健世科技
Jenscare

寧波健世科技股份有限公司
Jenscare Scientific Co., Ltd.

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

Stock Code: 9877

2025
ANNUAL REPORT

Contents

DEFINITIONS

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings.

"AGM"	the 2025 annual general meeting of the Company to be held on Thursday, 28 May 2026
"Articles" or "Articles of Association"	the articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of Directors
"CE Certificate"	Conformité Européenne, an administrative marking that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area (EEA)
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China", "Chinese Mainland" or "PRC"	the People's Republic of China, which, for the purpose of this annual report and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, the PRC
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Company" or "our Company"	Jenscare Scientific Co., Ltd. (寧波健世科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on 23 March 2021, or, where the context requires (as the case may be), its predecessor Ningbo Jenscare Biotechnology Co., Ltd. (寧波健世生物科技有限公司), a limited liability company established in the PRC on 8 November 2011
"Concert Parties"	Mr. Lv and Ms. Li
"Core Product(s)"	LuX-Valve Plus and Ken-Valve, the designated "core products" as defined under Chapter 18A of the Listing Rules
"Director(s)" or "our director(s)"	the directors of the Company or any one of them
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded in any stock exchange
"ESOP Platform(s)"	Hainan Hualing, Hainan Huahui, Hainan Maidi Enterprise Management L.P. (Limited Partnership) and Ningbo Sangdi Investment Management L.P. (Limited Partnership), the employee incentive platforms
"FDA"	Food and Drug Administration of United States

"Global Offering"	the global offering of the H Shares, details of which are set forth in the Prospectus
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"H Shares"	overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and which are listed on the Stock Exchange
"H Share Scheme"	the H Share award scheme approved and adopted by the Shareholders at the extraordinary general meeting of the Company held on 15 December 2023, and was subsequently amended by an ordinary resolution of the Company passed on 19 September 2024
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars", "HK dollars" 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
"Listing"	the listing of the H Shares on the main board of the Stock Exchange
"Listing Date"	10 October 2022, on which the H shares were listed and from which dealings therein were permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified 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
"Mr. Lv"	Mr. Lv Shiwen (呂世文), the chairman of the Board and a non-executive Director
"Ms. Li"	Ms. Li Hui (李輝)
"NMPA"	the National Medical Products Administration of the PRC (中國國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of the Company dated 23 September 2022

"R&D"	research and development
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reporting Period"	the year ended 31 December 2025
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising 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
"treasury shares"	save as used in the financial statements, has the meaning ascribed to it under the Listing Rules
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Foreign Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid for in currency other than RMB by foreign investors and are not listed on the Stock Exchange
"Unlisted Share(s)"	Domestic Shares and Unlisted Foreign Shares
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"%"	per cent

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. PAN Fei (Chief Executive Officer)

Non-executive Directors

Mr. LV Shiwen (Chairman of the Board)
Mr. TAN Ching
Mr. ZHENG Jiaqi
Ms. XIE Youpei
Mr. CHEN Xinxing

Independent non-executive Directors

Dr. LIN Shoukang
Ms. DU Jiliu
Dr. MEI Lehe

AUDIT COMMITTEE

Ms. DU Jiliu (Chairwoman)
Dr. LIN Shoukang
Dr. MEI Lehe

REMUNERATION AND APPRAISAL COMMITTEE

Dr. LIN Shoukang (Chairman)
Mr. LV Shiwen
Ms. DU Jiliu

NOMINATION COMMITTEE

Dr. LIN Shoukang (Chairman)
Mr. LV Shiwen
Ms. DU Jiliu

STRATEGY COMMITTEE

Mr. LV Shiwen (Chairman)
Dr. LIN Shoukang
Mr. PAN Fei

JOINT COMPANY SECRETARIES

Mr. LI Yuanyuan
Mr. WONG Wai Chiu *(resigned on 26 March 2026)*

AUTHORIZED REPRESENTATIVES

(for the purpose of the Listing Rules)
Mr. PAN Fei
Mr. LI Yuanyuan

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

LEGAL ADVISERS

As to Hong Kong law:
HAIWEN & PARTNERS LLP
Suites 601-602 & 610-616, 6/F
One International Finance Centre
1 Harbour View Street
Central, Hong Kong

As to PRC law:
Commerce & Finance Law Offices
12-14th Floor, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing 100004
PRC

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Block 5, B Area
No. 777 Binhai 4th Road
Hangzhou Bay New Area
Ningbo, Zhejiang Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

COMPANY WEBSITE

www.jenscare.com

STOCK CODE

9877

LISTING DATE

10 October 2022

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

PRINCIPAL BANKS

Agricultural Bank of China, Ningbo Hangzhou Bay Branch
No. 895, No. 2 Binhai Road
Hangzhou Bay District
Ningbo, Zhejiang Province
PRC

CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Shareholder,

2025 marked a landmark year in the development of Jenscare. During the Reporting Period, the Group officially entered its first year of commercialization and achieved scalable revenue with remarkable results in the transformation of core technological achievements. We have always focused on the main track of interventional treatment for structural heart diseases and steadily advanced our global strategy, securing phased and major breakthroughs in business development. Meanwhile, the Group continued to deepen R&D and technological innovation for core products, comprehensively improved operational efficiency and operational quality, steering the Group into a critical stage for the efficient and high-value global commercialization of core technologies.

