.

3.2.3 Employee Health Care Measures

Apart from safety management in the workplace, the Group is also concerned about the physical and mental health of our employees and is committed to providing comprehensive health protection. In addition to paying medical insurance for our employees in accordance with the law, we also provide supplementary commercial medical insurance to ensure that our employees are better protected in terms of their medical needs. In order to help our employees identify and prevent health risks at an early stage, we regularly organize free annual health check-ups for employees who have been with us for more than six months, covering a wide range of key health indicators, so that they can pay better attention to their own health conditions. We also encourage our employees to find a good balance between work and life, and enhance their physical and mental health through various employee care activities, such as mental health seminars, sports competitions and healthy living advocacy programs.

3.3 EMPLOYEE DEVELOPMENT AND TRAINING OVERVIEW

In order to promote talent development, the Group has built a systematic training system for our employees, and combined employee training with the Group's development strategy, so that employees can grow together with the Group while achieving their personal career development. The Group has developed a detailed training management system in the Employee Handbook, covering important links such as training needs assessment, training plan formulation, course implementation and learning effectiveness evaluation, to ensure that employees can access high-quality training and establish a sound training system. For new employees, the Group regularly organizes growth training camps and adopts the "mentor-apprentice" model to support their continuous growth and capability enhancement. The Group has established a multi-level training system covering both internal and external training. Internal training mainly includes supervisor qualification training, job transfer training and job coaching, aiming to enhance employees' professional capabilities and help them achieve performance goals more effectively. External training mainly includes short-term seminars, academic education, management training courses and relevant knowledge and skills training in various departments, helping employees continuously update and expand their knowledge structure and facilitate the realization of their personal career development plans. In 2025, the main training topics conducted by the Group included regulatory compliance training, R&D professional training, production and quality management training, general corporate management training and special operation training.

Environmental, Social and Governance Report (Continued)

3.3.1 Employee Training

Employees of the Group who received training in 2025 are shown in the table below:

	Number of employees trained	Total training time received (Hour)	Average training time (Hour/person)
Total Employees Trained	368	20,552	55.8
By Gender			
Male	130	7,250	55.8
Female	238	13,302	55.9
By Position			
Senior management	5	292	58.4
Middle management	34	1,964	57.8
Ordinary employees	329	18,296	55.6

As of December 31, 2025, the total number of trained employees of the Group was 368. Divided by gender, female employees accounted for 64.7% of the total trainees. Divided by position, ordinary employees were the main group receiving training, accounting for 89.4%.

Average training time per employee of the Group in 2025 was 55.8 hours, of which, the average training time per male employee and per female employee was 55.8 hours and 55.9 hours respectively. Divided by position, the average training time for each ordinary employee was 55.6 hours, and the average training time for middle management and senior management was 57.8 hours and 58.4 hours, respectively.

3.4 GUIDELINES AND MEASURES TO PREVENT CHILD LABOR OR FORCED LABOR

The Group has always adhered to the principle of lawful and compliant employment, exercising rigorous review throughout the recruitment process to eliminate any use of child labor or forced labor in any form. The Group strictly complies with relevant laws and regulations such as the Law on the Protection of Minors of the People's Republic of China and the Regulations Prohibiting the Use of Child Labor, avoiding any use of child or forced labor in business operations, and maintains a zero-tolerance attitude and stance towards any form of child and forced labor.

In order to implement the legal employment policy, the Group has established a comprehensive prevention and monitoring mechanism, which includes:

- **Background Information Review:** The Group selects suitable candidates through strict information verification and third-party background checks to fully ensure employment compliance and legality.
- **Identity Verification:** All new employees' identification documents are subject to review by the Human Resources Department to verify age and identity information, and complete personnel records are established and filed.

Environmental, Social and Governance Report (Continued)

- **Supplier Monitoring:** The Group includes legal employment standards in the audit and assessment of suppliers, requiring all partners to comply with corresponding regulations to eliminate any use of child or forced labor.
- **Grievance and Complaint Mechanism:** If employees discover any violation of Company policies and regulations, they may report directly to the Director of Human Resources, and the Group will promptly take action to investigate the facts. The Group upholds a zero-tolerance principle for any suspected violations and will deal with violations promptly and seriously.

3.5 ANALYSIS OF THE CURRENT SITUATION OF OPERATION MANAGEMENT

3.5.1 Supplier Overview

The regional distribution of the Group's suppliers in 2025 is shown in the table below:

	Number of suppliers	Percentage (%)
Total Number of Suppliers	118	100%
By Region		
PRC	103	87.3%
Shanghai	36	30.5%
Jiangsu	24	20.3%
Guangdong	21	17.8%
Zhejiang	10	8.5%
Other regions within the PRC	12	10.2%
Regions outside of the PRC	15	12.7%
U.S.	11	9.3%
Switzerland	2	1.7%
Other regions outside of the PRC	2	1.7%

Note: Other regions within the PRC includes Fujian, Shaanxi, Beijing, etc.; other regions outside of the PRC include Sweden, Brazil, etc.

As of December 31, 2025, the Group had a total of 118 suppliers, of which 103 were domestic suppliers, accounting for approximately 87.3%; and 15 were overseas suppliers, accounting for approximately 12.7%. The Group's domestic suppliers are primarily concentrated in Shanghai, Jiangsu and Guangdong, with other suppliers located in Zhejiang, Fujian, Shaanxi and other regions. The Group's overseas suppliers are primarily concentrated in the U.S., with other suppliers located in Switzerland, Sweden, Brazil and other regions.

Environmental, Social and Governance Report (Continued)

3.5.2 Supplier Management

The Group strictly abides by the Tendering and Bidding Law of the People's Republic of China and other laws and regulations relating to suppliers, and has formulated the "Qualified Supplier Management System" within the Group to standardize the supplier management process and ensure that the management of qualified suppliers complies with the Group's quality system requirements. The "Qualified Supplier Management System" provides detailed definitions for suppliers and clearly defines the responsibilities of all relevant departments in supplier management. It categorizes suppliers according to the extent of their impact on the quality of the Group's final products to ensure the stable and efficient operation of the supply chain.

Supplier Screening and Evaluation

The Group screens suppliers through stringent background investigations and conducts comprehensive assessments of the quality and qualification of products provided by suppliers to ensure the quality of cooperative suppliers. Meanwhile, the Group requires relevant department heads to conduct secondary evaluations of the screened supplier list, verifying suppliers' products or services through document review, sample requests, on-site inspections, and information obtained from second parties to identify qualified suppliers with the qualifications and capabilities to provide materials or outsourcing services that meet the Group's requirements. Depending on the needs of different suppliers, the Group is responsible for requiring suppliers to provide audit materials such as ISO 13485 certification, cleanroom validation certificates, self-inspection reports, and biocompatibility assessment data to ensure the quality and safety of suppliers' products or services. In 2025, the Group implemented relevant supplier engagement management system practices with all 118 cooperative suppliers.

During the supplier screening process, the Group places significant emphasis on the potential environmental and social risks that suppliers may pose. The Group tends to form cooperative relationships with suppliers that prioritize environmental protection, ensuring the environmental friendliness of suppliers' products or services by giving priority to suppliers that comply with ISO 14001 certification and the "Green Product Certification and Identification Management Measures" issued by the State Administration for Market Regulation, thereby achieving the objective of promoting the use of environmentally friendly products and services.

Supplier Evaluation and Appraisal

The Group conducts regular performance management of qualified suppliers' qualifications, including qualification review, quality of products or services provided, delivery or completion time, pricing, after-sales service support, rectification and tracking of adverse events, on-site supplier audits, and annual comprehensive performance scoring. The annual comprehensive performance review methods include on-site supplier evaluations and supplier self-assessments. For any non-conformities identified during the audit process, the Group would promptly require the relevant suppliers to complete rectification within a specified timeframe, and the Group will assess the effectiveness of their rectification upon completion.

Environmental, Social and Governance Report (Continued)

Supply Chain Risk Identification

The Group actively pays attention to environmental and social risks in all aspects of the supply chain during the supplier management and supply chain management processes. The supply chain management department is responsible for conducting background checks on all suppliers, including whether suppliers have violated environmental protection regulations. Meanwhile, to ensure and promote the environmental awareness of cooperative suppliers, the Group includes suppliers' strict compliance with environmental protection regulations, their specific environmental performance, and the adoption of certifications such as ISO 14001 as important criteria for supplier screening. The Group conducts on-site inspections of suppliers in accordance with actual business requirements to assess suppliers' emphasis on environmental protection, thereby reducing environmental and social risks in all aspects of the Group's supply chain. In addition, the Group regularly reviews suppliers' relevant qualifications to ensure the long-term effectiveness of cooperative suppliers' environmental initiatives. For suppliers that may have significant negative impacts on the environment and society, the Group adopts a strategy of promptly switching suppliers to ensure the sustainable development of the Group's supply chain.

3.5.3 Procurement Management

The Group has formulated a comprehensive "Procurement Management System" and "Procurement Control Procedures" within the Group to ensure procurement quality and standardization based on clear procurement control processes. The Group's procurement procedures involve the cooperation of various departments to manage procurement programs and work in a holistic manner and to control risks. The Group has a Quality Compliance Department that specializes in the acceptance and quality control of raw and auxiliary materials for production, packaging materials and non-disposable R&D consumables, ensuring that all materials meet established standards and safeguarding the smooth progress of production and R&D work. In addition, the Group requires the Business Requirements Department to conduct thorough research on the market for products or services to be procured and comprehensive assessment of product or service providers to ensure the selection of quality partners with stable supply capacity.

Through integrated information technology systems, the Group has achieved centralized digital management and supervision of procurement information, effectively enhancing the efficiency and transparency of procurement management, strengthening the control of supplier information and reducing potential risks. Meanwhile, the Group has established a comprehensive quality tracking and feedback mechanism to conduct timely tracking and monitoring of procurement quality. For products or services that do not meet acceptance criteria, the business departments will promptly feedback the situation to suppliers and follow up on quality issues and implement solutions. The Group also encourages suppliers to actively improve their internal quality management systems to facilitate the optimization and enhancement of the overall quality of the supply chain.

Environmental, Social and Governance Report (Continued)

3.6 PRODUCT LIABILITY OVERVIEW

3.6.1 Health and Safety of Products and Services

The Group has always regarded the health and safety of our products and services as a core value for sustainable development, and has established a comprehensive product quality management system throughout the entire production and operation process, dedicating ourselves to integrating quality management into every aspect of the Group's production and operations, and providing our customers with quality services and products. The Group strictly complies with relevant laws and regulations that have a significant impact on the Group relating to product health and safety, advertising, labelling and remedies, including but not limited to the Regulations on Supervision and Administration of Medical Devices, the Product Quality Law of the People's Republic of China, the Production Safety Law of the People's Republic of China, the Advertising Law of the People's Republic of China and the Trademark Law of the People's Republic of China. The Group has strictly followed the ISO 13485:2016 standard and the new edition of the "Good Manufacturing Practice for Medical Devices" and related appendices to establish a sound internal quality management system and clarify the Group's quality management objectives, implementing total life cycle management for products from design and development, material procurement, production, inspection, release, sales to post-market quality and safety, ensuring the safety and efficacy of every product brought to market.

In 2025, the Group embedded the ISO 14971 risk management process in the R&D phase, translating clinical needs through QFD tools and introducing simulation verification to enhance design reliability. In the production process, the Group implemented the MES system for real-time monitoring of critical parameters and conducted cleaning method validation to prevent cross-contamination. In the supply chain process, the Group adopted A/B/C classification control, implementing full inspection plus biocompatibility pre-screening for critical raw materials, and promoted the UDI system to achieve full traceability. In terms of personnel qualifications, the Group continuously reviews the qualifications of personnel in relevant positions, ensuring 100% compliance for key positions and providing comprehensive training coverage on regulations and operational skills for all employees.

Product Quality Management

Based on the requirements for product quality control and the legal provisions of relevant regulatory authorities, the Group has established the "Product Monitoring and Measurement Control Procedures" to strengthen effective quality control throughout the entire chain of product production and operations. The Group's product quality identification process mainly includes: raw material procurement, raw material inspection, raw material warehousing, product production, in-process inspection, sterilization treatment, finished product inspection, finished product warehousing, packing, packing inspection and shipment. Throughout the quality identification process, quality engineers responsible for setting raw material identification items, in-process production identification items and finished product identification items, while quality inspectors confirm that all items meet the requirements according to documentation before release.

Environmental, Social and Governance Report (Continued)

To ensure the safety of products for users, patients and other populations in actual use, the Group has established the “Domestic Adverse Event Monitoring, Re-evaluation and Product Recall System” in accordance with the requirements of relevant regulatory authorities, and has formulated comprehensive management measures for possible product recalls following launches of products. The Company’s product recall procedure strictly follows five key steps: (1) The Quality and Compliance Department is responsible for submitting the Medical Device “Recall Event Report Form” to the Shanghai Drug Regulatory Administration and the National Medical Products Administration, and submitting the investigation and evaluation report and recall plan to the Shanghai Drug Regulatory Administration and the National Medical Products Administration within 5 working days; and regularly submitting the “Recall Plan Implementation Status Report” to the provincial, autonomous region or municipal food and drug regulatory administration according to the recall plan. (2) The Quality and Compliance Department submits requests from the drug regulatory administration regarding recall level upgrades, expanded recall scope, shortened recall timelines, or changes in the handling method of recalled products to the Post-Market Working Group for execution. (3) When the Post-Market Working Group determines that changes to the recall plan are necessary, the Quality and Compliance Department promptly reports recall changes to the drug regulatory administration; during the recall implementation process, regular reports on recall plan implementation status should be submitted to the Shanghai Drug Regulatory Administration according to the recall plan; when destruction is the only means to eliminate product defects, such actions may be completed at the product location, with destruction conducted under the supervision of the drug regulatory administration. (4) Upon completion of product recall, the Post-Market Working Group evaluates the effectiveness of recall within 10 working days following the completion of the recall, and the Quality and Compliance Department submits the summarised evaluation report on medical device recalls to the Shanghai Drug Regulatory Administration until the product recall is closed. (5) The Quality and Compliance Department is responsible for archiving product recall documentation.

Products in the design and development stage undergo project initiation, input review, Design Review I and Design Review II phases. During these phases, guided by the risk management plan, the Group conducts product quality and safety assessments in the design and development stage, which basically include sample validation, biocompatibility testing, animal testing, design validation, clinical testing, shelf-life testing, sterilization validation, and process validation, to ensure product quality during the design and development stage. In the post-market stage, the Group, guided by the quality control plan, clarifies product quality control points and control methods, and conducts daily production quality control in accordance with relevant validated documentation. Meanwhile, annual process re-validation and annual risk analysis are conducted for marketed products each year to ensure product safety and quality.

In addition, to ensure the effectiveness of the internal quality management system and the timely identification of potential issues, the Group implements annual regular audits of the effectiveness of its quality management system through internal audits, third-party audits and management reviews, thereby providing a stable system foundation for product quality assurance and continuously optimizing the quality management system. In 2025, the Group did not encounter any circumstances where sold or shipped products had to be recalled for safety and health reasons.

Environmental, Social and Governance Report (Continued)

3.6.2 Customer Complaints

While ensuring product quality and safety, the Group also regards safeguarding the rights and interests of customers and enhancing customer satisfaction as important goals pursued by the Company, and is committed to efficiently resolving customer issues and better meeting customer needs through a comprehensive complaint feedback system. In order to closely manage and monitor whether the Group's products meet customer demands, the Group has established the "Feedback and Complaint Handling Control Procedures", which specify in detail such important links as departmental responsibility allocation, complaint methods, complaint deadlines, protection of complained products, complaint handling, improvement measures and record keeping, thereby ensuring the effective operation of the complaint feedback system. The Marketing and Sales Department, Quality and Compliance Department, Technology Department and Production and Operations Department of the Group are responsible for the timely acceptance and handling of customer complaints received, and for providing effective responses and appropriate solutions to customers after understanding the situation and conducting thorough investigations. Meanwhile, the Group will investigate and track customer satisfaction with complaint resolution after complaint handling is completed, and promptly seek opinions from customers on the handling results to ensure that complaints are perfectly resolved. In 2025, the Group received 1 product-related complaint, which was handled through internal analysis and reporting in accordance with the requirements of the Company's "Feedback and Complaint Handling Control Procedures", with feedback provided to the customer. Besides, arrangements were made for customer to return and exchange the involved products, all of which have been accepted by the customer.