Adhering to the strategic focus of prioritizing core products and expanding global markets, the Group has yielded fruitful results with robust business growth worldwide. We accelerated the establishment of a diversified global sales network and formulated market-competitive pricing systems. Leveraging the professional clinical education platform "Jenscare Academy (健世學苑)", we scaled up clinical promotion and physician training. In its inaugural commercial year, Ken-Valve, our aortic valve replacement product, rapidly gained access to hundreds of hospitals across China with steadily growing sales and record-breaking monthly implant volumes. The product has obtained registration approval in New Zealand and completed commercial implants in multiple overseas countries and regions, demonstrating distinctive global competitive advantages. LuX-Valve Plus, our tricuspid valve replacement device, has completed a series of clinical trials in major global markets including China, Europe and North America. In particular, the application for the investigational device exemption (IDE) for the Pivotal Trial of LuX-Valve Plus was approved by the FDA, eligible for CMS medicare reimbursement. With cumulative global implants exceeding 1,000 cases, its clinical data has been prominently presented at top-tier international academic conferences, earning high recognition from global experts for efficacy and safety. The Group is fully prepared for its global commercial launch. The one-year follow-up clinical data of JensClip, a mitral valve repair clip, was officially released at EuroPCR. As a key component of our full product portfolio for structural heart diseases, its NMPA and CE registration processes are advancing efficiently. It will deliver one-stop solutions for our global commercialization and continuously enhance clinical service capabilities at home and abroad. The Group will firmly implement its commercialization strategy, complete business transformation and upgrading, and strive to achieve long-term, sustainable and high-speed revenue growth.

With over a decade of dedicated development, we firmly believe that continuous R&D and innovation underpin an enterprise's core competitiveness and serve as the fundamental driving force for long-term and stable growth. During the Reporting Period, the Company's R&D team accumulated world-leading experience in core product development and clinical registration, with greatly enhanced professional expertise and global vision. To systematically consolidate technological expertise and strengthen collaborative innovation, the Company set up multiple specialized R&D teams to facilitate the sharing of technical approaches and experience across products and iterative projects. Supported by a matrix-based R&D management system, we optimally allocated core technical resources to further boost R&D efficiency and forward-looking planning capabilities. Following the tiered development strategy of commercializing one generation, developing the next and reserving future pipelines, the Company continuously iterates and optimizes its core product portfolio to sustain industry-leading product competitiveness. We have systematically built three core technology platforms: an innovative biomaterial platform that advances breakthroughs in core valve raw materials and manufacturing processes to enhance product safety, efficacy and durability; a simulation-driven R&D and design platform that supports full-cycle R&D through digital modeling and imaging analysis; and an AI robotic-assisted interventional technology platform that optimizes minimally invasive procedures and advances precise, standardized and intelligent treatment for structural heart diseases. Supported by our comprehensive technological layout, we are well-positioned to address unmet clinical needs, accelerate product iteration and new pipeline development, and consolidate a solid foundation for the Group's long-term development.

Amid the accelerated advancement of global commercialization, quality improvement, efficiency enhancement and high-standard operation remain our consistent core principles. During the Reporting Period, the Company prioritized supply chain optimization to scale up global production capacity and quality control capabilities. We built a technology and quality system with elevated standards, upgraded manufacturing and full-process management specifications, and upheld the management philosophy of quality priority and lean manufacturing. The Company fully implemented lean production initiatives, streamlined overall working procedures, optimized production line layout and space utilization, and improved workforce efficiency to continuously refine production workflows. We also rolled out end-to-end digital production management, realizing online data collection, intelligent analysis and closed-loop control, which comprehensively strengthened delivery capacity to ensure stable, efficient and diversified product supply for global markets. In addition, the Company adopted an all-round cost reduction strategy for core products, conducting refined breakdown and closed-loop management of labor, manufacturing, material and energy consumption links. By optimizing resource allocation and minimizing production losses, we effectively reduced overall manufacturing costs and achieved optimal coordination among quality, efficiency and cost control. These initiatives have significantly improved supply chain stability and operational efficiency, consolidated the supply foundation for global commercialization, and provided strong support for internal operational optimization and revenue growth.

To accommodate the rapid expansion of global businesses, the Group further strengthened internal operational management and comprehensively improved organizational efficiency. In terms of organizational governance, we advanced flat structural reforms, clarified departmental responsibilities and collaborative workflows, and optimized staffing to precisely align authority and job responsibilities with business demands, driving substantial improvements in per capita efficiency. In expense management, we implemented refined full-process budget control, decomposed budget indicators by business segment and product line, established dynamic budget tracking and input-output evaluation mechanisms, and strictly curbed unnecessary expenditures. Thanks to targeted and efficient management measures, the Group's period expense ratio declined notably, laying a more solid foundation for long-term and sustainable development.

Looking ahead, we will firmly uphold our global strategy, deepen commercial deployment, and build a reputable and industry-leading brand image. Committed to delivering high-quality innovative medical devices to patients worldwide, we aim to become a China-best and world-class enterprise specializing in structural heart disease treatment, and create long-term sustainable value for shareholders and society.

Yours faithfully,
Mr.Pan Fei
Executive director and chief executive officer

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, is set out below:

	Year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	**90,587**	–	–	–	–
Loss for the year	**(272,704)**	(185,829)	(379,096)	(440,914)	(500,673)
Adjusted non-IFRS loss for the year[note]	**(162,388)**	(183,039)	(176,877)	(157,661)	(134,162)
Loss per Share attributable to ordinary equity holders of the parent					
Basic and diluted	**RMB(0.64)**	RMB(0.43)	RMB(0.89)	RMB(1.20)	RMB(1.48)

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Current assets	**620,609**	685,855	1,154,913	855,359	828,805
Current liabilities	**105,871**	64,201	58,681	56,736	49,700
Net current assets	**514,738**	621,654	1,096,232	798,623	779,105
Non-current assets	**275,623**	341,710	172,179	575,970	512,554
Non-current liabilities	**17,235**	46,411	42,157	1,566	1,068
Net assets	**773,126**	916,953	1,226,254	1,373,027	1,290,591

Note: The adjusted non-IFRS loss for the year is provided as supplementary information for evaluating the operational performance of the Group by deducting the impacts related to share-based compensation expenses and foreign exchange fluctuations. For further details, please refer to the section headed "Management Discussion and Analysis - Loss for the Year and Non-IFRS Measures" in this annual report.

BUSINESS HIGHLIGHTS

2025 marked the first year of the Company's commercialization. During the Reporting Period, the Company continued to focus on interventional products for structural heart disease, firmly implemented its internationalization strategy, and promoted the value of its differentiated core technologies to the global market. Ken-Valve, our TAVR product achieved rapid growth in its first year of commercialization; a number of key products, including LuX-Valve Plus, our TTVR product, and JensClip, our TMVr product, achieved clinical commercialization breakthroughs in numerous countries and regions worldwide. The Company generated substantial revenue in its first year of commercialization, demonstrating the team's strong commercialization capabilities. As the Company's international operations continue to develop, its revenue is expected to experience steady and rapid growth, which will lay a solid foundation for the Group's long-term sustainable development.

1. LUX-VALVE PLUS: GLOBAL CLINICAL REGISTRATION IS ACCELERATING, AND PREPARATIONS FOR COMMERCIALIZATION HAVE BEEN FULLY COMPLETED

During the Reporting Period, the global clinical registration process of LuX-Valve Plus has been comprehensively accelerated, and an integrated market presence has fundamentally formed:

- In the United States, the pivotal registration clinical trial (Pivotal Trial) has obtained unconditional IDE approval from the FDA, and patient enrollment for the clinical trial has commenced immediately;
- In Europe, the CE certification registration review is progressing in an orderly manner as scheduled, and the preparation for commercialization has been completed;
- In Australia, the registration with the New Zealand Medicines and Medical Devices Safety Authority (Medsafe) has been successfully approved, the Company will continue to pursue the completion of registration across more countries and regions to advance the commercialization further;
- In China, the NMPA registration review is progressing smoothly, at the same time, the product has been successfully listed in the Medical Device Catalog of Hong Kong-Macao Medicine and Equipment Connect (港澳藥械通醫療器械目錄), making it one of the few innovative medical devices that has taken the lead in achieving commercial clinical application in the Greater Bay Area for this indication.

In advancing its global commercialization efforts, the Company relied on multiple international, multicenter pivotal clinical trials to consistently present positive clinical data for its products at world-leading academic forums. The 6-month clinical follow-up results of the TRINITY clinical trial were released at TCT 2025 (U.S.), further verifying its safety and effectiveness; among them, the 6-month clinical follow-up results of patients with large annuli were released at PCR London Valves 2025, fully demonstrating the distinct advantages of unique structural design of LuX-Valve Plus in dealing with complex anatomical structures. Meanwhile, with the completion of the one-year follow-up of the TRINITY clinical study, its follow-up results are scheduled to be presented at major international conferences in the near future, which will further strengthen the Company's clinical evidence in the field of tricuspid valve replacement.

Leveraging years of experience in the field of transcatheter tricuspid valve treatment and extensive global clinical commercialization expansion strategy, the Company is committed to maintaining its leading position in this field and comprehensively advancing the commercialization of its key products across various countries and regions, with the goal of becoming the industry benchmark in transcatheter tricuspid valve treatment.

2. KEN-VALVE: DOMESTIC COMMERCIALIZATION IS STEADILY TAKING ROOT, WHILE OVERSEAS EXPANSION HAS SMOOTHLY LAUNCHED

Following the NMPA approval of Ken-Valve, a differentiated TAVR product capable of simultaneously treating aortic regurgitation (AR) and combined with aortic stenosis, the Company swiftly secured market access and coverage at hundreds of hospitals nationwide. During its first year of commercialization, the Company has established a tiered sales network characterized by "led by core hospitals, supported by regional centers, and integrated with primary healthcare institutions" and formulated a competitive pricing strategy. At the same time, we are extending our terminal coverage by anchoring an integrated online-offline academic education system centered around our professional education platform "Jenscare Academy (健世學苑)". With a well-established channel network and systematic academic promotion, the sales and implantation of Ken-Valve have grown rapidly, repeatedly setting new monthly implantation records and achieving remarkable sales results.

The globalization strategy of Ken-Valve also achieved a critical breakthrough. In February 2026, the registration of Ken-Valve was approved by the New Zealand Medicines and Medical Devices Safety Authority (Medsafe), successfully entering a mature overseas market and opening a key channel for a broader international expansion. The Company has also successfully held commercial launch events in multiple countries and completed the first batch of fee-based implantation. Its overseas commercialization process has officially entered the "harvest period" from the "preparation period".

The Company released high-quality clinical research results on world-leading academic forums, laying a solid foundation for commercial promotion. At global top academic conferences such as CSHC 2025 (The 6th China Structural Heart Disease Conference), TCT 2025 (U.S.), and PCR London Valves 2025, the one-year clinical study follow-up results and large annulus clinical follow-up results of Ken-Valve were officially released, demonstrating the uniqueness of its design, the convenience of device operation, and the stability and safety in dealing with complex anatomical structures such as super-large annuli. The release of this series of high-quality clinical data not only fully reflected the clinical value of the product but also further provided strong evidence-based medical support for global market expansion.