3.6.3 Intellectual Property Management

The Group places a high priority on intellectual property management, and strictly abides by the laws and regulations related to intellectual property management, including but not limited to the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China and the Implementation Rules of the Patent Law of the People's Republic of China. In order to standardize the intellectual property management of the Group, improve the level of intellectual property development, and promote the transformation and application of intellectual property, the Group has formulated the Intellectual Property Manual in accordance with national laws and regulations and the actual conditions. The manual consists of six parts: General Provisions, Intellectual Property Policy and Objectives, Classified Patent Management and Rewards, Information Resource Management, Basic Process Management, and Training. It clarifies the definition of intellectual property, the responsibilities of relevant management departments and the main contents of intellectual property management work, aiming to strengthen the Group's management of scientific research and innovation work such as technology R&D, technology application, and achievement management, improve the Group's independent innovation ability and scientific and technological progress level, and build our core corporate competitiveness. The Group regularly updates and revises contents of the system to promote continuous optimization of our intellectual property management system.

Environmental, Social and Governance Report (Continued)

The Group has set up an intellectual property department to comprehensively manage patent affairs, covering key aspects including professional searches prior to patent applications, patent applications and full-process tracking, as well as annuity payments after patent authorization, so as to protect our own R&D achievements and legitimate rights and interests, and meanwhile strictly avoid infringing on the intellectual property rights of others. As of December 31, 2025, the Group has obtained 278 authorized patents, including 142 invention patents. In addition, the Group has formulated the “Incentive Policies for Patents of HeartCare Medical”, aiming to strengthen and promote the management and protection of intellectual property rights by means of reward management. The Group classifies patents into three levels based on dimensions such as technical and economic value, and determines the bonus amount for distribution according to the level, which has mobilized the enthusiasm of employees to invent, create, apply for and protect intellectual property rights. In June 2025, the Group passed the certification of “Requirements for Enterprise Intellectual Property Compliance Management System” (GB/T 29490–2023).

3.6.4 Customer Data Protection and Privacy Policy

The Group strictly abides by relevant laws and regulations such as the Personal Information Protection Law of the People’s Republic of China, the Data Security Law of the People’s Republic of China and the Cybersecurity Law of the People’s Republic of China, and takes strict measures to protect the Group’s information technology resources as well as data privacy related to the interests of the Group and our stakeholders. The Group regulates the code of conduct of our employees through the Employee Handbook, and implements a confidentiality system for all employees, who must sign confidentiality agreements, strictly fulfill their confidentiality obligations and severely abide by corporate secrets. Meanwhile, the Group trains our employees on customer privacy protection and data security to ensure that such employees are clearly aware of the corporate systems and processes in terms of customer privacy protection. The Group conducts regular reviews of the initiatives related to customer data protection and privacy protection to ensure strict compliance with relevant laws and regulations and timely optimization of relevant initiatives.



Environmental, Social and Governance Report (Continued)

3.7 BRIEF ANALYSIS OF CORPORATE ANTI-CORRUPTION MEASURES

The Group always strictly abides by applicable laws and regulations related to anti-corruption, anti-bribery and anti-money laundering, including but not limited to the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other relevant applicable laws and regulations of the place of operation. As a provider of high-quality medical devices, the Group attaches great importance to anti-corruption efforts and maintains a zero-tolerance attitude towards any form of corruption by Group employees or third-party cooperation partners. To this end, the Group has formulated anti-corruption-related systems and codes of conduct through the Employee Handbook to ensure an upright and transparent internal environment. Through the relevant provisions of the Handbook, the Group requires employees to strictly comply with relevant laws and regulations (including but not limited to anti-unfair competition and anti-commercial bribery), and stipulates that when participating in or representing the Group's work, employees are prohibited from soliciting, requesting or receiving remuneration from stakeholders for the purpose of seeking benefits; nor shall they solicit, receive, provide or give any benefits outside the contract agreement to other parties or their handlers or other relevant personnel, including but not limited to explicit discounts, hidden discounts, cash, shopping cards, physical goods, securities, travel or other non-material benefits. Meanwhile, the Group prohibits employees from providing or promising to provide remuneration, bearing expenses or other forms, directly or indirectly through third parties, to medical professionals, government officials or stakeholders for improper purposes such as obtaining and maintaining undue advantages, preferential treatment or privileged status in business relationships, so as to influence the behavior or decisions of the other party or the institution they serve, including inducing the other party or the institution they serve to refrain from acting. In addition, the Group has formulated the "Anti-Corruption and Anti-Commercial Bribery System" and other integrity systems to strengthen control over anti-corruption practices. In these systems, employees who violate relevant systems will be disciplined based on relevant facts; if the circumstances are serious, their employment relationship will be terminated and their legal responsibilities will be investigated. In 2025, there were no corruption lawsuits brought against the Group and our employees.

The Group promotes the Board and employees' awareness and compliance with applicable anti-corruption and anti-commercial bribery laws and regulations by providing training to them, and requires representatives of the Group who have close business communication with medical professionals to receive regular compliance training. Meanwhile, the Group has established an effective whistle-blowing mechanism, and the Group's internal audit department is responsible for monitoring and tracking incidents. The Group will continuously strengthen internal management and supervision mechanisms, and continuously improve employees' legal awareness and moral standards to eliminate violations from the root.

Environmental, Social and Governance Report (Continued)

3.8 CORPORATE COMMUNITY INVESTMENT OVERVIEW

As an enterprise concerned about social responsibility, the Group has always been committed to making the utmost of our own resources to convey love and kindness to society, shouldering corporate social responsibility through practical actions, and maximizing corporate social influence while realizing high-quality business development. The Group will participate in community investment activities in health, medical care, education, environmental protection and other fields for the long term. While adhering to our corporate mission and devoting better medical products and technologies for the majority of medical workers and patients, we will actively serve and repay society and make our utmost efforts to contribute to the health of all mankind. The following are the major achievements of the Group in terms of community investment in 2025:

Medical and Engineering Innovation: Collaborating for Progress

The Group consistently supports collaborative medical research in China, actively promoting the development of medical and engineering innovation through concrete actions. In January 2025, the Group participated in a donation initiative, and the “Medical-Engineering Laboratory” established in collaboration with the Medical Device Innovation Centre of the Lingang New Area and the First Affiliated Hospital of Harbin Medical University was officially unveiled, marking a new starting point for the integration of medical science and engineering. The Group will continue to focus on medical-engineering collaboration, leveraging the innovative role of enterprises within the entire medical device development process to facilitate the commercialisation of clinical medical achievements.



Showcasing on International Arenas, Empowering Global Medical Advancement

In March, June and August 2025, the Group showcased its full range of neuro-interventional solutions at LINNCAmericas 2025, LINNC Paris and the 2025 Asian-Australian Federation of Interventional and Therapeutic Neuroradiology (AAFITN) Congress respectively, both being annual flagship events in the global neuro-interventional field, demonstrating to the world China’s technological strength and global strategic footprint in the realm of neuro-interventional innovation. In September 2025, the Group made a significant presentation at the 48th Annual Meeting of the European Society of Neuroradiology (ESNR), showcasing its full range of innovative stroke solutions. Through in-depth exchanges with global leading neuro-interventional specialists, the Group presented its comprehensive suite of innovative stroke solutions to experts worldwide, advancing global medical science with more Chinese expertise.

Environmental, Social and Governance Report (Continued)



Supporting Medical Documentary to Triumph at International Film Festival

To authentically portray mankind's struggle against cerebrovascular diseases, the Group provided full support for the production of "Pulse of the Brain", the first scientific documentary to systematically chronicling mankind's battle against cerebrovascular diseases. Produced under the academic guidance of the Neuro-interventional Committee of the Chinese Medical Doctor Association and broadcast on CCTV-9, the documentary adopts a unique perspective and draws on a wealth of historical material to provide a detailed account of the century-long development of cerebrovascular disease treatment technologies since their inception. The documentary was awarded the Best Medical Documentary prize at the 2025 New York International Film Festival. The Group provided comprehensive filming of medical device demonstrations throughout the documentary, as well as data on the development of sophisticated medical devices, thereby enhancing the authenticity and richness of the documentary's content and contributing to its success in winning the award.



Pioneering Industry-leading Technological Innovation and Earning Professional Recognition

In 2025, the "Chinese Expert Consensus on Endovascular Treatment Techniques for Acute Ischemic Stroke (2025)" was officially released, which specifically highlighted the Group's ultra-large-lumen aspiration technology and the Carotid artery heavy load thrombus aspiration technique by granting them a Grade I recommendation and a Grade II recommendation respectively. According to the consensus, the Group's 0.088/0.078 ultra-large-lumen Aspiration Catheter provides a hardware foundation for efficient aspiration through its larger lumen. The Carotid artery heavy load thrombus aspiration technique (CATCH) and CATCH mini technologies, jointly developed by the Group and domestic experts, enhance the in-place performance of catheters and improve the efficiency of thrombus aspiration and removal. Moving forward, the Group will continue to focus on innovation in materials, products and technologies, working alongside domestic experts to safeguard vital health with our unwavering dedication.

Environmental, Social and Governance Report (Continued)

中国科技论文数据库 (中国科技核心期刊)
《中文核心期刊要目总览》2023年版 (中文核心期刊)
收录平台: 中文科技期刊数据库 (万方网) / 国家科技期刊开放平台 / 中国知网数据库 / 中国知网(超星域出版) / DOI:10.26771/ckj.zjz


1000-0526 CN 11-2648

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Chinese Journal of Stroke

创刊与宗旨
为临床医生在急重症内治疗技术中提供帮助 2025 1422

Guidelines and Consensus
Chinese Expert Consensus on Endovascular Treatment Technology for Acute Ischemic Stroke 2025 1423



1000-0526

ZHONGGUO GUZHONG ZAZHI
VOLUME 50, NUMBER 11, NOVEMBER 2025
2025年11月 第50卷 第11期 1422-1423
总编辑: 中国卒中杂志编辑部 科学技术文献出版社重庆分社

THE ENGLISH TITLE

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Report of Directors

The Board of Directors is pleased to submit this report together with the audited financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company and its subsidiaries are principally engaged in the research, development, manufacturing and sale of neuro-interventional medical devices. The activities of the Company's subsidiaries are set out in note 1 to the financial statements.

An analysis of the Company's revenue and operating profit for the year by principal activities is set out in the section headed "Management's Discussion and Analysis" in this annual report and the statement of loss and comprehensive loss in the financial statements.

BUSINESS REVIEW

Saved as disclosed in this report, no fair review of the business of the Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising a discussion and analysis of the Group's performance during the year, a description of the principal risks and uncertainties facing the Company, particulars of important events affecting the Group that have occurred since the end of the financial year, and an indication of likely future development in the business of the Group are provided in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Report of Directors" of this annual report. Discussions on the Group's environmental policies and performance, the Group's compliance with the relevant laws and regulations that have a significant impact on the Group, and an account of the Group's key relationships with its stakeholders that have a significant impact on the Group and on which the Group's success depends, are provided in the sections headed "Environmental, Social and Governance Report", "Report of Directors" and "Corporate Governance Report" of this annual report. All such discussions form part of this report.

RESULTS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 114 of this annual report.

FINAL DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended December 31, 2025 (2024: nil).

There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

DONATIONS

Charitable and other donations made by the Group during the Reporting Period amounted to RMB0.4 million (2024: RMB1.3 million).

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended December 31, 2025 and details of the shares issued in the year ended December 31, 2025 are set out in note 27 to the financial statements.

Report of Directors (Continued)

ISSUE OF DEBENTURES

The Company did not have any debentures in issue for the year ended December 31, 2025 (2024: nil).

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company did not have any distributable reserves (2024: nil).

BANK LOANS AND OTHER BORROWINGS

The Group did not have any outstanding bank loans or other borrowings as at December 31, 2025 (2024: nil).

EQUITY LINKED AGREEMENTS

Saved as disclosed in this report, no equity-linked agreements that will or may result in the Company issuing shares nor require the Company to enter into an agreement that will or may result in the Company issuing shares was entered into by the Company during the year or subsisted at the end of the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company, or the laws of the PRC, which would oblige the Company to offer new shares of the Company on a pro-rata basis to its existing shareholders.

FINANCIAL SUMMARY

A summary of the Company's results and assets and liabilities for the last five financial years are set out in the section headed "Financial Summary" of this annual report. This summary does not form part of the audited financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Repurchase Mandate

The Directors have been granted the general mandate (the "Repurchase Mandate") pursuant to the resolutions of the Shareholders passed on May 26, 2025, to repurchase H Shares in the open market from time to time. Pursuant to the Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of the issued H Shares (excluding any treasury Shares) on the date of passing such resolution.

Report of Directors (Continued)

Share Repurchase

During the year ended December 31, 2025, the Company repurchased 632,850 H Shares under the Repurchase Mandate on the Stock Exchange for an aggregate consideration of HK\$39.4 million (excluding transaction costs). These H Shares are held as treasury shares (as defined under the Listing Rules) of the Company and are intended to be utilized for the administration of the 2025 H Share Incentive Scheme. Details of the repurchases are set out below:

	Number of H Shares	Highest per H Share (HK\$)	Lowest per H Share (HK\$)	Aggregate consideration (HK\$ million)
September 2025	184,850	65.60	57.40	11.6
October 2025	331,900	71.00	54.10	21.6
December 2025	116,100	54.15	52.20	6.2

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the Reporting Period. Treasury shares presented notes to the consolidated financial statements includes shares acquired by trustees of trusts set up in connection with share incentive schemes of the Group, and therefore not all treasury shares appearing on the notes to the consolidated financial statements of the Group fall within the meaning of "treasury shares" under the Listing Rules.

Report of Directors (Continued)

SHARE SCHEMES

Saved as the 2021 H Share Incentive Scheme and the 2025 H Share Incentive Scheme disclosed below, neither the Company nor its subsidiaries had any share scheme during the year ended December 31, 2025.

SHARE INCENTIVE SCHEME

The 2021 H Share Incentive Scheme

The Shareholders have adopted the 2021 H Share Incentive Scheme by a special resolution on November 1, 2021 (and further amended the 2021 H Share Incentive Scheme by ordinary resolution on June 10, 2022 and May 20, 2024). The following is a summary of the principal terms of the 2021 H Share Incentive Scheme. Please refer to the Company's circulars dated October 11, 2021, April 11, 2022 and April 17, 2024 for further information. The Board has resolved to cancel 430,500 Award Shares under the 2021 H Share Incentive Scheme which has been granted to certain management personnel of the Group and the cancelled Award Shares were replaced by the re-grant of new share awards. Please refer to the Company's announcement dated December 15, 2025 for further information.

(a) *Purpose of the Share Award Scheme*

The purposes of the 2021 H Share Incentive Scheme are (i) to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company; (ii) to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and (iii) to (a) recognize the contributions of the leadership of the Company including the Directors; (b) encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) provide additional incentive for the leadership of the Company and long standing employee by aligning the interests of the leadership of the Company to those of the Shareholders and the Group as a whole.

(b) *Participants*

Any individual who is a Director, senior management, key operating team member, employee, or a consultant of the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award (as defined below) pursuant to the 2021 H Share Incentive Scheme is not permitted under the laws and regulations (including the relevant PRC laws and the Listing Rules) or where, in the view of the Board or the Delegatee (as defined below), in compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the 2021 H Share Incentive Scheme and such individual shall therefore be excluded therefrom (an "Eligible Participant").

Report of Directors (Continued)

(c) *Awards*

An award of H Shares (the "Award Share(s)") pursuant to the 2021 H Share Incentive Scheme (the "Award(s)") granted by the Board to participants ("Selected Participant(s)") who are Eligible Participants. In determining the Selected Participants, the Board may take into consideration matters including the present and expected contribution of the relevant Selected Participant to the Group. A grant shall be made by an Award letter to each Selected Participant, specifying the Grant Date, the manner of acceptance of the Award, the value of the Award and/or number of Award Shares underlying the Award (with the basis on which the number of Award Shares underlying the Award is arrived at), the vesting criteria and conditions, and the Vesting Date and such other details as might be required. Any price to be paid in relation to the grant shall be determined by the Delegatee with the authorization of the Board at their discretion. The Selected Participants may be required to pay a specific per Award Share amount at the time of grant (or at such other time) as stipulated in the grant letter for each Award.

(d) *Term*

Subject to any early termination of the 2021 H Share Incentive Scheme pursuant to its rules, the 2021 H Share Incentive Scheme shall be valid and effective for 10 years commencing from November 1, 2021 (after which no Awards shall be granted), and thereafter for so long as there are non-vested Award Shares granted under the 2021 H Share Incentive Scheme prior to the expiration of the 2021 H Share Incentive Scheme, in order to give effect to the vesting of such Award Shares. The remaining life of the scheme is approximately 6 years.