Looking ahead, building on its existing commercialization achievements, the Company will continue to expand the global market presence of Ken-Valve. Domestically, leveraging its established dimensional sales network and academic promotion system, the Company will further sink its channel penetration and terminal coverage, continuously strengthen and expand its market leading advantage to ensure the steady growth in sales and implantation. For overseas markets, starting with the approval in New Zealand and the first batch of commercial implantations, the Company will leverage high-quality clinical data, global Key opinion leaders (KOLs) resources and its mature academic education system, to advance its overseas business from single-point breakthrough to large-scale implementation, and comprehensively accelerate the realization of its globalization strategic goal.

3. JENSCLIP: ADVANCING DOMESTIC AND OVERSEAS REGISTRATION PROGRESS, AND ITS DIFFERENTIATED ADVANTAGES ARE WIDELY RECOGNIZED WORLDWIDE

During the Reporting Period, substantial breakthroughs were achieved in global registration of JensClip. The Company has submitted the registration application for JensClip to the NMPA, which is currently in the critical stage of review and expected to take the lead in nationwide commercial implementation in China. The Company has also officially submitted the CE certification registration application. With its product's innovation and clinical application potential, it has successfully taken a key step towards entering the world's mainstream developed markets.

The one-year clinical follow-up results of JensClip and the application experience in complex and challenging cases were successively released at international high-profile conferences such as EuroPCR 2025, TCT 2025 (U.S.) and PCR London Valves 2025. Clinical data has shown that with its unique claw-wedge mechanical locking design, JensClip could achieve stable locking at any angle, significantly improve mitral regurgitation and reduce leaflet tension. Its safety indicators, effectiveness performance, and simple and reliable device operation process showed significant differentiated advantages when dealing with difficult anatomical structures, and it has received broad interest and high recognition from the global clinical experts.

The Company is committed to the ongoing accumulation of the application experience and clinical feedback of the product, alongside the development of a cooperation system with Key opinion leaders (KOLs). In addition, based on the design advantages of JensClip, the Company will carry out systematic academic promotion, continuously enhance the market's acceptance of the product, and steadily cultivate market demand. Subsequently, with the smooth progress of the domestic NMPA approval and overseas CE certification, JensClip will accelerate the domestic and overseas commercial implantation promotion, which will foster new growth engines for the Company, and further consolidate the Company's global leading advantage in the field of structural heart disease interventional treatment.

4. CONTINUOUSLY STRENGTHEN INNOVATION AND R&D, IMPROVE ITS CORE PRODUCT MATRIX, AND OPTIMIZE ITS OPERATIONAL EFFICIENCY TO LAY A SOLID FOUNDATION FOR GLOBAL DEVELOPMENT

The Company takes innovation and R&D as the core pillar and continuously strengthens its R&D efforts in the field of structural heart disease interventional treatment. Through the product layout covering tricuspid valve, aortic valve, mitral valve and other diseases, the Company has established a high-growth, comprehensive and globally competitive core product matrix. At the same time, guided by global clinical needs, the Company will continuously optimize the performance of its existing products, accelerate the iteration and upgrading of its core products, actively explores cutting-edge technology and innovative pipelines, and promotes the R&D and clinical transformation of various new products to enrich its product portfolio, so as to satisfy multifaceted clinical needs. This strategy will inject sustainable momentum for its long-term development.

Building on this foundation, the Company will profoundly optimize its operational efficiency. Leveraging its clinical and registration experience across multiple global markets, it precisely grasps the international regulatory requirements. The Company will continuously upgrade its R&D processes, quality management and large-scale production processes to improve the stability of the supply chain and its operational efficiency. Furthermore, the Company will adhere to international management standards and strengthen independent innovation in core technologies. By continuously advancing its global patent strategy and intellectual property system, the Company has established a high-value, multi-level intellectual property protection system, which will lay a solid foundation for its global business expansion and long-term sustainable development.

I. BUSINESS REVIEW

Overview

We are a medical device company dedicated to developing interventional products for the treatment of structural heart disease, with a strong focus on international expansion. We have developed a series of treatment solutions targeting different types of structural heart diseases and other related conditions, actively advance and promote our R&D efforts and conversion of such efforts to the development of multiple new products to enrich the product portfolio, meet diverse global clinical needs, and provide continuous support for the Company's long-term development.

Products and Pipeline

As of the date of this annual report, we have several products in various stages of commercialization and research and development, covering transcatheter tricuspid valve intervention, transcatheter aortic valve intervention and transcatheter mitral valve intervention treatment and many other common fields of treatment on structural heart disease. The following diagram summarizes the progress of our product portfolio as of the date of this annual report:

Product Categories	Products	Pre-Clinical Stage	Clinical Stage[Note 1]	Registration	Commercialization[Note 2]
TTVR system	LuX-Valve Plus® ★	NMPA approval: the application for NMPA registration approval has been submitted and accepted, and is currently in the registration review stage			
		CE Marking: Completion of enrollment for registration clinical trial and registration in progress			
		FDA Marking: Enrollment for Pivotal clinical trials in progress			
		Approved in New Zealand and listed in the Medical Device Catalog of Hong Kong-Macao Medicine and Equipment Connect			
	LuX-Valve®	Being admission into the green channel and completion of the patient follow-up of the multi-center registration clinical trial			
	LuX-Valve Pro™	Pre-Clinical Stage			
	LuX-Valve Ultra™	Pre-Clinical Stage			
TAVR system	Ken-Valve® ★	Approved in China and New Zealand			
	Ken-Valve Pro® [Note 3]	Preparation for clinical trial			
TMVr system	JensClip®	NMPA approval: The application for NMPA registration approval has been submitted and accepted, and is currently in the registration review stage			
		CE Marking: The application for CE certification has been submitted			
TMVR system	JensRelive®	Pre-Clinical Stage			
Technology/ Accessories	JeniGal® Anti-calcification Technology	Approved in China			
	Introducer Kit	Approved in China			
	Dry-tissue Technology	Preparation for clinical trial			
	Polymer Leaflet Technology	Pre-Clinical Stage			

★ : Products with ★ are Core Products.

Note 1: Entering clinical stage is marked by the completion of first human trial.
Note 2: The point in time of expected commercialization is based on the obtaining of product registration certificate.
Note 3: It was formerly known as KenFlex.

Our Products and Product Candidates

Tricuspid Valve Product Candidates

LuX-Valve Plus, our proprietary second-generation TTVR system, is designed for patients with severe tricuspid regurgitation and high surgical risk. LuX-Valve Plus works by functionally replacing the patient's dysfunctional native tricuspid valve with a prosthetic valve implanted through a minimally invasive intervention without the need for conventional open-heart operation. LuX-Valve Plus is a Class III medical device under the classification criteria of the NMPA. We expect the transvascular access path not only to effectively simplify the operation procedure with shorter device procedure time, smaller incisions and less damage to the heart tissue, but also to be used in a wider range of situations such as rare and complex anatomical structures. In addition, the delivery system of LuX-Valve Plus is multi-angle adjustable and steerable, allowing operators to more conveniently adjust the release position and angle, and thereby further increasing the product's safety profile.

With regard to the LuX-Valve series products, we aim to maintain our global leading advantage of this series of products, advance the full-scale commercialization of our core products across various countries and regions and provide support to any other subsequent key products through a diversified approach, including conducting registration clinical trials and obtaining approvals in multiple countries and regions around the world, continuing our regional expansion for our business development, and establishing international collaborations.

NMPA Clinical Trial and Registration

The NMPA multi-center registration clinical trial of LuX-Valve Plus in China has already entered the long-term follow-up phase, demonstrating excellent clinical follow-up data. The RCT of optimized medical therapy of LuX-Valve Plus conducted in China has completed full subject enrollment, and has obtained NMPA registration acceptance and feedback. It is currently in the registration review phase. We will actively advance the NMPA registration process of LuX-Valve Plus, and strive to obtain the NMPA registration certificate as soon as possible.

In October 2024, the one-year follow-up data from the LuX-Valve Plus (TRAVEL II) study was globally presented at the TCT 2024 in the United States. The safety outcomes demonstrated a composite event rate of 12.50%, with an all-cause mortality rate of 4.17%. Efficacy results showed significant improvements in regurgitation severity, cardiac functional class, and quality of life among subjects. All subjects achieved freedom from moderate or greater regurgitation at 30 days. Additionally, positive right heart remodeling was observed in the subjects. In terms of NYHA functional class improvement, approximately 80% of patients improved from preoperative class III/IV to class I/II at 30 days, and approximately 85% showed similar improvement at one year. Regarding quality of life, the average Kansas City Cardiomyopathy Questionnaire (KCCQ) score increased by 15 points at 30 days and by 21 points at one year.

FDA Clinical Trial and Registration

Significant progress has been made in the U.S. registration clinical trial and overseas application of LuX-Valve Plus. Patient enrollment for the U.S. LuX-Valve Plus Early Feasibility Study (EFS) has been fully completed, the 30-day follow-up data and report of the EFS clinical study have been submitted to the U.S. FDA. The FDA had officially approved the application for an unconditional investigational device exemption (IDE) for the Pivotal Trial of LuX-Valve Plus, and the patient enrollment for the clinical trial has been initiated shortly afterwards. We will continue to actively advance the Pivotal Trial process of LuX-Valve Plus, and strive to obtain FDA launching approval for this product as soon as possible.

In September 2023, LuX-Valve Plus was selected to participate in the FDA's Total Product Life Cycle Advisory Program ("TAP") pilot. The early feasibility of clinical study ("EFS") for LuX-Valve Plus was certified as CMS Category B by the FDA and approved for inclusion in medical insurance coverage by the Centers for Medicare & Medicaid Services (CMS). The LuX-Valve Plus Pivotal Trial has also been certified as CMS Category B, eligible for CMS medicare reimbursement. These progress have laid a solid foundation for the subsequent smooth conduct of the pivotal clinical trial and positively impact on the expedited regulatory process.

CE Clinical Trial and Registration

The global multi-center clinical trial of the LuX-Valve Plus transcatheter tricuspid valve replacement system (the "**TRINITY study**") is a prospective, multi-center, single-arm clinical study designed to evaluate the safety of LuX-Valve Plus in patients with severe tricuspid regurgitation and at high surgical risk. The study enrolled 161 patients from 20 centers around the world, 18 of which are located in France, Germany, Spain, Denmark, and the UK. Leveraging the unique design and outstanding clinical performance of LuX-Valve Plus, centers have actively participated in the study, and the device has received consistent acclaim from experts across various specialties. The TRINITY study has smoothly completed one-year follow-up for its regulatory clinical trial. The registration review for CE certification is advancing steadily as scheduled, and preparations for commercialization have been completed.

In October 2023, LuX-Valve Plus was selected for the Expert Panel Scientific Advice Pilot of the European Medicines Agency, and the clinical development and clinical research of LuX-Valve Plus will be guided by the expert panels, which will further accelerate the clinical development and registration progress for CE Certificate in Europe, and to expand the global reach and facilitate the internationalization progress of the product.