(e) *Vesting*

The Board or the Delegatee may determine the vesting criteria and conditions or periods for the Awards to be vested.

(A) *Vesting Schedule*

Unless otherwise specified in an Award letter, and subject to the vesting conditions set out in the 2021 H Share Incentive Scheme rules, two types of Awards may generally be granted, (i) 3-year Awards shall be vested in three installments commencing from June 30 of the following year (in relation to Awards of not more than 3,000,000 H Shares); and (ii) 1-year Awards shall be granted on or before June 30 of a year and vested by the end of the year (300,000 H Shares may be granted each year during the life of the 2021 H Share Incentive Scheme). The specific commencement and duration of each vesting period and the actual vesting amount of the Award granted to a Selected Participant for the respective vesting periods shall be specified in the Award Letter approved by the Board or the Delegatee.

The vesting periods of the Awards granted under the 2021 H Share Incentive Scheme or the Awards to be satisfied by the application of any Award Shares which were not vested and/or are lapsed, canceled or forfeited shall be determined by the Board or the Delegatee in its sole and absolute discretion, and shall in any event not extend beyond the then remaining term of the Award Period at the time of grant.

(B) *Vesting Conditions*

Vesting of the Award granted under the 2021 H Share Incentive Scheme is subject to the conditions of the performance indicators of the Company and any other applicable vesting conditions (such as payment of a vesting amount by the Selected Participant) as set out in the Award letter.

Report of Directors (Continued)

The details of the performance indicators of the Company (if any) shall be determined by the Board or the Delegatee from time to time with reference to the business performance and financial condition of the Company and the then market conditions and shall be set out in the Award letter. If the Selected Participant fails to fulfil the vesting conditions applicable to the relevant Awards, all the Award Shares underlying the relevant Awards which may otherwise be vested during the respective Vesting Periods shall not be vested and become immediately forfeited with respect to such Selected Participant.

The Trustee (as defined below) shall be instructed to release the Award Shares to a Selected Participant upon satisfaction of the conditions on the applicable vesting date.

(f) *Restriction on Grant of Awards*

No grant of any Award Shares to any Selected Participant may be made and no directions or recommendations shall be given to the Trustee (as defined below) with respect to a grant of an Award under certain circumstances including:

- (i) where the requisite approval from any applicable regulatory authorities or Shareholders has not been granted;
- (ii) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the 2021 H Share Incentive Scheme;
- (iii) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (iv) where such grant of Award would result in a breach of the 2021 H Share Incentive Scheme Limit;
- (v) after the expiry of the Award period or after the earlier termination of the 2021 H Share Incentive Scheme;
- (vi) where any Director is in possession of unpublished inside information (as defined under the SFO) in relation to the Company or where any Director reasonably believes there is inside information which must be disclosed pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (vii) during the period of 60 days immediately preceding the publication date of the annual results of the Group or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (viii) during the period of 30 days immediately preceding the publication date of the quarterly or half-year results of the Group or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of such results.

Report of Directors (Continued)

(g) General and Maximum Limit

The maximum number of H Shares which may be granted under the 2021 H Share Incentive Scheme is 3,000,000 H Shares, representing approximately 9.8% and 7.9% of the Company's H Shares and total issued share capital (excluding treasury shares) as of the date of this report, respectively. As of January 1, 2025 and December 31, 2025, the total number of Shares available to be awarded under the 2021 H Share Incentive Scheme is 1,982,600 Shares and 1,968,200 Shares, respectively. Awards under the 2021 H Share Incentive Scheme shall be granted in accordance with the applicable Listing Rules and each Selected Participant shall not have unvested Awards exceeding 1% of the Company's issued share capital at the relevant time.

The 2021 H Share Incentive Scheme is administered by the Board, the management committee of the 2021 H Share Incentive Scheme or any other person or committee as the Board may delegate (a "Delegatee"). A trustee (the "Trustee") has been appointed by the Company for the purpose of administering the trust underlying the 2021 H Share Incentive Scheme, who shall, amongst other things, acquire H Shares to be granted to Selected Participants through on-market transactions at the prevailing market price in accordance with the instructions of the Company and the relevant provisions of the 2021 H Share Incentive Scheme rules. No new H Shares may be allotted and issued pursuant to the 2021 H Share Incentive Scheme. Neither the Selected Participant nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any Award Shares that have not yet vested).

Set for below are particulars of the Awards granted pursuant to the 2021 H Share Incentive Scheme:

	Date of grant	Number of awards					As of December 31, 2025
		As of January 1, 2025	Granted during the Reporting Period	Exercised and/or vested during the Reporting Period	Cancelled during the Reporting Period	Forfeited/lapsed during the Reporting Period	
Mr. Wei Jiawei	June 7, 2024 ⁽²⁾	240,000	—	—	—	—	240,000
Mr. Wang Guohui	December 15, 2025 ⁽⁴⁾	—	400,000	400,000	—	—	—
Other employees of the Group	June 30, 2023 ⁽¹⁾	32,600	—	24,600	—	8,000	—
	June 7, 2024 ⁽²⁾	615,000	—	—	430,500	—	184,500
	June 30, 2025 ⁽³⁾	—	52,900	7,900	—	—	45,000
Sub-total		887,600	452,900	432,500	430,500	8,000	469,500
<i>Five highest paid employees (including Directors)</i>	June 7, 2024 ⁽²⁾	780,000	—	—	378,000	—	402,000
	December 15, 2025 ⁽⁴⁾	—	400,000	400,000	—	—	—

Notes:

- (1) The Awards were granted on June 30, 2023. Subject to vesting conditions including fulfilment of the grantee's individual performance target of achieving a B grading or above for all personal evaluations between the date of grant and vesting and each Grantee is required to pay RMB22 per Share at a time to be agreed with the Company, 100% of Awards granted to each grantee shall be vested on December 31, 2025.

Report of Directors (Continued)

- (2) The Awards were granted on June 7, 2024. There are two types of Awards, (i) 1-year period vesting Awards, granting 13,300 awarded Shares to the grantees, and (ii) 3-year period vesting Awards, granting 855,000 awarded Shares to the grantees. The vesting conditions of the two types of Awards are (i) for the 1-year period Awards, fulfilment of the grantee's individual performance target of achieving an A grading for all personal evaluations in the assessment year immediately prior to the date of grant, 100% of Awards granted to each grantee shall be vested on December 31, 2024; and (ii) for the 3-year period Awards, fulfilment of the grantee's performance target of each year, 20%, 30%, and 50% of Awards granted to each grantee shall be vested on June 30, 2025, June 30, 2026, and June 30, 2027, respectively. 430,500 Award Shares which has been granted to certain management personnel of the Group (the "Previously Granted Awards") were cancelled on December 15, 2025. The Previously Granted Awards has been made to four management and senior management level employees (the "Grantees") of the Group. The canceled Previously Granted Awards were replaced by the re-grant of new share awards under the 2025 H Share Incentive Scheme.
- (3) The Awards were granted on June 30, 2025, and the closing price of the Shares immediately before the grant date was HK\$37.55 per Share. No consideration is payable by the grantees for the acceptance of the Awards. The fair value representing the Award granted were approximately RMB1.9 million (RMB35.11 each) based on the accounting standards and policies as set for in the Company's annual report. There are two types of Awards, (i) 1-year period vesting Awards, granting 7,900 awarded Shares to the grantees, and (ii) 3-year period vesting Awards, granting 45,000 awarded Shares to the grantees. The vesting conditions of the two types of Awards are (i) for the 1-year period vesting Awards, fulfilment of the grantee's individual performance target of achieving an A grading for all personal evaluations in the assessment year immediately prior to the date of grant, 100% of Awards granted to each grantee shall be vested on December 31, 2025; and (ii) for the 3-year period vesting Awards, fulfilment of the grantee's performance target of each year, up to 20%, 30% and 50% of Awards granted to each grantee shall be vested on June 30, 2026, June 30, 2027 and June 30, 2028, respectively.
- (4) The Awards were granted on December 15, 2025, and the closing price of the Shares immediately before the grant date was HK\$48.98 per Share. No consideration is payable by the grantee for the acceptance of the Awards. The fair value representing the Awards granted were approximately RMB18.34 million (RMB45.84 each) based on the accounting standards and policies as set forth in the Company's annual report. The vesting of the Awards was subject to the fulfilment of the grantee's individual performance target for relevant personal annual assessment determined by the Company, and all the Awards were vested on December 31, 2025.

The 2025 H Share Incentive Scheme

The Shareholders have adopted the 2025 H Share Incentive Scheme by a special resolution on May 26, 2025. The 2025 H Share Incentive Scheme is subject to Chapter 17 of the Listing Rules. The following is a summary of the principal terms of the 2025 H Share Incentive Scheme. Please refer to the Company's announcement and circular, both dated May 7, 2025 for further information.

(a) Purpose of the 2025 H Share Incentive Scheme

The purposes of the 2025 H Share Incentive Scheme are (i) to attract and retain employees whose contributions are important to the long-term growth and success of the Group, to recognize and reward employees for their past contribution to the Group; (ii) to encourage employees to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole; (iii) to enhance the Company's long-term remuneration incentive strategy; and (iv) to align the interests of the employees with those of the Company and the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

Report of Directors (Continued)

(b) *Participants*

Any individual who is a Director, Supervisor, employee (including full-time employees and part-time employees) of the Group; however, no individual who is resident in a place where the grant of an Award Share (as defined below) and/or the vesting and transfer of the Award Shares pursuant to the terms of the 2025 H Share Incentive Scheme is not permitted under the laws and regulations (including the relevant PRC laws and the Listing Rules) or where, in the view of the Board and/or its authorized persons, in compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the 2025 H Share Incentive Scheme and such individual shall therefore be excluded therefrom (an "Eligible Participant").

(c) *Awards*

An award of H Shares (the "Award Share(s)") pursuant to the 2025 H Share Incentive Scheme (the "Award(s)") may, from time to time, be granted by the Board to participants ("Selected Participant(s)") who are Eligible Participants. In determining the Selected Participants, the Board may take into consideration matters including the individual performance, time commitment, individual contribution to the Group, etc, subject to the terms and conditions of the 2025 H Share Incentive Scheme, in its absolute discretion, consider and select the Selected Participant. A grant shall be made by a letter of grant ("Letter of Grant") to each Selected Participant, specifying the Grant Date, the manner of acceptance of the Award, the value of the Award and/or number of Award Shares underlying the Award (with the basis on which the number of Award Shares underlying the Award is arrived at), the vesting criteria and conditions, and the vesting schedule and such other details as might be required. Any price to be paid in relation to the grant shall be determined by the Board and/or its authorized persons with the authorization of the Board at their discretion. The Selected Participants may be required to pay a specific per Award Share amount at the time of grant (or at such other time) as stipulated in the Letter of Grant for each Award.

(d) *Term*

Subject to any early termination of the 2025 H Share Incentive Scheme pursuant to its rules, the 2025 H Share Incentive Scheme shall be valid and effective for 10 years commencing from May 26, 2025 (after which no Awards shall be granted), and thereafter for so long as there are unvested Award Shares granted under the 2025 H Share Incentive Scheme prior to the expiration of the 2025 H Share Incentive Scheme, in order to give effect to the vesting of such Award Shares. The remaining life of the scheme is approximately 9 years.

(e) *Vesting*

The Board and/or its authorized persons may determine the vesting criteria and conditions or periods for the Awards to be vested.

(A) *Vesting Schedule*

Unless otherwise specified in an Letter of Grant, and subject to the vesting conditions set out in the 2025 H Share Incentive Scheme rules, two types of Awards may generally be granted, (i) 3-year Awards shall be vested in three installments after the conclusion of the year 2025, 2026 and 2027 (in relation to Awards of not more than 1,000,000 H Shares and 3.17% of the Company's issued H shares (excluding any treasury shares) as at May 26, 2025); and (ii) 1-year Awards shall be granted before June 30 of the respective year and vested by the end of the fiscal year (in relation to Awards of not more than 1,000,000 H Shares and 3.17% of the Company's issued H shares (excluding any treasury shares) as at May 26, 2025). The specific commencement and duration of each vesting period and the actual vesting amount of the Award granted to a Selected Participant for the respective vesting periods shall be specified in the Letter of Grant approved by the Board and/or its authorized persons.

Report of Directors (Continued)

The vesting periods of the Awards granted under the 2025 H Share Incentive Scheme or the Awards to be satisfied by the application of any Award Shares which were not vested and/or are lapsed shall not vest and shall expire immediately. Any outstanding Award Shares and related income that have not yet vested shall be forfeited immediately and shall not be regarded as utilized for the purpose of calculating the scheme mandate limit. Award Shares canceled shall be deemed to have been utilized for the purpose of calculating the scheme mandate limit.

(B) Vesting Conditions

Vesting of the Award granted under the 2025 H Share Incentive Scheme is subject to the conditions of the performance indicators of the Company and any other applicable vesting conditions (such as payment of a vesting amount by the Selected Participant) as set out in the Letter of Grant.

The details of the performance indicators of the Company (if any) shall be determined by the Board and shall be set out in the Letter of Grant. If the Selected Participant fails to meet the vesting conditions applicable to the relevant Award Shares, all relevant Award Shares that may vest during each vesting period shall not vest and shall lapse immediately unless the Board and/or its authorized persons decide the otherwise. In such event, the Board and/or its authorized persons may, at their sole discretion, determine the vesting of the relevant Award Shares in accordance with the deferred schedule and adjust the vesting percentage and shall notify the Trustee of the same in writing as soon as reasonably practicable.

(f) *Restriction on Grant of Awards*

No grant of any Award Shares to any Selected Participant may be made with respect to a grant of an Award under certain circumstances including:

- (i) where the requisite approval from any applicable regulatory authorities or Shareholders has not been granted;
- (ii) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the 2025 H Share Incentive Scheme;
- (iii) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (iv) where such grant of Award would result in a breach of the 2025 H Share Incentive Scheme mandate limit;
- (v) after the expiry of the Award period or after the earlier termination of the 2025 H Share Incentive Scheme;

Report of Directors (Continued)

- (vi) where any Director is in possession of unpublished inside information (as defined under the SFO) in relation to the Company or where any Director reasonably believes there is inside information which must be disclosed pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (vii) during the period commencing 30 days immediately before the earlier of (i) the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcements. Such period will cover any period of delay in the publication of a results announcement;
- (viii) (If the Selected Participant is a Director (other than an independent non-executive Director), Supervisor or chief executive of the Company, during a period of 60 days immediately prior to the publication date of the annual results of any financial period of the Company, during a period of 30 days immediately prior to the publication date of the interim results of any financial period of the Company, or, if shorter, the period from the end of the relevant financial period to the publication date of the results.

(g) *General and Maximum Limit*

The maximum number of H Shares which may be granted under the 2025 H Share Incentive Scheme is 1,000,000 H Shares, representing approximately 3.3% and 2.6% of the Company's H Shares and total issued share capital (excluding treasury shares) as of the date of this report, respectively. As of December 31, 2025, 430,500 Award Shares have been granted and the total number of Shares available to be awarded under the 2025 H Share Incentive Scheme is 569,500 Shares. Awards under the 2025 H Share Incentive Scheme shall be granted in accordance with the applicable Listing Rules and each Selected Participant shall not have unvested Awards exceeding 1% of the Company's issued share capital at the relevant time.

The 2025 H Share Incentive Scheme is administered by the Board and/or its authorized persons. For any Award Shares that have not yet vested (treasury Shares deposited with CCASS), neither the Selected Participant nor the broker may exercise any voting rights attached to any H Shares.

Report of Directors (Continued)

Set for below are particulars of the Awards granted pursuant to the 2025 H Share Incentive Scheme:

	Date of grant	Number of awards					As of December 31, 2025
		As of January 1, 2025	Granted during the Reporting Period	Exercised and/or vested during the Reporting Period	Cancelled during the Reporting Period	Forfeited/lapsed during the Reporting Period	
Employees of the Group	December 15, 2025 ⁽¹⁾	—	430,500	—	—	—	430,500
Sub-total		—	430,500	—	—	—	430,500
Five highest paid employees (including Directors)	December 15, 2025 ⁽¹⁾	—	378,000	—	—	—	378,000

Note:

- (1) The Awards granted during the Reporting Period was granted on December 15, 2025, and the closing price of the Shares immediately before the grant date was HK\$48.98 per Share. No consideration is payable by the grantees for the acceptance of the Awards. The fair value representing the Award granted were approximately RMB19.73 million for employees of the Group and RMB 17.33 million for five highest paid employees respectively (RMB45.84 each) based on the accounting standards and policies as set for in the Company's annual report. Reference is also made to the Company's announcement dated December 15, 2025 regarding the cancellation of certain share awards under the 2021 H Share Incentive Scheme and the re-grant of the awards set forth herein, as the cancellation and re-grant of awards occurred simultaneously, such awards are regarded as replacement of the canceled awards, details of which are set forth in note 28 of the Company's consolidated financial statements. Subject to vesting conditions including fulfilment of the grantee's individual performance target of achieving a B grading or above for all personal evaluations in the year immediately prior to the vesting of the grant, as well as the achievement of certain financial, operational or market capitalization targets as determined by the Board, 100% of Awards granted to each grantee shall be vested on June 30, 2027.

DIRECTORS AND SUPERVISORS

The Directors during the year ended December 31, 2025 and up to the date of this report were:

Executive Directors

Mr. WANG Guohui (*Chairman, Chief executive officer*)

Ms. ZHANG Kun

Mr. WEI Jiawei (*Deputy general manager*)

Non-executive Directors

Mr. DING Kui

Mr. CHEN Shaoxiong

Mr. CHEN Gang

Independent Non-executive Directors

Mr. GUO Shaomu

Mr. FENG Xiangqian

Mr. GONG Ping

The Supervisors during the year ended December 31, 2025 and up to January 16, 2026 were:

Report of Directors (Continued)

SUPERVISORS (The Supervisory Committee was abolished with effect from January 16, 2026)

Mr. JIANG Xinbei (*ceased on January 16, 2026*)

Ms. JIANG Xue (*ceased on January 16, 2026*)

Mr. LIU Hongbao (*appointed on July 25, 2025 and ceased on January 16, 2026*)

The Company has received written confirmation from all Independent Non-executive Directors regarding their independence as required under Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors to be independent.

CHANGES IN DIRECTORS' INFORMATION

Save as disclosed in this annual report, the Company is not aware of any changes in Directors' information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

The Company has entered into a service agreement with each of the Directors and Supervisors which contains provisions in relation to, among other things, compliance of relevant laws and regulations, observation of the Articles of Association and provisions on arbitration.

The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following his/her respective appointment date; and (b) each of the agreements is subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with our Articles of Association and the applicable rules.

The Company has not entered, and does not propose to enter, into any service contracts with any of the Directors or Supervisors in their respective capacities as Directors/Supervisors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save as disclosed in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director, a Supervisor and any entity connected with them had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of Directors, Supervisors and senior management are set out from pages 21 to 30 of this annual report.

Report of Directors (Continued)

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at December 31, 2025, the interests and short positions of the Directors, the Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests of directors, supervisors and chief executive in the Company

Name of Director/ Supervisor/Chief Executive	Class of Shares	Capacity	Number of Securities/ Nature of Shares Held	Approximate Percentage of Shareholding in Total Issued Share Capital of the Company	Approximate Percentage of Shareholding in Relevant Class of Shares
Wang Guohui ⁽¹⁾	Unlisted Shares	Beneficial Owner and Interest in controlled corporation	3,188,110/ Long Position	8.21%	43.86%
	H Shares		5,698,737/ Long Position	14.67%	18.05%
Ding Kui ⁽²⁾	Unlisted Shares	Beneficial Owner and Interest of Spouse	782,908/ Long Position	2.02%	10.77%
	H Shares		2,001,538/ Long Position	5.15%	6.34%
Zhang Kun ⁽³⁾	Unlisted Shares	Beneficial owner and Interest of Spouse	1,566,488/ Long Position	4.03%	21.55%
	H Shares		1,209,688/ Long Position	3.11%	3.83%
Wei Jiawei ⁽⁴⁾	H Shares	Beneficial Owner	240,000/ Long Position	0.62%	0.76%
Jiang Xue	H Shares	Beneficial Owner	5,000/ Long Position	0.01%	0.02%
Liu Hongbao ⁽⁵⁾	H Shares	Beneficial Owner	40,400/ Long Position	0.10%	0.13%

Notes:

- (1) Mr. Wang Guohui directly holds 1,915,690 Unlisted Shares and 2,315,690 H Shares. Mr. Wang acts as the general partner of Ningbo Weizheng Self-Owned Capital Investment Partnership (LP) (寧波瑋鈺自有資金投資合夥企業(有限合夥)) (“Weizheng Investment”) and Shanghai Zandaqian Enterprise Management Consulting Center (上海贊大乾企業管理諮詢中心) (“Shanghai Zandaqian”) acts as the general partner of Ningbo Meishan Bonded Port Area Kaiyuan Investment Management Partnership (LP) (寧波梅山保稅港區楷遠投資管理合夥企業(有限合夥)) (“Kaiyuan Investment”), Ningbo Weiyu Self-Owned Capital Investment Partnership (LP) (寧波瑋鈺自有資金投資合夥企業(有限合夥)) (“Weiyu Investment”) and Ningbo Weiyun Self-Owned Capital Investment Partnership (LP) (寧波瑋鑿自有資金投資合夥企業(有限合夥)) (“Weiyun Investment”). Shanghai Zandaqian is a sole proprietorship wholly owned by Mr. Wang. By virtue of the SFO, Mr. Wang Guohui is deemed to be interested in the Shares in which Weizheng Investment, Kaiyuan Investment, Weiyu Investment and Weiyun Investment are interested in and Shanghai Zandaqian is deemed to be interested in the Shares in which Kaiyuan Investment, Weiyu Investment and Weiyun Investment are interested in.

Report of Directors (Continued)

- (2) Mr. Ding Kui directly holds 782,908 Unlisted Shares and 782,908 H Shares. Mr. Ding is also deemed to be interested in the 1,218,630 H Shares held by Wisary Limited, an entity controlled by his spouse, Ms. Li Jun.
- (3) Ningbo Tongchuangsuwei Investment Partnership (LP) (寧波同創速維投資合夥企業(有限合夥)) (“Tongchuangsuwei”) directly holds 869,330 Unlisted Shares and 512,530 H Shares. Ms. Zhang Kun directly holds 697,158 Unlisted Shares and 697,158 H Shares. Mr. Chai Yanpeng, as the general partner of Tongchuangsuwei, is the spouse of Ms. Zhang Kun. By virtue of the SFO, Mr. Chai Yanpeng is deemed to be interested in the Shares in which Ms. Zhang Kun and Tongchuangsuwei is interested in and Ms. Zhang Kun is deemed to be interested in the Shares in which Mr. Chai Yanpeng is interested in.
- (4) Mr. Wei Jiawei is interested in 240,000 award shares granted to him pursuant to the Company’s 2021 H Share Incentive Scheme which shall be vested in accordance with the terms of the grant.
- (5) Mr. Liu Hongbao is interested in 22,500 award shares granted to him pursuant to the Company’s 2021 H Share Incentive Scheme which shall be vested in accordance with the terms of the grant.

Save as disclosed above and to the best knowledge of the Directors, the Supervisors and chief executive of the Company, as at December 31, 2025, none of the Directors, the Supervisors or chief executive of the Company has any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND OR/SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at December 31, 2025, to the best knowledge of the Directors, the following persons (not being a Director, a Supervisor, or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company, which would be required to be disclosed to the Company and the Stock Exchange pursuant to 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:

Name of Shareholders	Class of Shares	Capacity	Number of Securities/ Nature of Shares Held	Approximate Percentage of Shareholding in Total Issued Share Capital of the Company	Approximate Percentage of Shareholding in Relevant Class of Shares
Ms. Zhang Yanxia ⁽¹⁾	Unlisted Shares	Interest of spouse	3,188,110/ Long Position	8.21%	43.86%
	H Shares		5,698,737/ Long Position	14.67%	18.05%
Shanghai Zandaqian Enterprise Management Consulting Center ⁽²⁾	Unlisted Shares	Interest in controlled corporation	496,183/ Long Position	1.28%	6.83%
	H Shares		2,834,162/ Long Position	7.30%	8.98%

Report of Directors (Continued)

Name of Shareholders	Class of Shares	Capacity	Number of Securities/ Nature of Shares Held	Approximate Percentage of Shareholding in Total Issued Share Capital of the Company	Approximate Percentage of Shareholding in Relevant Class of Shares
Ningbo Weizheng Self-Owned Capital Investment Partnership (LP) ⁽²⁾	Unlisted Shares	Beneficial owner	776,237/ Long Position	2.00%	10.68%
	H Shares		548,885/ Long Position	1.41%	1.74%
Ningbo Meishan Bonded Port Area Kaiyuan Investment Management Partnership (LP) ⁽²⁾	H Shares	Beneficial owner	1,163,334/ Long Position	3.00%	3.69%
Ningbo Weiyu Self-Owned Capital Investment Partnership (LP) ⁽²⁾	Unlisted Shares	Beneficial owner	496,183/ Long Position	1.28%	6.83%
	H Shares		322,828/ Long Position	0.83%	1.02%
Ningbo Weiyun Self-Owned Capital Investment Partnership (LP) ⁽²⁾	H Shares	Beneficial owner	1,348,000/ Long Position	3.47%	4.27%
Mr. Chai Yanpeng ⁽³⁾	Unlisted Shares	Interest in controlled corporation	1,566,488/ Long Position	4.03%	21.55%
	H Shares	and Interest of spouse	1,209,688/ Long Position	3.11%	3.83%
Ningbo Tongchuangsuwei Investment Partnership (LP) ⁽³⁾	Unlisted Shares	Beneficial owner	869,330/ Long Position	2.24%	11.96%
	H Shares		512,530/ Long Position	1.32%	1.62%
SDIC Unity Capital National Emerging Industry Venture Capital Guiding Fund (LP) ⁽⁴⁾	Unlisted Shares	Beneficial owner	906,220/ Long Position	2.33%	12.47%
	H Shares		228,370/ Long Position	0.59%	0.72%
Temasek Life Sciences Private Limited ⁽⁵⁾	H Shares	Interest in controlled corporation	1,627,907/ Long Position	4.19%	5.16%
Fullerton Management Pte Ltd. ⁽⁵⁾	H Shares	Interest in controlled corporation	1,627,907/ Long Position	4.19%	5.16%
Temasek Holdings (Private) Limited ⁽⁵⁾	H Shares	Interest in controlled corporation	1,767,907/ Long Position	4.55%	5.60%
LYFE Columbia River Limited ⁽⁶⁾	Unlisted Shares	Beneficial owner	152,599/ Long Position	0.39%	2.10%
	H Shares		2,899,373/ Long Position	7.47%	9.19%

Report of Directors (Continued)

Name of Shareholders	Class of Shares	Capacity	Number of Securities/ Nature of Shares Held	Approximate Percentage of Shareholding in Total Issued Share Capital of the Company	Approximate Percentage of Shareholding in Relevant Class of Shares
LYFE Ohio River Limited ⁽⁶⁾	Unlisted Shares	Beneficial owner	49,147/ Long Position	0.13%	0.68%
	H Shares		933,784/ Long Position	2.40%	2.96%
Raritan River Limited ⁽⁶⁾	Unlisted Shares	Beneficial owner	65,116/ Long Position	0.17%	0.90%
	H Shares		1,237,210/ Long Position	3.19%	3.92%
LYFE Capital Fund III (Dragon), L.P. ⁽⁶⁾	Unlisted Shares	Beneficial owner and Interest in controlled corporation	201,746/ Long Position	0.52%	2.77%
	H Shares		4,060,457/ Long Position	10.46%	12.86%
LYFE Capital Management Limited ⁽⁶⁾	Unlisted Shares	Interest in controlled corporation	266,862/ Long Position	0.69%	3.67%
	H Shares		5,297,667/ Long Position	13.64%	16.78%
Ms. Li Jun ⁽⁷⁾	Unlisted Shares	Interest in controlled corporation	782,908/ Long Position	2.02%	10.77%
	H Shares	and Interest of spouse	2,001,538/ Long Position	5.15%	6.34%

Notes:

- (1) Ms. Zhang Yanxia is the spouse of Mr. Wang. By virtue of the SFO, Ms. Zhang Yanxia is deemed to be interested in the Shares in which Mr. Wang is interested in.
- (2) Mr. Wang Guohui directly holds 1,915,690 Unlisted Shares and 2,315,690 H Shares. Mr. Wang Guohui acts as the general partner of Weizheng Investment and Shanghai Zandaqian acts as the general partner of Kaiyuan Investment, Weiyun Investment and Weiyu Investment. Shanghai Zandaqian is a sole proprietorship wholly owned by Mr. Wang. By virtue of the SFO, Mr. Wang is deemed to be interested in the Shares in which Weizheng Investment, Kaiyuan Investment, Weiyu Investment and Weiyun Investment are interested in and Shanghai Zandaqian is deemed to be interested in the Shares in which Kaiyuan Investment, Weiyu Investment and Weiyun Investment are interested in.
- (3) Tongchuangsuwei directly holds 869,330 Unlisted Shares and 512,530 H Shares. Ms. Zhang Kun directly holds 697,158 Unlisted Shares and 697,158 H Shares. Mr. Chai Yanpeng, as the general partner of Tongchuangsuwei, is the spouse of Ms. Zhang Kun. By virtue of the SFO, Mr. Chai Yanpeng is deemed to be interested in the Shares in which Ms. Zhang Kun and Tongchuangsuwei is interested in and Ms. Zhang Kun is deemed to be interested in the Shares in which Mr. Chai Yanpeng is interested in.

Report of Directors (Continued)

- (4) SDIC Unity Capital National Emerging Industry Venture Capital Guiding Fund (LP) (國投創合國家新興產業創業投資引導基金(有限合夥)) (“SDIC Unity Capital”) directly holds 906,220 Unlisted Shares and 906,220 H Shares. SDIC Unity Capital is a limited partnership incorporated in the PRC, whose general partner is SDIC Unity Capital Corporation Limited (國投創合基金管理有限公司). State Development and Hi-tech Investment Corp. (國投高科技投資有限公司), a wholly-owned subsidiary of China SDIC Gaoxin Industrial Investment Corp., Ltd. (中國國投高新產業投資有限公司), which is in turn controlled by State Development & Investment Corporation (國家開發投資集團有限公司) is a substantial shareholder of SDIC Unity Capital.
- (5) Elbrus Investments Pte. Ltd. (“Elbrus”) directly holds 1,627,907 H Shares. Elbrus is a wholly-owned subsidiary of Temasek Life Sciences Private Limited, which is in turn a wholly-owned subsidiary of Fullerton Management Pte Ltd, which is a wholly-owned subsidiary of Temasek Holdings (Private) Limited. By virtue of the SFO, Temasek Life Sciences Private Limited, Fullerton Management Pte Ltd and Temasek Holdings (Private) Limited are deemed to be interested in the 1,627,907 H Shares held by Elbrus. Aranda Investments Pte. Ltd. holds 140,000 H shares, which is controlled by Seletar Investments Pte Ltd. Seletar Investments Pte Ltd is controlled by Temasek Capital (Private) Limited. By virtue of the SFO, Temasek Capital (Private) Limited is deemed to be interested in the 140,000 H shares held by Aranda Investments Pte. Ltd.
- (6) LYFE Columbia River Limited (“LYFE Columbia”) directly holds 152,599 Unlisted Shares and 2,899,373 H Shares. LYFE Ohio River Limited (“LYFE Ohio”) directly holds 49,147 Unlisted Shares and 933,784 H Shares. Raritan River directly holds 65,116 Unlisted Shares and 1,237,210 H Shares. LYFE Capital Fund III (Dragon), L.P. directly holds 227,300 H shares. LYFE Columbia and LYFE Ohio are controlled by LYFE Capital Fund III (Dragon), L.P., which was in turn controlled by LYFE Capital Management Limited. Raritan River Limited (“Raritan River”) is controlled by LYFE Capital Management Limited, which is ultimately controlled by Mr. Zhao Jin (趙晉), an Independent Third Party. By virtue of the SFO, LYFE Capital Fund III (Dragon), L.P., is deemed to be interested in the Shares held by LYFE Columbia and LYFE Ohio while LYFE Capital Management Limited is deemed to be interested in the Shares held by LYFE Columbia, LYFE Ohio and Raritan River.
- (7) Wisary Limited is controlled by Ms. Li Jun, the spouse of Mr. Ding Kui (an non-executive Director) through SIMAC (HONG KONG) LIMITED and Shanghai Yuxinan Enterprise Management Co., Ltd.