In October 2025, the six-month clinical follow-up results of TRINITY study were officially released at the 2025 Transcatheter Cardiovascular Therapeutics conference (TCT 2025) in San Francisco, United States. The results of the clinical study showed the device success rate was about 97%, and the average device operation time was 41.60±19.62 minutes, with the shortest device operation time being only 11 minutes. The safety results showed the overall CEC-adjudicated composite adverse events rate at six-month of FAS + Roll-in group was 19.9%, which was at a low level. The efficacy results showed six-month follow-up outcomes demonstrate that 94.4% of patients had no above moderate regurgitation; patients' cardiac function and quality of life were also significantly improved. The six-month clinical follow-up results of the TRINITY study demonstrated good safety and performance of LuX-Valve Plus, with expected continuous improvement in the quality of patient's life and a stable, low rate of safety events. For details, please refer to the announcement of the Company dated 29 October 2025.

In November 2025, the six-month clinical follow-up results for patients with large annulus of the TRINITY study were released at PCR London Valves 2025. In the TRINITY study, over 75% of patients used valve sizes of 55mm, 60mm, 65mm, and 70mm. The average age of this group of large annulus patients (LAP) was 77.4 and the average Tri-Score was as high as 13.5%; 10.7% of patients exhibited 3+ (Severe), 47.1% exhibited 4+ (Massive), and 42.2% exhibited 5+ (Torrential) tricuspid regurgitation. The six-month follow-up safety results showed a composite events rate of 22.3% for the LAP group (N =121). The efficacy results showed six-month follow-up outcomes demonstrates that 93.5% of LAP had no moderate or above tricuspid regurgitation; patients' cardiac function and quality of life were also significantly improved. The results of the TRINITY study demonstrate that it significantly improves regurgitation severity and markedly enhances the quality of life in patients with large annulus tricuspid regurgitation. It is expected to address the global unmet clinical need for effective treatment options for a large number of patients with large annulus tricuspid regurgitation. For details, please refer to the announcement of the Company dated 20 November 2025.

A series of preparation activities for commercialization of LuX-Valve Plus have been completed in multiple regions of the world. LuX-Valve Plus has obtained registration approval from the New Zealand Medicines and Medical Devices Safety Authority and been officially approved to be included in the Medical Device Catalog of Hong Kong-Macao Medicine and Equipment Connect. As of the date of this annual report, over 1,000 cases of implantation of the LuX-Valve series products have been completed worldwide, with a record of the longest follow-up of over six years. We will continue to promote the application of our products in different regions worldwide, so as to further enhance the Company's academic position and influence in the world, and lay a solid foundation for the Company's globalization strategy.

LuX-Valve, our proprietary TTVR system, is designed to treat patients with both severe tricuspid regurgitation and high surgical risk. LuX-Valve works by replacing the function of a patient's dysfunctional native tricuspid valve with a prosthetic valve implanted through a minimally invasive intervention without the need for conventional open-heart operation. LuX-Valve was admitted into the Special Examination for Innovative Medical Devices (the "Green Path") by the NMPA in January 2019. In November 2023, the one-year results of the confirmatory clinical trial of LuX-Valve were reported at the PCR London Valves 2023, and were officially published in JACC: CARDIOVASCULAR INTERVENTIONS in April 2025. We are currently in the process of active communication with NMPA, and expect that an application for registration will be submitted to NMPA for approval in due course.

LuX-Valve Pro is our next-generation TTVR system developed based on LuX-Valve Plus. To further enhance patient benefits and its usability, LuX-Valve Pro has undergone upgrades in the local structure and performance of the valve, incorporates dual-segment steering function for the delivery catheter, and optimizes the design of the knobs and operation of the delivery system. The product is expected to offer higher precision in valve implantation, better interventional experience, and greater benefit for more patients. LuX-Valve Pro is currently in the pre-clinical stage.

LuX-Valve Ultra is our next-generation TTVR system developed based on LuX-Valve Pro. New materials are used for this Prosthetic Valve to enhance leaflet performance, reduce preparation time for valve operation, and improve interventional support efficiency. The delivery system features a variety of venous access options, and further reduces the catheter's outer diameter to achieve a lower profile, thereby mitigating the risk of complications in narrow or small vein access. In addition, functional design will be refined to optimize the handle of the delivery system so as to enhance user experience and convenience for surgeons. The LuX-Valve Ultra is currently in the preclinical stage.

Aortic Valve Products

Ken-Valve, our proprietary first-generation TAVR system, is designed for the treatment of patients with severe aortic regurgitation or combined with aortic stenosis. The Ken-Valve features a multi-size stent platform, designed to address severe aortic regurgitation ("**AR**") or combined aortic stenosis ("**AS**"), thereby covering the majority of aortic valve pathologies. The valve employs anti-calcification treated bovine pericardial leaflets in a supra-annular design, achieving an optimal balance between large effective orifice area, long-term durability, and effective anti-thrombogenic properties. The integrated positioning keys are engineered to resolve anatomical challenges, such as annular dilation and the lack of anatomical structures for anchoring in the sinus of Valsalva. These keys engage the native leaflets within the sinus, achieving coaptation alignment while generating radial clamping forces. This mechanism ensures stable anchoring and prevents coronary ostium obstruction caused by prosthetic valve interference. An anti-paravalvular leakage ("**PVL**") skirt integrated into the stent's anchoring zone significantly reduces post-procedural PVL risk. The delivery system incorporates active steerable function with a non-wire-controlled steering mechanism, enabling precise navigation. This innovation is projected to shorten the operator learning curve and improve procedural efficiency.