Save as disclosed above, as of December 31, 2025, the Directors were not aware of any persons (other than the Directors, the Supervisors or chief executive of the Company) who had interests and/or short positions in the shares or underlying Shares of the Company which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended December 31, 2025, the Group’s sales to its five largest customers accounted for 85% (2024: 84%) of the Group’s total revenue and our single largest customer accounted for 38% (2024: 35%) of the Group’s total revenue.

Major Suppliers

For the year ended December 31, 2025, the Group’s five largest suppliers accounted for 25% (2024: 23%) of the Group’s total purchases and our single largest supplier accounted for 9% (2024: 7%) of the Group’s total purchases.

During the Reporting Period, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued Shares of the Company) had any interest in the Group’s five largest customers and suppliers.

During the year ended December 31, 2025, the Group did not experience any significant disputes with its customers or suppliers.

Report of Directors (Continued)

CONNECTED TRANSACTIONS

During the year ended December 31, 2025, the Group has not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of Rule 14A.71 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the Reporting Period are set out in note 32 to the financial statements. Save as otherwise disclosed in this annual report, none of the related party transactions constitute a connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, at least 25% of the Company's total number of issued shares in the class to which the listed shares belong (excluding treasury shares) was held by the public at all times during the Reporting Period and up to the date of this annual report as required under the Listing Rules.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors, Supervisors or any of their respective associates were granted by the Company or its subsidiaries any right to acquire shares in, or debentures of, the Company or its subsidiary, or had exercised any such right during the Reporting Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors, Supervisors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director or supervisor of the Company and/or its subsidiaries.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

MANAGEMENT CONTRACTS

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

KEY RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that various stakeholders including employees, customers and suppliers and other business associates are key to Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationship with them.

Report of Directors (Continued)

For details of relationship with the employees, customers and suppliers, please refer to the subsection headed “Major Customers and Suppliers” and “Remuneration of Directors” in this section, as well as the section headed “Environment, Social and Governance Report”.

PERMITTED INDEMNITY PROVISIONS

Directors’, Supervisors’ and senior managements’ liability insurance is in place for the directors and supervisor of the Company and its subsidiaries in respect of potential costs and liabilities arising from claims that may be brought against the directors and supervisors during the reporting period.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control.

Risks in relation to the substantial competition we face in discovering, developing or commercializing products.

The development and commercialization of new products is highly competitive. We face competition from major neuro-interventional medical devices producers worldwide. A number of companies in the global market currently market and sell neuro-interventional medical devices or are pursuing the development of such products for the treatment and prevention of stroke for which we are commercializing our products or developing our product candidates. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

The commercial success of our products depends upon the degree of market acceptance each of such products achieves. Neuro-interventional procedures are recently developed and introduced to the market. Our products for neuro-interventional procedures are relatively innovative and may not gain broad acceptance in the marketplace as anticipated. In addition, physicians, patients and third-party payors may prefer other novel products to ours. If our products do not achieve an adequate level of acceptance, we may not be able to generate significant product sales revenues and to achieve profitability. The degree of market acceptance of our products and product candidates depends on a variety of factors which may be beyond our control. If any products that we commercialize fail to achieve market acceptance among physicians, patients, hospitals, or others in the industry or if we fail to maintain good relationships with them, we will not be able to generate significant revenue.

Risks of there being a downward change in pricing of our products may have a material adverse effect on our business and results of operations.

We sell all of our products to distributors who resell our products to hospitals. We sell products to our distributors at the price determined by us from time to time. When determining the price of our products sold to distributors, we consider factors such as prices of competing products, our costs and differences in features between our products and competing products. Hospitals may gain more bargaining power depending on the availability of alternative products, demands of patients and the preference of physicians. If hospitals lower retail prices of our products and therefore reduce the profitability of our distributors, our distributors may have less incentive to purchase and promote our products, and we may need to lower the order price we set for our distributors.

Report of Directors (Continued)

Risks relating to net losses incurred by us since our inception.

Investment in medical device development is highly speculative. It entails substantial upfront capital expenditures and significant risk that a product candidate will fail to gain regulatory approval or become commercially viable. We continue to incur significant expenses related to our ongoing operations. Typically, it takes many years to develop one new product from the time it is designed to when it is available for commercial sales. If any of our product candidates fails in clinical trials or does not gain regulatory approval, or if approved, fails to achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to become and remain profitable would decrease the value of our Company and could impair our ability to raise capital, maintain our R&D efforts, expand our business or continue our operations.

Risks relating to the highly regulated nature of the industry. Enacted and future legislation may also increase the difficulty and cost for us to obtain regulatory approval of and commercialize our product candidates.

In China and some other jurisdictions, a number of legislative and regulatory changes and proposed changes regarding healthcare could prevent or delay regulatory approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell our products and any product candidates for which we obtain regulatory approval. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for medical devices. We cannot be sure whether additional legislative changes will be enacted, or whether NMPA regulations, guidance or interpretations will be changed, or what the impact of such changes on the regulatory approvals of our product candidates, if any, may be.

The medical device industry in China is subject to comprehensive government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new devices. In recent years, the regulatory framework in China regarding the medical device industry has undergone significant changes, and we expect that it will continue to undergo significant changes. Any such changes or amendments may result in increased compliance costs on our business or cause delays in or prevent the successful development or commercialization of our product candidates in China and reduce the benefits we believe are available to us from developing and manufacturing neuro-interventional medical devices in China.

Risks relating to manufacture of our products. If we or any of our suppliers or logistics partners encounters manufacturing, logistics, or quality problems, including as a result of natural disasters, our business could suffer.

The manufacture of many of our products is highly complex and subject to strict quality controls, due in part to rigorous regulatory requirements. In addition, quality is extremely important due to the serious and costly consequences of a product failure. Problems can arise during the manufacturing process for a number of reasons, including equipment malfunction, failure to follow protocols and procedures, raw material problems, software problems, or human error. If problems arise relating to our manufacturing processes or if we otherwise fail to meet our internal quality standards or those of the NMPA or other applicable regulatory body, which include detailed record-keeping requirements, our reputation could be damaged, we could become subject to a safety alert or a recall, we could incur product liability and other costs, product approvals could be delayed, and our business could otherwise be adversely affected.

Report of Directors (Continued)

Risks relating to patent protection for our products and product candidates through intellectual property rights.

Our success depends in large part on our ability to protect our proprietary technology, products and product candidates from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights. We seek to protect the technology, products and product candidates that we consider commercially important by filing patent applications in the PRC and other countries, relying on trade secrets or medical regulatory protection or employing a combination of these methods. This process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We may also fail to identify patentable aspects of our R&D output before it is too late to obtain patent protection.

The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if patent applications we license or own currently or in the future are to be issued as patents, they may not be issued in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. The patent position of medical device companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights can be highly uncertain.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

PLANT AND EQUIPMENT

Details of movements in the plant and equipment of the Company and the Group during the Reporting Period are set out in note 14 to the consolidated financial statements.

REMUNERATION OF DIRECTORS

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the individual performance and comparable market statistics.

Details of the emoluments of the Directors and five highest paid individuals are set out in notes 9 and 10 to the consolidated financial statements.

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

RETIREMENT BENEFITS PLAN

The employees of the PRC companies are members of the state-managed retirement benefits scheme operated by the PRC government. They are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme. Pursuant to the relevant laws and regulations, the Group is not in a position to forfeit contributions to such scheme and thus no contributions has therefore been forfeited.

Report of Directors (Continued)

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their respective holding of the Company's securities.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance, with applicable laws and regulations by the Group.

SUBSEQUENT EVENTS

Saved as disclosed in the section headed "Management Discussion and Analysis" of this annual report, there were no subsequent events between the end of the Reporting Period and the date of this annual report that would have a material impact on the Group.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 31 to 50 of this annual report.

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS OF H SHARES

The annual general meeting of the Company will be held on Thursday, May 28, 2026. A notice of convening the AGM and all other relevant documents will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.heartcare.com.cn, and dispatched to the Shareholders in the manner as required by the Listing Rules in due course.

The register of members of H Shares of the Company will be closed from Friday, May 22, 2026 to Thursday, May 28, 2026 (both days inclusive), during which period no transfer of H Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, May 21, 2026. The record date for determining the entitlement of the Shareholders of the Company to attend and vote at the AGM will be Thursday, May 28, 2026.

AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and external auditors the accounting principles and policies adopted by the Company, the audited consolidated financial statements for the Reporting Period, and discussed internal control, risk management and financial reporting matters.

Report of Directors (Continued)

AUDITOR

The financial statements have been audited by Ernst & Young who will retire at the forthcoming AGM and, being eligible, offer themselves for re-appointment. Having been approved by the Board upon the Audit Committee's recommendation, a resolution for the reappointment of Ernst & Young as auditors of the Company for the ensuing year will be put to the forthcoming AGM for shareholder's approval.

Mr. WANG Guohui

Chairman and Chief Executive Officer

Shanghai, PRC

March 26, 2026

Independent Auditor's Report



Ernst & Young
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To the shareholders of Shanghai HeartCare Medical Technology Corporation Limited

(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Shanghai HeartCare Medical Technology Corporation Limited (the "Company") and its subsidiaries (the "Group") set out on pages 114 to 183, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") 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 Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). 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 are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent Auditor's Report (Continued)



KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and intangible assets	
<p>The Group had goodwill of RMB9,711,000 and intellectual properties recognised as intangible assets of RMB25,168,000 as disclosed in notes 16 and 17 to the consolidated financial statements as at 31 December 2025, arising from the acquisition of Nanjing SealMed Medical Technology Co., Ltd. in September 2020.</p> <p>The Group is required to perform an impairment test for goodwill at least on an annual basis. The impairment test is based on the recoverable amount of the cash-generating unit ("CGU") to which the goodwill and the intangible assets are allocated. The recoverable amounts are based on the value in use.</p> <p>Management established the impairment assessment model with the involvement of an external independent valuer and prepared a recoverable amount calculation to estimate the future cash flows taking into account key assumptions, including the estimated revenue growth rate, gross margin, terminal growth rate and discount rate, and management considered no impairment loss was necessary as at 31 December 2025 based on the impairment assessment performed.</p>	<p>Our principal audit procedures include the following:</p> <ol style="list-style-type: none"> 1. We obtained an understanding of the key internal controls related to impairment assessment of goodwill and intangible assets; 2. We evaluated the competency, capabilities and objectivity of the external independent appraiser engaged by the Group to perform the valuation; 3. We evaluated management's identification of CGU to which the goodwill and the intangible assets from acquisition were allocated; 4. We assessed the reasonableness of management's future forecasted cash flows and key assumptions including the estimated revenue growth rate and gross margin by comparing to the Group's historical financial performance, development plan, budget and financial projections and analysis on the industry; 5. We involved our valuation specialist to assist us in assessing whether management's valuation model is appropriate by reference to industry practices and valuation techniques;

Independent Auditor's Report (Continued)



KEY AUDIT MATTERS

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and intangible assets (Continued)	
<p>We considered this is a key audit matter given the significant management judgements and assumptions involved in the impairment assessment and because the estimation of the recoverable amount was subject to a high degree of estimation uncertainty.</p> <p>The Group's disclosures about the impairment test of goodwill and intangible assets are included in note 2.4 <i>Material accounting policies</i>, note 3 <i>Significant accounting judgements and estimates</i>, note 16 <i>Goodwill</i> and note 17 <i>Other intangible assets</i> to the financial statements.</p>	<ol style="list-style-type: none"> 6. We involved our valuation specialist to assist us in evaluating the appropriateness of the key valuation parameters such as the discount rate and the terminal growth rate applied by benchmarking market data and comparable companies; and 7. We also focused on the adequacy of the related disclosures in the consolidated financial statements.
Cut-off of research and development expenses	
<p>The Group incurred significant research and development ("R&D") expenses of RMB46,268,000 in the consolidated financial statements for the year ended 31 December 2025. A large portion of the Group's R&D expenses were service fees paid to third party service providers, including contract research organisations, clinical site management operators and clinical trial centres (collectively referred to as "Outsourced Service Providers").</p> <p>The R&D activities with these Outsourced Service Providers were documented in detailed contracts and are typically performed over an extended period. Recording these costs in the appropriate financial reporting period based on the progress of the research and development projects involves estimation.</p> <p>The Group's disclosures about R&D expenses are included in note 2.4 <i>Material accounting policies</i> and note 3 <i>Significant accounting judgements and estimates</i> to the financial statements.</p>	<p>Our principal audit procedures include the following:</p> <ol style="list-style-type: none"> 1. We obtained an understanding of the key internal controls related to the accrual of the R&D expenses; 2. We reviewed the key terms set out in the agreements with the Outsourced Service Providers; 3. We evaluated the progress of R&D projects based on inquiry with project managers, inspection of supporting documents and obtaining confirmations from the Outsourced Service Providers, on a sample basis, to determine whether these costs were recorded in the appropriate reporting period; 4. We performed cut-off tests on a sample basis and reviewed related supporting documents in relation to the recognition of R&D expenses; and 5. We also performed search for unrecorded liabilities procedures subsequent to the year ended 31 December 2025.

Independent Auditor's Report (Continued)



OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS 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 as issued by the IASB 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made 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.

Independent Auditor's Report (Continued)



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (Continued)



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 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 Leung Yat Him (practising certificate number: P08017).

Ernst & Young

Certified Public Accountants

Hong Kong

26 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	408,286	277,899
Cost of sales		(118,765)	(96,183)
Gross profit		289,521	181,716
Other income and gains	5	50,401	23,099
Other expenses	6	(23,572)	(18,313)
Research and development expenses		(40,761)	(58,940)
Selling and distribution expenses		(104,943)	(79,622)
Administrative expenses		(82,176)	(58,183)
Finance costs	8	(2,062)	(1,749)
PROFIT/(LOSS) BEFORE TAX	7	86,408	(11,992)
Income tax expense	11	(3,073)	(1,630)
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		83,335	(13,622)
Attributable to:			
— Owners of the parent		83,335	(13,622)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
— Basic (RMB)	13	2.21	(0.36)
— Diluted (RMB)	13	2.20	(0.36)

Consolidated Statement of Financial Position

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Plant and equipment	14	45,249	52,568
Right-of-use assets	15	32,770	65,190
Goodwill	16	9,711	9,711
Other intangible assets	17	30,570	33,566
Prepayments, other receivables and other assets, non-current	20	9,023	9,986
Financial assets at fair value through profit or loss ("FVTPL"), non-current	22	73,566	9,474
Deferred tax assets	26	4,130	1,956
Investment in an associate		—	—
Total non-current assets		205,019	182,451
CURRENT ASSETS			
Inventories	18	166,101	171,114
Trade receivables	19	62,682	94,713
Prepayments, other receivables and other assets, current	20	71,904	35,785
Financial assets at FVTPL	22	196,810	111,815
Cash and bank balances	21	589,667	601,905
Restricted cash	21	—	8,466
Total current assets		1,087,164	1,023,798
CURRENT LIABILITIES			
Trade and other payables	23	78,386	74,441
Income tax payable		4,142	—
Lease liabilities, current	15	6,883	7,669
Contract liabilities	25	5,171	315
Total current liabilities		94,582	82,425
NET CURRENT ASSETS		992,582	941,373
TOTAL ASSETS LESS CURRENT LIABILITIES		1,197,601	1,123,824

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Consolidated Statement of Financial Position (Continued)

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities, non-current	15	35,834	28,079
Government grants	24	26,390	29,459
Deferred tax liabilities	26	3,026	4,038
Total non-current liabilities		65,250	61,576
Net assets		1,132,351	1,062,248
EQUITY			
Share capital	27	38,834	38,834
Treasury shares	27	(60,859)	(45,452)
Reserves	29	1,154,376	1,068,866
Total equity		1,132,351	1,062,248

Wang Guohui
Director

Zhang Kun
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	38,834	1,546,492	(48,999)	180,497	(641,180)	1,075,644
Loss and total comprehensive loss for the year	—	—	—	—	(13,622)	(13,622)
Equity-settled share award expense (note 28)	—	—	—	539	—	539
Exercise of share options	—	3,235	6,191	(7,095)	—	2,330
Shares purchased under 2021 H Share Incentive Scheme (note 27)	—	—	(2,644)	—	—	(2,644)
At 31 December 2024	38,834	1,549,727	(45,452)	173,941	(654,802)	1,062,248

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserve RMB'000	(Accumulated losses)/ retained profits RMB'000	Total RMB'000
At 1 January 2025	38,834	1,549,727	(45,452)	173,941	(654,802)	1,062,248
Profit and total comprehensive income for the year	—	—	—	—	83,335	83,335
Equity-settled share award expense (note 28)	—	—	—	22,261	—	22,261
Exercise of share options	—	(202)	20,627	(19,884)	—	541
Offset accumulated losses	—	(575,082)	—	—	575,082	—
Shares purchased under share incentive scheme (note 27)	—	—	(36,034)	—	—	(36,034)
At 31 December 2025	38,834	974,443*	(60,859)	176,318*	3,615*	1,132,351

* These reserve accounts comprise the consolidated reserves of RMB1,154,376,000 (2024: RMB1,068,866,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		86,408	(11,992)
Adjustments for:			
Finance costs	8	2,062	1,749
(Reversal)/recognition of impairment of trade receivables	6	(1,015)	922
Impairment of inventories	6	17,356	8,056
Bank interest income	5	(6,243)	(8,766)
Fair value gains on financial assets at FVTPL	5	(27,262)	(4,367)
Loss on disposal of property, plant and equipment	6	4,181	—
Gain on disposal of land use right	5	(726)	—
Depreciation of plant and equipment	7	15,976	19,380
Amortisation of other intangible assets	7	5,572	5,258
Depreciation of right-of-use assets	7	6,740	7,471
Income from government grants for plant and equipment		(3,069)	(4,436)
Loss on construction deposits	6	—	8,034
Foreign exchange differences, net		2,150	(1,189)
Equity-settled share award expenses	7	22,261	539
		124,391	20,659
Increase in inventories		(12,343)	(33,131)
Decrease/(increase) in trade receivables		33,046	(18,722)
(Increase)/decrease in prepayments and other receivables		(6,671)	10,478
Increase in trade and other payables		12,125	20,223
Increase/(decrease) in contract liabilities		4,855	(2,777)
Decrease/(increase) in restricted cash		432	(432)
Cash generated from/(used in) operations		155,835	(3,702)
Net income tax (paid)/returned		(1,694)	468
Net cash flows from/(used in) operating activities		154,141	(3,234)

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Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets at FVTPL		(361,000)	(60,782)
Purchase of items of plant and equipment		(11,590)	(4,040)
Proceeds from disposal of financial assets at FVTPL		239,176	45,319
Purchase of items of other intangible assets		(2,575)	(1,116)
Withdrawal of time deposits		—	16,358
Withdrawal of pledged bank deposit		8,034	—
Placement of time deposits		(133,205)	—
Interest received		5,850	9,001
Disposal of a subsidiary		2,224	6,056
Net cash flows (used in)/from investing activities		(253,086)	10,796
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans		15,000	—
Repayment of bank loans		(15,000)	—
Payment for interest on bank loan		(126)	—
Shares purchased under the share incentive scheme	27	(36,034)	(2,644)
Rental deposits received/(paid)		332	(270)
Payment for lease liabilities		(8,731)	(5,886)
Prepaid lease payments		—	(587)
Refund of payments for subscription of share awards granted		(176)	(2,996)
Net cash flows used in financing activities		(44,735)	(12,383)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		601,905	605,583
Effect of foreign exchange rate changes, net		(2,151)	1,143
CASH AND CASH EQUIVALENTS AT END OF YEAR		456,074	601,905

Notes to Financial Statements

31 December 2025

1. CORPORATE AND GROUP INFORMATION

Shanghai HeartCare Medical Technology Corporation Limited (the “Company”) was incorporated in the People’s Republic of China (“PRC”) on 16 June 2016 as a limited liability company. On 3 December 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office and the principal place of the business of the Company is located at Building 38, No. 356, Zhengbo Road, Lingang New District, Pilot Free Trade Zone, Shanghai, the PRC.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 20 August 2021.

During the year, the Company and its subsidiaries (the “Group”) were principally engaged in the research, development, manufacturing and sale of innovative medical devices.

Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Registered paid-in capital/ issued shares	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Weiming Medical Devices (Shanghai) Co., Ltd. (“Weiming”)* (瑋銘醫療器械(上海)有限公司)	PRC/Chinese mainland	RMB120,000,000	100%	—	Research and development and sale of medical devices
Nanjing SealMed Medical Technology Co., Ltd. (“SealMed”)* (南京思脈德醫療科技有限公司)	PRC/Chinese mainland	RMB100,000,000	100%	—	Research and development and sale of medical devices
Shanghai Weiqi Medical Devices Co., Ltd. (“Weiqi”)* (上海瑋啟醫療器械有限公司)	PRC/Chinese mainland	RMB120,000,000	100%	—	Research and development of medical devices
Shanghai Weilang Medical Technology Co., Ltd. (“Weilang”)* (上海瑋瑯醫療科技有限公司)	PRC/Chinese mainland	RMB70,000,000	100%	—	Research and development of medical devices
Shanghai HeartCare Medical Co., Ltd. (“HeartCare Medical”)* (上海心瑋醫療技術有限公司)	PRC/Chinese mainland	RMB30,000,000	100%	—	No operation

Notes to Financial Statements (Continued)

31 December 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Registered paid-in capital/ issued shares	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai HeartCare Technology Co., Ltd. ("HeartCare Technology")* (上海心璋科技有限公司)	PRC/Chinese mainland	RMB5,000,000	100%	—	No operation
Heartcare Medical (Hong Kong) Corporation Limited (心璋醫療(香港)有限公司)	Hong Kong, PRC	USD100,000	—	100%	No operation
3V Medical, Inc.	United States of America	USD100,000	—	100%	No operation

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at FVTPL. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Notes to Financial Statements (Continued)

31 December 2025

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

Notes to Financial Statements (Continued)

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

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

² Effective for annual periods beginning on or after January 1, 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

Except for IFRS 18, the directors of the Company anticipate that the application of these new and amended IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES

Investment in an associate

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of an associate is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investments in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of an associate is included as part of the Group's investment in an associate.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its derivative financial instruments and equity investment at fair value through profit or loss at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability,

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Plant and equipment and depreciation

Plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Lease terms or 20%
Machinery and equipment	18% to 30%

Where parts of an item of plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intellectual properties

Intellectual properties are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years after commercialisation which is estimated based on the estimated lifecycle of the products, considering the lifecycle of medical device products in the market, current market competition and the current management development plan.

Research and development expenditures

All research expenditures are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land-use-right	50 years
Plant and office premises	2 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented in a separate line item in the consolidated statement of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of offices (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

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

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, or making reference to the credit loss experience of similar companies in the market where the Group has not had sufficient credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables)

After initial recognition, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of medical devices

Revenue from the sale of medical devices is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the medical devices or acceptance by the customer.

Some contracts for the sale of medical devices provide customers with rights of sales rebates, giving rise to variable consideration.

(i) Sales rebates

Retrospective sales rebates may be provided to certain customers once the amount of products purchased during the period exceeds a threshold or the rank of credit exceeds a certain level specified in the contract. Rebates are offset against amounts payable by the distributor arising from its purchase or provided in the form of products. The most likely amount method is used to estimate the variable consideration. The selected method that best predicts the amount of variable consideration is primarily driven by the sales amount thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a liability for the expected future rebates is recognised in contract liabilities.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.; and
- (c) The costs are expected to be recovered.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Contract costs (Continued)

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates share award schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted less the consideration received by the Group. The fair value of share awards is determined using the market approach, binomial model or monte carlo simulation model. Further details are included in note 28 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Notes to Financial Statements (Continued)

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension scheme

The employees of the Company and its subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Company and these subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

Notes to Financial Statements (Continued)

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Research and development expenditures

Research and development expenditures are expensed in accordance with the accounting policy for research and development expenditures in note 2.4 to the financial statements. Determining the amounts to be capitalised or expensed requires management to make assumptions and judgements regarding the technical feasibility of completing the intangible asset, future economic benefits and so forth. During the reporting period, all expenditures incurred for research and development activities were expensed when incurred as it is uncertain whether future economic benefits can be generated.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Accrual of research and development expenditures

The Group relies on outsourced service providers to conduct, supervise, and monitor the Group's pre-clinical activities and clinical trials in the PRC. Determining the amounts of research and development expenditures incurred up to the end of each reporting period requires the management of the Group to estimate and measure the progress of receiving research and development services under the contracts with outsourced service providers using inputs such as the number of patient enrolments, time elapsed and milestone achieved.

Notes to Financial Statements (Continued)

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Useful lives and residual values of plant and equipment

In determining the useful lives and residual values of items of plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset and the legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way.

Additional depreciation is recognised if the estimated useful lives and/or the residual values of items of plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at the end of the reporting period based on changes in circumstances.

Impairment of non-financial assets (other than goodwill)

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 31 December 2024 and 2025 were RMB9,711,000 and RMB9,711,000, respectively. Further details are given in note 16 to the financial statements.

Notes to Financial Statements (Continued)

31 December 2025

4. OPERATING SEGMENT INFORMATION

Segment information

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

During the reporting period, most of the Group's revenue was derived from customers located in the Chinese mainland and nearly all of the Group's non-current assets are located in the Chinese mainland, and therefore no geographical segment information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the reporting period is set out below:

	2025 RMB'000	2024 RMB'000
Customer A	155,954	97,990
Customer B	108,254	65,147
Customer C	71,916	58,259

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
<i>Revenue from contracts with customers</i>		
Sale of medical devices	407,766	276,931
Revenue from services provided	520	968
Total	408,286	277,899

Notes to Financial Statements (Continued)

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	2025 RMB'000	2024 RMB'000
Geographical markets		
Chinese mainland	391,383	269,504
Others	16,903	8,395
Total	408,286	277,899
Timing of revenue recognition		
Goods transferred at a point in time	408,286	277,899

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 RMB'000	2024 RMB'000
Sale of medical devices	190	2,293

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of medical devices

The performance obligation is satisfied upon transfer of the products to the logistics companies or acceptance by the customer. Payment is made in advance or due within 45 to 90 days from delivery. Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

Notes to Financial Statements (Continued)

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(b) *Performance obligations (Continued)*

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Other income		
Government grants (note)	16,170	8,793
Bank interest income	6,243	8,766
Total other income	22,413	17,559
Gains		
Foreign exchange gains, net	—	1,173
Fair value gains on financial assets at FVTPL	27,262	4,367
Gain on disposal of land use right	726	—
Total gains	27,988	5,540
Total other income and gains	50,401	23,099

Note:

The government grants mainly represent subsidies received from local government authorities for the purpose of compensation for expenditure arising from research and clinical trial activities, awards for new medical device development and capital expenditure incurred on certain projects.

6. OTHER EXPENSES

	2025 RMB'000	2024 RMB'000
Donation	391	1,300
Impairment of inventories	17,356	8,056
(Reversal)/recognition of impairment of trade receivables	(1,015)	922
Loss on construction deposits	—	8,034
Loss on disposal of plant and equipment	4,181	—
Foreign exchange gains, net	2,022	—
Others	637	1
Total	23,572	18,313

Notes to Financial Statements (Continued)

31 December 2025

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		118,765	96,183
Research and development expenses		40,761	58,940
Impairment of inventories	6	17,356	8,056
(Reversal)/recognition of impairment of trade receivables	19	(1,015)	922
Depreciation of plant and equipment	14	15,976	19,380
Depreciation of right-of-use assets	15	6,740	7,471
Amortisation of other intangible assets	17	5,572	5,258
Government grants	5	(16,170)	(8,793)
Bank interest income	5	(6,243)	(8,766)
Fair value gains on financial assets at FVTPL	5	(27,262)	(4,367)
Gain on disposal of land use right	5	(726)	—
Lease payments not included in the measurement of lease liabilities		276	1,245
Auditors' remuneration		2,700	2,700
Employee benefit expenses (including directors' emoluments):			
— Independent non-executive directors' fees		639	638
— Wages, salaries and allowances		55,155	105,442
— Pension scheme contributions		5,164	10,267
— Staff welfare expenses		1,648	2,767
— Equity-settled share award expenses (note)	28	22,261	539
		84,867	119,653
Foreign exchange differences, net	6/5	2,022	(1,173)
Loss on construction deposits	6	—	8,034
Loss on disposal of property, plant and equipment	6	4,181	—
Donation	6	391	1,300

Note: Equity-settled share award expenses were allocated to cost of sales, research and development expenses, selling and distribution expenses and administrative expenses.

Notes to Financial Statements (Continued)

31 December 2025

8. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	1,936	1,749
Interest on bank loans	126	—
Total	2,062	1,749

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	639	638
Other emoluments:		
Salaries, allowances and benefits in kind	2,958	2,877
Bonuses (note iii)	600	1,290
Pension scheme contributions	177	228
Equity-settled share award expense	19,302	563
Subtotal	23,037	4,958
Total	23,676	5,596

Certain directors were granted share awards, in respect of their services to the Group, under the share award schemes of the Company, further details of which are set out in note 28 to the financial statements. The fair value of such awarded shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

Notes to Financial Statements (Continued)

31 December 2025

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Guo Shaomu	238	237
Mr. Gong Ping	200	200
Mr. Feng Xiangqian	201	201
Total	639	638

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

Notes to Financial Statements (Continued)

31 December 2025

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive

	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Bonuses (note iii) RMB'000	Equity- settled share award expenses RMB'000	Total remuneration RMB'000
2025					
<i>Executive directors:</i>					
Mr. Wang Guohui (note i)	1,238	73	300	18,337	19,948
Ms. Zhang Kun	681	31	—	—	712
Mr. Wei Jiawei	919	73	300	965	2,257
Subtotal	2,838	177	600	19,302	22,917
<i>Non-executive directors:</i>					
Mr. Chen Shaoxiong	120	—	—	—	120
Mr. Ding Kui	—	—	—	—	—
Mr. Chen Gang	—	—	—	—	—
Subtotal	120	—	—	—	120
Total	2,958	177	600	19,302	23,037
2024					
<i>Executive directors:</i>					
Mr. Wang Guohui (note i)	978	73	600	—	1,651
Ms. Zhang Kun	861	82	130	—	1,073
Mr. Wei Jiawei	918	73	560	563	2,114
Subtotal	2,757	228	1,290	563	4,838
<i>Non-executive directors:</i>					
Mr. Chen Shaoxiong	120	—	—	—	120
Mr. Ding Kui	—	—	—	—	—
Mr. Chen Gang	—	—	—	—	—
Subtotal	120	—	—	—	120
Total	2,877	228	1,290	563	4,958

Notes to Financial Statements (Continued)

31 December 2025

9. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(c) Supervisors

	Salaries, allowances and benefits in kind RMB'000	Pension Scheme contributions RMB'000	Bonuses (note iii) RMB'000	Equity- settled share award expenses RMB'000	Total remuneration RMB'000
2025					
Mr. Jiang Xinbei	—	—	—	—	—
Ms. Jiang Xue	455	65	205	12	737
Mr. Xue Zongyu (note ii)	189	18	34	151	392
Mr. Liu Baiwei (note ii)	290	30	99	—	419
Mr. Liu Hongbao (note ii)	568	37	241	241	1,087
Total	1,502	150	579	404	2,635
2024					
Mr. Jiang Xinbei	—	—	—	—	—
Ms. Jiang Xue	432	60	98	36	626
Mr. Xue Zongyu (note ii)	798	73	284	352	1,507
Total	1,230	133	382	388	2,133

Notes

- i. Mr. Wang Guohui is also the chief executive of the Company, and his remuneration disclosed above included the amount for the services rendered by him as the chief executive.
- ii. Mr. Xue Zongyu resigned as a supervisor with effect from 27 March 2025. Mr. Liu Baiwei was appointed as a supervisor with effect from 27 March 2025 and resigned as a supervisor with effect from 25 July 2025. Mr. Liu Hongbao was appointed as a supervisor with effect from 25 July 2025.

On 12 December 2025, the board of the Company resolved and proposed to abolish the supervisory committee of the Company. The resolution was approved by the shareholders of the Company at the extraordinary general meeting held on 16 January 2026.

- iii. Bonuses represent amounts paid or payable which are discretionary or are based on the Group's performance.

There was no arrangement under which a director, supervisor or the chief executive waived or agreed to waive any remuneration during the year.

Notes to Financial Statements (Continued)

31 December 2025

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors including the chief executive and one supervisor (2024: three directors including the chief executive and one supervisor), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining two (2024: one) highest paid employees who were not a director, supervisor or chief executive of the Company during the year are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	1,706	918
Pension scheme contributions	146	73
Bonuses (note)	711	460
Equity-settled share award expenses	1,568	563
Total	4,131	2,014

Note: Bonuses represent amounts paid or payable which are discretionary or are based on the Group's performance.