In April 2025, the one-year clinical follow-up data of Ken-Valve was presented at the 6th CSHC 2025. The number of enrollment of this clinical study is ahead of similar products, with large patient demand and excellent efficacy. The average age of the enrolled patients was 70.31±5.50, and 99.3% of the patients were in NYHA cardiac function class III/IV. In addition, 61.97% of the patients in the study population had a moderate-to-severe frailty index, 80.85% of the patients had a 5-metre walk time of ≥6 seconds, and all were assessed to be unsuitable for operation by the surgical risk assessment, with the maximum diameter of the aortic annulus being 32mm. The clinical results showed that the average operating time of Ken-Valve was 8.70±8.85 minutes, the success rate of the device was 97.18% and the one-year all-cause mortality rate was merely 5.63%. From the moment of implantation of Ken-Valve to one year after the procedure, the percentage of patients with aortic regurgitation reduced to mild or less was 100%, and postoperative cardiac function and quality of life indicators had improved as compared with those before the procedure. The average effective orifice area (EOA) of the implanted valve was ≥ 1.90 cm^2, and the valves were functionally stable and performed well within one year after the procedure.

In the 2025 West China Minimally Invasive Cardiovascular Congress and the Eighth West China Valve Forum, Ken-Valve successfully completed a number of live-streaming operation cases, aortic valve interventional replacement was successfully performed in multiple patients with complex anatomical structures, among others, including large aortic annulus and severe horizontal heart. Ken-Valve's design features, operational advantages, and scope of application were warmly discussed and generated considerable interest by experts attending the meeting. For details, please refer to the announcement of the Company dated 21 July 2025.

We have obtained relevant permits for the manufacture and sale of Ken-Valve, and commercial implantation procedures are conducted progressively at an accelerating pace nationwide. In February 2026, Ken-Valve obtained the registration approval from the New Zealand Medicines and Medical Devices Safety Authority. Building upon its current achievement in commercialization, the Company will continue to strengthen the global market layout of Ken-Valve. For the domestic market, we will consistently solidify and expand our leading advantage to ensure a steady growth in sales and the implantation. For overseas markets, taking the approval in New Zealand and the first batch of commercial implantations as a springboard, we aim to transition our international operation from individual breakthroughs to full-scale rollout, thereby accelerating the full realization of our global strategic objectives.

Ken-Valve Pro, our proprietary next-generation TAVR (transfemoral) system, is used for the treatment of severe aortic regurgitation or combined with aortic stenosis. Major upgrades of Ken-Valve Pro have been made to valves and delivery systems. The flexible and easy-to-operate self-positioning anchors work with the stent to stably fix the valve, while reducing radial support and the impact on the conductive bundle branch, and lowering the pacemaker implantation rate. The delivery system is large-angle adjustable through vascular access, and the self-positioning anchor is convenient to operate, which is expected to improve the accuracy and stability of valve placement. Ken-Valve Pro is currently in the clinical trial preparation stage.

Mitral Valve Product Candidate

JensClip, our proprietary clip-based TMVr system, is designed to treat patients with severe mitral regurgitation. The JensClip system introduces an innovative self-locking design, providing secure leaflet fixation to maintain stable coaptation, thus effectively reduces mitral regurgitation while mitigating leaflet stress. Featuring a rhombic linkage mechanism, the valve clip enables enhanced shape adaptability during transvalvular navigation, facilitating smooth valve crossing. Its bidirectional retrievability significantly improves procedural safety. The device enables both simultaneous bilateral and selective unilateral leaflet capture to enhance procedural adaptability. An integrated detachment mechanism minimizes potential risks associated with multi-step detachment processes, effectively reducing accidental deployment errors and shortening procedural time. We have submitted the registration application for JensClip to the NMPA and received feedback, and also formally submitted the registration application for CE certification. We are actively promoting domestic and international registration and approval processes.

In May 2025, the one-year clinical follow-up results of the JensClip were released at the EuroPCR 2025 in Paris, France. The study primarily evaluated the safety and efficacy of JensClip in application on patients with symptomatic degenerative mitral regurgitation (DMR) at high surgical risk. The study enrolled 114 patients from 18 centers in China. The clinical results showed that the device operation success rate was about 95%, and the average device operation time was 67.53±43.89 minutes. The average age of the patients was 71 years old. The safety results showed that all-cause mortality rate was 1.8%. The efficacy results showed that at one year 96.3% of patients had no above moderate regurgitation and patients' cardiac function and quality of life were significantly improved.

The globalization process of JensClip is also being actively advanced. As of the date of this annual report, a series of pre-commercial compassionate use cases of JensClip have been conducted overseas, with all procedures progressing smoothly and the product performance being excellent.

JensRelive, our proprietary TMVR (transfemoral) system, is designed to treat patients with severe mitral regurgitation. It works by replacing the function of a patient's dysfunctional native mitral valve without the need for conventional open-heart operation. JensRelive consists of a prosthetic mitral valve, a delivery catheter system, and a loading system. Our JensRelive uses a special anchoring design, and such a design helps the fixation while preventing displacement. In addition, JensRelive is equipped with steerable functions, which are expected to improve the valve positioning accuracy and stability during deployment. As of the date of this annual report, we are in the process of conducting pre-clinical studies for JensRelive.

Platform Technology/Accessories

Catheter sheath products have received the product registration certificate from NMPA. The product is available in multiple sizes, which can effectively prevent vascular injury to the neck during surgical manipulation.

JeniGal anti-calcification technology is currently applicable to all of the Company's commercial products and product candidates, aiming to effectively improve the anti-calcification function of the leaflets and reduce immunogenicity.

Dry-tissue technology is independently developed by the Company, which is currently in the preparation stage of clinical trial and can be used in the Company's TAVR, TMVR or TTVR product candidates in the future.

Polymer leaflet technology is independently developed by the Company, which is currently in the pre-clinical stage and can be used in the Company's TAVR, TMVR or TTVR product candidates in the future.