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
Hong Kong Dollar ("HKD") 1,500,001 to HKD2,000,000	1	—
HKD2,000,001 to HKD2,500,000	—	1
HKD2,500,001 to HKD3,000,000	1	—
Total	2	1

Share awards were granted to certain non-director, non-supervisor and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 28 to the financial statements. The fair value of such awarded shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director, non-supervisor and non-chief executive highest paid employees' remuneration disclosures. No new share awards were granted during the year.

Notes to Financial Statements (Continued)

31 December 2025

11. INCOME TAX

The provision for corporate income tax in the Chinese mainland is based on the statutory rate of 25% of the assessable profits as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

Weiming was accredited as a “Key industry enterprise in the Lingang New Area of China (Shanghai) Pilot Free Trade Zone” in January 2021 and has been entitled to a preferential income tax rate of 15% for a five-year period since 2020. In addition, Weiming was accredited as a “High and New Technology Enterprise” in December 2024 and therefore is entitled to a preferential tax rate of 15% for a three-year period since 2024.

The Company was accredited as a “High and New Technology Enterprise” in November 2021 and the qualification as a High and New Technology Enterprise of the Company was renewed in December 2024, and therefore the Company is entitled to a preferential tax rate of 15% for a three-year period since 2021 and 2024, respectively.

SealMed was accredited as a “High and New Technology Enterprise” in December 2023 and therefore is entitled to a preferential tax rate of 15% for a three-year period since 2023.

The qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authority in the Chinese mainland for every three years and the Company, Weiming and SealMed should self-evaluate whether they meet the criteria of High and New Technology Enterprise each year.

Pursuant to Caishui [2018] circular No. 76, the Company and its certain subsidiaries which were accredited as “Technology-based Small and Medium-sized Enterprises” can carry forward their unutilised tax losses for up to ten years. This extension of the expiration period applies to all the unutilised tax losses that were carried forward by the entities at the effective date of the tax circular.

Pursuant to the relevant EIT Law, the Company and its certain subsidiaries enjoyed a super deduction of 200% on qualifying research and development expenditures during the year ended 31 December 2024 and 2025.

The income tax expense of the Group for the reporting period is analysed as follows:

	2025 RMB'000	2024 RMB'000
Current tax:		
Charge for the year	6,259	—
Deferred tax	(3,186)	1,630
Total	3,073	1,630

Notes to Financial Statements (Continued)

31 December 2025

11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to loss before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Profit/(loss) before tax	86,408	(11,992)
Tax at the applicable tax rate of 25%	21,602	(2,998)
Lower tax rate enacted by local authority	(8,300)	448
Expenses not deductible for tax purpose	3,794	1,159
Additional deductible allowance for research and development expenses	(6,586)	(6,354)
Deductible temporary differences and tax losses not recognised	1,283	12,356
Utilisation of deductible temporary differences and tax losses previously not recognised	(8,720)	(2,981)
Tax charge at the Group's effective rate	3,073	1,630

The Group has accumulated tax losses that are not recognised as deferred tax assets of RMB662,832,000 as at 31 December 2025 (2024: RMB686,522,000), that would expire in three to ten years for offsetting against future taxable profits of the entities in which the losses arose. The Group has deductible temporary differences of RMB72,781,000 as at 31 December 2025 (2024: RMB82,502,000), which were mainly related to government grants and share of loss of an associate.

12. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2024: Nil).

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 37,774,984 (2024: 37,768,407) outstanding during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 in respect of a dilution as the impact of the share award schemes had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of the diluted earnings per share amounts for year ended 31 December 2025 is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the share award scheme (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

Notes to Financial Statements (Continued)

31 December 2025

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

The calculations of basic and diluted earnings/(loss) per share are based on:

	2025	2024
Earnings/(Loss)		
Profit/(Loss) attributable to ordinary equity holders of the parent, used in the basic earnings/(loss) per share calculation (RMB'000)	83,335	(13,622)
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings/(loss) per share calculation	37,774,984	37,768,407
Effect of dilution — weighted average number of ordinary shares:		
Share award scheme	172,211	—
Total	37,947,195	37,768,407

14. PLANT AND EQUIPMENT

	Leasehold improvements RMB'000	Machinery and equipment RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
31 December 2025				
At 1 January 2025:				
Cost	46,118	82,710	203	129,031
Accumulated depreciation	(27,903)	(48,560)	—	(76,463)
Net carrying amount	18,215	34,150	203	52,568
At 1 January 2025, net of accumulated depreciation	18,215	34,150	203	52,568
Additions	1,821	3,203	9,249	14,273
Depreciation provided during the year	(4,951)	(11,025)	—	(15,976)
Transfer	7,164	—	(7,164)	—
Transfer to intangible assets	—	—	(1,435)	(1,435)
Disposal	(4,179)	(2)	—	(4,181)
At 31 December 2025, net of accumulated depreciation	18,070	26,326	853	45,249
At 31 December 2025:				
Cost	48,847	75,673	853	125,373
Accumulated depreciation	(30,777)	(49,347)	—	(80,124)
Net carrying amount	18,070	26,326	853	45,249

Notes to Financial Statements (Continued)

31 December 2025

14. PLANT AND EQUIPMENT (Continued)

	Leasehold improvements RMB'000	Machinery and equipment RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
31 December 2024				
At 1 January 2024:				
Cost	45,877	81,145	—	127,022
Accumulated depreciation	(22,852)	(34,231)	—	(57,083)
Net carrying amount	23,025	46,914	—	69,939
At 1 January 2024, net of accumulated depreciation				
	23,025	46,914	—	69,939
Additions	241	1,565	203	2,009
Depreciation provided during the year	(5,051)	(14,329)	—	(19,380)
At 31 December 2024, net of accumulated depreciation				
	18,215	34,150	203	52,568
At 31 December 2024:				
Cost	46,118	82,710	203	129,031
Accumulated depreciation	(27,903)	(48,560)	—	(76,463)
Net carrying amount	18,215	34,150	203	52,568

Notes to Financial Statements (Continued)

31 December 2025

15. LEASES

The Group as a lessee

The Group has lease contracts for plant and office premises used in its operations. Lump sum payments were made upfront to acquire the land-use-right from the government with a lease period of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and office premises generally have lease terms between 2 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

The Group also leased certain office premises under a short-term (i.e. within 12 months) lease arrangement. The Group has elected not to recognise right-of-use assets on this short-term lease contract. There are no restrictions or covenants imposed and no sale and leaseback transactions.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Land use right RMB'000	Plant and office premises RMB'000	Total RMB'000
At 1 January 2024	40,617	27,955	68,572
Additions	—	4,089	4,089
Depreciation charge	(828)	(6,643)	(7,471)
At 31 December 2024 and 1 January 2025	39,789	25,401	65,190
Additions	—	13,764	13,764
Depreciation charge	(345)	(6,395)	(6,740)
Disposal	(39,444)	—	(39,444)
At 31 December 2025	—	32,770	32,770

Notes to Financial Statements (Continued)

31 December 2025

15. LEASES (Continued)

The Group as a lessee (Continued)

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	35,748	36,383
New lease addition	13,764	3,502
Accretion of interest recognised during the year	1,936	1,749
Payments	(8,731)	(5,886)
Carrying amount at 31 December	42,717	35,748
Analysed into:		
Current portion	6,883	7,669
Non-current portion	35,834	28,079

The maturity analysis of lease liabilities is disclosed in note 35 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	1,936	1,749
Depreciation charge of right-of-use assets	6,740	7,471
Expense relating to short-term leases (included in cost of sales, research and development expenses, selling and distribution expenses and administrative expenses)	276	1,245
Total amount recognised in profit or loss	8,952	10,465

(d) The total cash outflow for leases is disclosed in note 30(c) to the financial statements.

Notes to Financial Statements (Continued)

31 December 2025

16. GOODWILL

	2025 RMB'000	2024 RMB'000
Cost	9,711	9,711
Impairment	—	—
Net carrying amount	9,711	9,711

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the SealMed unit as the cash-generating unit for impairment testing.

The recoverable amount of the SealMed unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a 7-year period approved by senior management. Management considers that using a 7-year forecast period for financial budgets in the goodwill impairment test is appropriate because the useful lives of SealMed's relevant intellectual properties are estimated as ten years after commercialisation, and it generally takes longer for a medical device company to reach the perpetual growth mode, compared to companies in other industries, especially when its product is still under clinical trial and the market of such product is at an early stage of development with substantial growth potential. Hence, financial budgets covering a 7-year period were used as management believes that a forecasted period longer than five years is feasible and reflects a more accurate entity value.

Key assumptions used in the calculation are as follows:

	2025	2024
Revenue growth rate	2.0%-141.4%	2.0%-36.9%
Budgeted gross margin	51.5%-55.1%	49.6%-53.7%
Terminal growth rate	2.0%	2.0%
Discount rate	19.0%	19.0%

Notes to Financial Statements (Continued)

31 December 2025

16. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Assumptions were used in the value in use calculation of the cash-generating unit as at 31 December 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Revenue — The budgeted revenue is determined based on management's expectation of the future market of SealMed's products. SealMed's products, namely vascular closure device and embolic coil (the "SealMed Products"), have been approved by the National Medical Products Administration ("NMPA") in February and March 2022, respectively. The compound growth rate of revenue was estimated based on information available at the time of assessment, disregarding information that became available after the assessment. Such information includes current industry overview and the estimated market development of related products.

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year ended 31 December 2025, which has decreased as a result of the expected price reduction due to intense competition.

Terminal growth rate — The forecasted terminal growth rate is based on management expectations and does not exceed the long-term average growth rate for the industry relevant to the cash-generating unit.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development of related products and the pre-tax discount rate are consistent with external information sources.



Notes to Financial Statements (Continued)

31 December 2025

17. OTHER INTANGIBLE ASSETS

	Intellectual properties RMB'000	Software RMB'000	Total RMB'000
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	29,258	4,308	33,566
Additions	971	170	1,141
Transfer from CIP	—	1,435	1,435
Amortisation provided during the year	(4,179)	(1,393)	(5,572)
At 31 December 2025	26,050	4,520	30,570
At 31 December 2025:			
Cost	38,409	8,322	46,731
Accumulated amortisation	(12,359)	(3,802)	(16,161)
Net carrying amount	26,050	4,520	30,570
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	33,348	4,360	37,708
Additions	—	1,116	1,116
Amortisation provided during the year	(4,090)	(1,168)	(5,258)
At 31 December 2024	29,258	4,308	33,566
At 31 December 2024:			
Cost	37,438	6,717	44,155
Accumulated amortisation	(8,180)	(2,409)	(10,589)
Net carrying amount	29,258	4,308	33,566

Notes to Financial Statements (Continued)

31 December 2025

18. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	95,691	106,805
Work in progress	22,179	19,426
Finished goods	45,579	44,883
Contract costs	2,652	—
Total	166,101	171,114

19. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	64,335	97,381
Impairment	(1,653)	(2,668)
Net carrying amount	62,682	94,713

The Group's trading terms with its customers are payment in advance or on credit. The credit period is generally 45 to 90 days for major customers. Each customer has a maximum credit limit. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing of the trade receivables as at the end of each of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 6 months	62,682	94,713

Notes to Financial Statements (Continued)

31 December 2025

19. TRADE RECEIVABLES (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	2,668	1,746
(Reversal)/recognition of impairment losses	(1,015)	922
At end of year	1,653	2,668

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Current
Expected credit loss rate	2.57%
Gross carrying amount (RMB'000)	64,335
Expected credit losses (RMB'000)	1,653

As at 31 December 2024

	Current
Expected credit loss rate	2.74%
Gross carrying amount (RMB'000)	97,381
Expected credit losses (RMB'000)	2,668

Notes to Financial Statements (Continued)

31 December 2025

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Non-current:		
Rental deposits	1,771	2,098
Prepayment of plant and equipment	2,930	3,607
Prepayments	37	96
Value-added tax recoverable, non-current	4,285	4,185
Total	9,023	9,986
Current:		
Prepayments	38,949	32,257
Other receivables due from third parties	32,944	2,906
Advance payment of corporate income tax	—	424
Value-added tax recoverable, current	11	198
Total	71,904	35,785

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

Notes to Financial Statements (Continued)

31 December 2025

21. CASH AND BANK BALANCES/RESTRICTED CASH

	2025 RMB'000	2024 RMB'000
Cash and bank balances	589,667	601,905
Less: Time deposits with original maturity of more than three months but less than one year when acquired	133,593	—
Cash and cash equivalents	456,074	601,905
Restricted cash	—	8,466

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB477,593,000 (2024: RMB537,935,000). The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods within three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The restricted cash of RMB8,034,000 as at 31 December 2024 was restricted as the construction deposit and RMB432,000 was restricted due to purchase disputes with a supplier.

Notes to Financial Statements (Continued)

31 December 2025

22. FINANCIAL ASSETS AT FVTPL

	2025 RMB'000	2024 RMB'000
Current		
Financial products	196,810	111,815
Non-current		
Other unlisted investments, at fair value	73,566	9,474
Total	270,376	121,289

The above financial products represented wealth management products issued by banks in the Chinese mainland with expected return rates ranged from 1.5% to 2.4% per annum (2024: 2.7% to 4.7%).

23. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	23,563	16,916
Accrued expenses	12,597	12,348
Payroll payable	26,637	19,623
Other tax payables	4,382	9,896
Other payables	11,207	14,941
Advance payments received for subscription of share awards (note)	—	717
Total	78,386	74,441

Note: The amount represented payments received in advance from employees for subscribing share awards granted under the 2021 H Share Incentive Scheme.

Notes to Financial Statements (Continued)

31 December 2025

23. TRADE AND OTHER PAYABLES (Continued)

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	19,475	14,747
3 to 6 months	2,405	1,008
6 to 12 months	1,155	276
1 to 2 years	186	501
More than 2 years	342	384
Total	23,563	16,916

Trade and other payables are unsecured, non-interest-bearing and repayable on demand.

24. GOVERNMENT GRANTS

The movements in government grants during the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	29,459	33,895
Grants received during the year	13,101	4,357
Recognised as income during the year	(16,170)	(8,793)
At the end of the year	26,390	29,459

The grants related to income would be recognised in profit or loss upon the Group complying with the conditions attached to the grants and the government acknowledging acceptance. The grants related to an asset would be released to profit or loss over the remaining expected useful lives of the relevant assets upon the Group complying with the conditions attached to the grants and the government acknowledging acceptance.

25. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities:

	2025 RMB'000	2024 RMB'000
Current	5,171	315

During the reporting period, contract liabilities represented the obligations to transfer goods to customers from which the Group has received consideration.

Notes to Financial Statements (Continued)

31 December 2025

26. DEFERRED TAX

Deferred tax liabilities

	Fair value adjustments arising from acquisition of a subsidiary RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 1 January 2024	5,035	4,833	9,868
Deferred tax credited to profit or loss during the year	(595)	(143)	(738)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	4,440	4,690	9,130
Deferred tax credited to profit or loss during the year (note 11)	(582)	(808)	(1,390)
Gross deferred tax liabilities at 31 December 2025	3,858	3,882	7,740

Deferred tax assets

	Losses available for offsetting against future taxable profits RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	4,583	4,833	9,416
Deferred tax charged to profit or loss during the year	(2,225)	(143)	(2,368)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	2,358	4,690	7,048
Deferred tax credited/(charged) to profit or loss during the year (note 11)	2,604	(808)	1,796
Gross deferred tax assets at 31 December 2025	4,962	3,882	8,844

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	4,130	1,956
Net deferred tax liabilities recognised in the consolidated statement of financial position	(3,026)	(4,038)

Notes to Financial Statements (Continued)

31 December 2025

27. SHARE CAPITAL/TREASURY SHARES

Shares

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
38,834,408 (2024: 38,834,408) ordinary shares of RMB1.00 each	38,834	38,834

Share capital

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2024, 31 December 2024 and 31 December 2025	38,834,408	38,834

Treasury shares

A summary of movements in the Company's treasury shares is as follows:

	Number of shares repurchased	Treasury shares RMB'000
At 1 January 2024	967,700	48,999
Repurchase of shares under share award scheme (note(a))	115,100	2,644
Exercised of share options	(129,800)	(6,191)
At 31 December 2024 and 1 January 2025	953,000	45,452
Repurchase of shares under share award scheme(note(b))	632,850	36,034
Exercised of share options	(432,500)	(20,627)
At 31 December 2025	1,153,350	60,859

Notes:

- (a) On 1 November 2021, shareholders of the Group approved the adoption of the 2021 H share incentive scheme (the "2021 H Share Incentive Scheme"). Pursuant to the 2021 H Share Incentive Scheme, no shares were purchased during the year, while 115,100 shares were purchased on the Stock Exchange by the trustee under the scheme at a total consideration of RMB2,644,000 during 2024.
- (b) On 26 May 2025, shareholders of the Group approved the adoption of the 2025 H share incentive scheme (the "2025 H Share Incentive Scheme"). Pursuant to the 2025 H Share Incentive Scheme, 632,850 shares were purchased on the Stock Exchange by the Company under the scheme at a total consideration of RMB36,034,000 during the year.

Notes to Financial Statements (Continued)

31 December 2025

28. EQUITY-SETTLED SHARE AWARD EXPENSE

The Company adopted share award schemes for certain personnel in order to recognise and reward the contribution of certain directors and employees ("Granted employees") to the growth and development of the Group, and retain eligible employees for the continuous operation and development of the Group.

On 1 November 2021, shareholders approved the adoption of the 2021 H Share Incentive Scheme in order to recognise and reward the contribution of certain employees. The 2021 H Share Incentive Scheme shall be valid and effective for 10 years commencing from 1 November 2021.

Pursuant to the 2021 H Share Incentive Scheme, the Group granted 386,700 share options to eligible employees in January 2022 with a 3-year service period, granted 223,460 share options in June 2023 with a 2.5-year service period, granted 855,000 share options in June 2024 with a 3-year service period and granted 52,900 restricted shares in June 2025 with a 1-year or 3-year service period subject to vesting conditions including the relevant personal and department's annual assessment determined by the Company. The exercise price is determined by the directors at RMB20.0 per share, RMB22.0 per share, nil and nil, respectively.

On 26 May 2025, shareholders approved the adoption of the 2025 H Share Incentive Scheme in order to recognise and reward the contribution of certain employees. The 2025 H Share Incentive Scheme shall be valid and effective for 10 years commencing from 26 May 2025.

On 15 December 2025, 430,500 share options granted in June 2024 pursuant to the 2021 H Share Incentive Scheme to four employees were cancelled, and 430,500 share options were granted to the same employees pursuant to the 2025 H Share Incentive Scheme as replacement awards.

On 15 December 2025, the Group granted 400,000 restricted shares to one director of the Company to reward his contribution subject to vesting conditions including the relevant personal annual assessment determined by the Company.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for the share scheme. The Group accounts for the scheme as an equity-settled plan.

Share options/restricted shares do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Notes to Financial Statements (Continued)

31 December 2025

28. EQUITY-SETTLED SHARE AWARD EXPENSE (Continued)

The following share options/restricted shares were outstanding during the year:

	2025		2024	
	Weighted average exercise price RMB per share	Number of options	Weighted average exercise price RMB per share	Number of options
At 1 January	1	887,600	20	296,100
Granted during the year	—	883,400	—	868,300
Exercised during the year	1	(432,500)	18	(129,800)
Cancelled during the year	—	(430,500)	—	—
Forfeited during the year	22	(8,000)	20	(147,000)
At 31 December	—	900,000	1	887,600

The exercise price and exercise period of the share options/restricted shares outstanding as at the end of the reporting period are as follows:

2025

Number of share options/restricted shares	Exercise price RMB per share	Exercise date
855,000	—	From 30 June 2026 to 30 June 2027
45,000	—	From 30 June 2026 to 30 June 2028
900,000		

2024

Number of share options/restricted shares	Exercise price RMB per share	Exercise date
32,600	22.0	31 December 2025
855,000	—	From 30 June 2025 to 30 June 2027
887,600		

Notes to Financial Statements (Continued)

31 December 2025

28. EQUITY-SETTLED SHARE AWARD EXPENSE (Continued)

The fair value of the ordinary shares and share options/restricted shares granted during the year was RMB20,194,000 (RMB44.59 each).

The Group recognised equity-settled share award expense of RMB22,261,000 (2024: reversal of RMB267,000) during the year ended 31 December 2025.

The fair value of restricted shares granted during the year ended 31 December 2025 was reference to share price of ordinary shares. equity-settled share options granted during the year ended 31 December 2024 was estimated as at the date of grant, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2024
Dividend yield (%)	—
Expected volatility (%)	49.9
Historical volatility (%)	49.9
Risk-free interest rate (%)	3.5
Expected life of options (year)	3.0
Weighted average share price (RMB per share)	16.1

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

At the end of the reporting period, the Company had 900,000 share options/restricted shares outstanding under the 2021 H Share Incentive Scheme and 2025 H Share Incentive Scheme. The exercise in full of the outstanding share options/restricted shares would, under the present capital structure of the Company, result in the issue of 900,000 additional ordinary shares of the Company and additional share capital of RMB900,000 and a reduction of reserve of RMB900,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 900,000 share options/restricted shares outstanding under the 2021 H Share Incentive Scheme and 2025 H Share Incentive Scheme, which represented approximately 2.32% of the Company's shares in issue as at that date.

29. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 117 of the financial statements.

Notes to Financial Statements (Continued)

31 December 2025

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB13,764,000 (2024: additions to right-of-use assets of RMB3,502,000) and RMB13,764,000 (2024: additions to lease liabilities of RMB3,502,000), respectively, in respect of lease arrangements for plant and office premises.

(b) Changes in liabilities arising from financing activities

	Interest- bearing bank borrowing RMB'000	Lease liabilities RMB'000	Trade and other payables RMB'000
At 1 January 2024	—	36,383	6,105
Changes from financing cash flows during the year	—	(5,886)	(2,996)
Accretion of interest	—	1,749	—
New lease addition	—	3,502	—
Exercise of share options	—	—	(2,330)
Settlement by restricted cash	—	—	(62)
At 31 December 2024	—	35,748	717
Changes from financing cash flows during the year	(126)	(8,731)	(176)
Accretion of interest	126	1,936	—
New lease addition	—	13,764	—
Exercise of share options	—	—	(541)
At 31 December 2025	—	42,717	—

Notes to Financial Statements (Continued)

31 December 2025

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	276	1,245
Within financing activities	8,731	5,886
Total	9,007	7,131

31. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Construction in progress	—	124
Intangible assets	—	86
Plant and machinery	55	557
Total	55	767

32. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	6,044	5,811
Pension scheme contributions	477	434
Bonuses (note)	1,890	2,262
Directors' fees	639	638
Equity-settled share award expense	21,275	1,515
Total	30,325	10,660

Note: Bonuses represent amounts paid or payable which are discretionary or are based on the Group's performance.

Further details of directors', supervisors' and the chief executive's emoluments are included in note 9 to the financial statements.

Notes to Financial Statements (Continued)

31 December 2025

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Financial assets at fair value through profit or loss					
	Mandatorily designated as such	Mandatorily designated as such	Designated as such upon initial recognition	Designated as such upon initial recognition	Financial assets at amortised cost	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Financial assets included in prepayments, other receivables and other assets	—	—	—	—	34,715	5,004
Trade receivables	—	—	—	—	62,682	94,713
Cash and bank balances	—	—	—	—	589,667	601,905
Restricted cash	—	—	—	—	—	8,466
Financial assets at fair value through profit or loss	259,686	120,889	10,690	400	—	—
Total	259,686	120,889	10,690	400	687,064	710,088

Financial liabilities

	Financial liabilities at amortised cost	
	2025 RMB'000	2024 RMB'000
Financial liabilities included in trade and other payables	47,367	44,922

Notes to Financial Statements (Continued)

31 December 2025

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value

Management has assessed that the fair values of cash and bank balances, restricted cash, trade receivables, financial assets included in prepayments, other receivables and other assets (in the current portion), financial liabilities included in trade and other payables and lease liabilities (in the current portion) approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance controller. The valuation process and results are discussed with the directors of the Company periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all required significant inputs to fair value of an instrument are observable, the instruments are included in Level 2. If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

The fair values of equity investments designated at fair value through profit or loss and derivative financial instruments are determined using market approach.

The Group invests in wealth management products issued by banks in the Chinese mainland. The Group has estimated the fair value of these wealth management product by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Notes to Financial Statements (Continued)

31 December 2025

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instrument:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant Observable Inputs (Level 2) RMB'000	Significant Unobservable Inputs (Level 3) RMB'000	
Equity investments designated at fair value through profit or loss	—	—	10,690	10,690
Derivative financial instruments	—	—	9,428	9,428
Investment in unlisted funds	—	—	53,448	53,448
Financial products	—	196,810	—	196,810
Total	—	196,810	73,566	270,376

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant Observable Inputs (Level 2) RMB'000	Significant Unobservable Inputs (Level 3) RMB'000	
Equity investments designated at fair value through profit or loss	—	—	400	400
Derivative financial instruments	—	—	9,074	9,074
Financial products	—	111,815	—	111,815
Total	—	111,815	9,474	121,289

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 and 2024.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

Notes to Financial Statements (Continued)

31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances and restricted cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, financial assets at fair value through profit or loss, financial assets included in prepayments, other receivables and other assets and financial liabilities included in trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. The Group has currency exposures mainly arising from cash at banks denominated in USD, HKD and EUR. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (arising from foreign currencies denominated financial instruments) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency %	Increase/ (decrease) in profit/(loss) before tax RMB'000	Increase/ (decrease) in equity RMB'000
31 December 2025			
If RMB weakens against USD	5	3,654	3,654
If RMB strengthens against USD	(5)	(3,654)	(3,654)
If RMB weakens against HKD	5	2,213	2,213
If RMB strengthens against HKD	(5)	(2,213)	(2,213)
If RMB weakens against EUR	5	243	243
If RMB strengthens against EUR	(5)	(243)	(243)
31 December 2024			
If RMB weakens against USD	5	2,550	2,550
If RMB strengthens against USD	(5)	(2,550)	(2,550)
If RMB weakens against HKD	5	997	997
If RMB strengthens against HKD	(5)	(997)	(997)
If RMB weakens against EUR	5	47	47
If RMB strengthens against EUR	(5)	(47)	(47)

Notes to Financial Statements (Continued)

31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit risk of the Group's financial assets, which comprise cash and bank balances, restricted cash, trade receivables and financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

For other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The board of directors believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Financial assets included in prepayments, other receivables and other assets — normal (note (a))	34,715	—	—	—	34,715
Trade receivables (note (b))	—	—	—	64,335	64,335
Cash and bank balances — not yet past due	589,667	—	—	—	589,667
Total	624,382	—	—	64,335	688,717

Notes to Financial Statements (Continued)

31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Financial assets included in prepayments, other receivables and other assets — normal (note (a))	5,004	—	—	—	5,004
Trade receivables (note (b))	—	—	—	97,381	97,381
Cash and bank balances — not yet past due	601,905	—	—	—	601,905
Restricted cash — not yet past due	8,466	—	—	—	8,466
Total	615,375	—	—	97,381	712,756

Notes:

- (a) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.
- (b) For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix and further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

At the end of the reporting period, the Group had certain concentrations of credit risk as the Group’s cash and bank balances were deposited in a few financial institutions. As at the end of the reporting period, cash and bank balances were deposited in financial institutions in high quality without significant credit risk.

At the end of the reporting period, the Group had certain concentrations of credit risk as the Group’s trade receivables were mainly due from the Group’s largest customer. The Group sets a maximum credit limit for each customer. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

Notes to Financial Statements (Continued)

31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The Group monitors and maintains a level of cash and bank balances deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025				
	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Financial liabilities included in trade and other payables	47,367	—	—	—	47,367
Lease liabilities	—	7,764	22,077	18,351	48,192
Total	47,367	7,764	22,077	18,351	95,559

	2024				
	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Financial liabilities included in trade and other payables	44,922	—	—	—	44,922
Lease liabilities	—	8,281	28,408	2,023	38,712
Total	44,922	8,281	28,408	2,023	83,634

Notes to Financial Statements (Continued)

31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

	2025 RMB'000	2024 RMB'000
Lease liabilities	42,717	35,748
Total debt	42,717	35,748
Total equity	1,132,351	1,062,248
Gearing ratio	3.8%	3.4%

36. EVENTS AFTER THE REPORTING PERIOD

No significant events of the Group occurred after the reporting period.

Notes to Financial Statements (Continued)

31 December 2025

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Non-current assets		
Plant and equipment	40,015	34,133
Right-of-use assets	16,991	51,333
Other intangible assets	4,871	4,198
Investments in subsidiaries	397,098	388,318
Prepayments, other receivables and other assets, non-current	2,468	3,580
Financial assets at fair value through profit or loss	64,139	400
Total non-current assets	525,582	481,962
Current assets		
Inventories	126,492	145,912
Trade receivables	26,313	92,826
Prepayments, other receivables and other assets, current	58,854	23,113
Due from subsidiaries	14,542	11,399
Financial assets at fair value through profit or loss	186,642	111,815
Cash and bank balances	548,960	539,503
Restricted cash	—	8,466
Total current assets	961,803	933,034
Current liabilities		
Trade and other payables	52,853	50,844
Lease liabilities, current	2,200	2,870
Due to subsidiaries	172,370	149,344
Contract liabilities	3,673	302
Total current liabilities	231,096	203,360
Net current assets	730,707	729,674
Total assets less current liabilities	1,256,289	1,211,636

Notes to Financial Statements (Continued)

31 December 2025

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

	2025 RMB'000	2024 RMB'000
Non-current liabilities		
Lease liabilities, non-current	19,570	13,684
Government grants	17,840	17,840
Total non-current liabilities	37,410	31,524
Net assets	1,218,879	1,180,112
Equity		
Share capital	38,834	38,834
Treasury shares	(60,859)	(45,452)
Reserves (note)	1,240,904	1,186,730
Total equity	1,218,879	1,180,112

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Other reserve RMB'000	(Accumulated losses)/ retained profits RMB'000	Total RMB'000
Balance at 1 January 2024	1,546,492	218,641	(544,020)	1,221,113
Loss and total comprehensive loss for the year	—	—	(31,062)	(31,062)
Exercise of share options	3,235	(7,095)	—	(3,860)
Equity-settled share award expense	—	539	—	539
At 31 December 2024 and 1 January 2025	1,549,727	212,085	(575,082)	1,186,730
Profit and total comprehensive income for the year	—	—	51,999	51,999
Exercise of share options	(202)	(19,884)	—	(20,086)
Offset accumulated losses	(575,082)	—	575,082	—
Equity-settled share award expense	—	22,261	—	22,261
At 31 December 2025	974,443	214,462	51,999	1,240,904

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.

Definitions

In this annual report, the following expressions shall have the meanings set out below, unless the context otherwise requires:

“2021 H Share Incentive Scheme”	the 2021 H Share Incentive Scheme adopted by the Company on November 1, 2021
“2025 H Share Incentive Scheme”	the 2025 H Share Incentive Scheme adopted by the Company on May 26, 2025
“AGM”	the forthcoming annual general meeting of the Company to be held on Thursday, May 28, 2026
“Articles of Association”	the articles of association of the Company currently in force
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of directors of the Company
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Company”, “our Company” or “HeartCare Medical”	Shanghai HeartCare Medical Technology Corporation Limited (上海心璋醫療科技股份有限公司), a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 6609)
“Company Law” or “PRC Company Law”	the Company Law of the People’s Republic of China, as amended, supplemented or otherwise modified from time to time
“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of the European Union’s eurozone
“FDA”	the U.S. Food and Drug Administration
“Global Offering”	has the meaning as ascribed to it under the Prospectus
“Group”, “our Group”, “our”, “we” or “us”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars

Definitions (Continued)

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”, “HKD” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Independent Third Party(ies)”	a person or entity who is not a connected person of our Company under the Listing Rules
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	the date, Friday, August 20, 2021, on which the Shares were listed and dealings in the H Shares first commence on 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 set out in Appendix C3 to the Listing Rules
“NMPA”	the National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局) or the CFDA
“Nomination Committee”	the nomination committee of the Board
“PRC Law”	the laws of the People’s Republic of China, as amended, supplemented or otherwise modified from time to time
“Prospectus”	the prospectus of the Company dated August 10, 2021, in relation to the Global Offering
“R&D”	research and development
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the year ended December 31, 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

Definitions (Continued)

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Board
“Subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the member(s) of the supervisory committee of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Trustee”	the trustee appointed by the Company for the purpose of the Trust, and initially, Maples Trustee Services (Cayman) Limited, a company incorporated in the Cayman Islands and having its registered office at Boundary Hall, Cricket Square, George Town, Grand Cayman, Cayman Islands
“Unlisted Share(s)”	the ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed and credited as fully paid up in Renminbi
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars”, “USD” or “US\$”	United States dollars, the lawful currency of the United States
“%”	per cent



上海心瑋醫療科技股份有限公司
Shanghai HeartCare Medical Technology Corporation Limited