Cautionary Statement as required by Rule 18A.08(3) of the Listing Rules: There is no assurance that we will ultimately develop, market and/or commercialize our Core Products or any other product candidates successfully.

Research and Development

R&D and innovation continue to be core strategic pillars of our Company, holding significant importance for our product portfolio and the Company's long-term development. We remain committed to addressing unmet clinical demands with an innovation-driven approach, and continue to deepen our R&D focus in the field of interventional treatment for structural heart disease. Through multiple pathways, including strengthening the R&D system, enhancing collaboration with academic institutions, closely aligning with clinical needs, and integrating top-tier advisory resources, we are comprehensively driving iterative technological advancements and improving R&D efficiency. Simultaneously, we are focusing on cutting-edge technologies and innovative pipelines, accelerating our R&D and clinical conversion, and diversifying our product portfolio so as to meet various clinical needs and solidify our momentum for long-term growth. Building on our registration initiatives across major markets around the world such as China, the United States, Europe, and South America and leveraging our in-depth understanding of international regulatory environments, we continuously optimize R&D processes and production workflows, adhering to international management standards, we further enhance our R&D capabilities in the field of cardiovascular intervention, particularly in the treatment of structural heart disease. We are steadily building a global innovation platform to consolidate and enhance the leading position of the Company in both domestic and international markets.

Following its approval by NMPA and rapid large-scale commercialization of Ken-Valve in China, the Company has officially entered its commercialization phase. Leveraging its outstanding clinical performance and broad applicability, the product has successfully completed extensive commercial implantations in key hospitals across the country and has received positive recognition from both the markets and the academia. Meanwhile, the Company has achieved significant progress in its product pipeline for tricuspid and mitral valve interventional therapies, forming a diversified and high-potential product portfolio. Key products such as LuX-Valve Plus, JensClip and Ken-Valve have continued to make breakthroughs in global clinical trials and registration efforts, with multiple study results presented at international academic conferences demonstrating excellent outcomes, further validating their safety and efficacy. These advancements have laid a solid foundation for the Company's comprehensive and global strategy in the field of structural heart disease. The Company continues to strengthen its global market expansion, deepen clinical collaborations, and enhance product influence, providing robust support for sustained long-term high growth.

Intellectual Property

As of the date of this annual report, we:

- have 430 patent applications in more than 20 countries or regions and have obtained 281 granted patents;
- have 75 trademark registration applications in more than 20 countries or regions and have been granted 53 registered trademarks.

The Company possesses multiple high-quality patents protecting its core technologies, covering application scenarios and process improvements, with patent strategies aligned with technology life cycles. By establishing a patent matrix that encompasses both core technologies and peripheral applications, the Company has built a multi-tiered protection system. It has filed patent applications and obtained patent grants in major markets including the United States, Europe, Australia, South America, and Japan, while formulating corresponding intellectual property defense strategies. In addition, we have developed a global trademark strategy and built a systematic competitive barrier for our worldwide operations through synergistic alignment of our trademark and patent strategies. In 2023, we established a Ningbo Municipal Trade Secrets Demonstration Site and obtained certification under the (GB/T 29490-2023) Intellectual Property Management System, underscoring our continuous efforts to enhance our intellectual property protection framework in support of global business expansion of the Company.

Manufacturing

Our manufacturing facility is located in Ningbo, Zhejiang, the PRC, and along with two adjacent properties, occupies approximately 8,500 square meters. It is designed and built for manufacturing medical devices in compliance with GMP requirements with full manufacturing capability and ready for commercial-scale production. Our manufacturing center has obtained the manufacturing license issued by the NMPA and passed the on-site audit for EU CE MDR certification. We have full manufacturing capabilities, including production lines and related core technologies for stents, valves, and delivery systems, respectively. We continuously enhance process stability, address technical challenges, and improve the production capabilities to constantly increase production capacity and product yield rate. This ensures consistent and reliable commercial and clinical supply, effectively supporting the rapid expansion of our current business model. We adhere to the principle of lean manufacturing. Through refined cost control and strengthened supplier management, we optimize the cost structure while maintaining quality, thereby enhancing the market competitiveness of our products.

We strictly comply with the laws and regulations related to production quality. We have established an international quality control system in accordance with regulations and standards such as ISO 13485, GMP of the NMPA, CE MDR, and MDSAP. Under such system, we manage our products from R&D to market launch so as to ensure the compliance, safety and effectiveness of our products throughout their life cycle. As of the date of this annual report, the Company has obtained ISO 13485 certification, CE MDR certification, and the Production License for Medical Device in China, among other qualifications. We procured equipment and machinery from reputable suppliers and completed comprehensive commissioning and qualification steps to verify that the equipment and programs are installed according to the requisite specifications. We strictly monitor the procurement of raw materials, the production process, and the final delivery to ensure the quality, safety and effectiveness of the products.

Commercialization

In this year, the Company officially entered the commercialization phase. By leveraging its differentiated product positioning, the Company has quickly established a distinctive brand identity. Capitalizing on the advantages of stable product performance and ease of operation, it effectively helps operators develop consistent usage habits. Benefiting from innovative product designs, multiple products such as LuX-Valve series products and Ken-Valve are capable of addressing challenging anatomical conditions including large annulus and complex anatomical structures, demonstrating excellent clinical outcomes. Meanwhile, leveraging the extensive experience and academic influence of global KOLs, we disseminate surgical techniques and technical expertise through, among others, diverse academic exchange conferences, live/recorded procedural demonstrations, case study discussions. Taking core medical centers as a pivot, the Company gradually expands into regional markets and further strengthen the linkage between regional markets and frontline centers, thereby achieving rapid enhancement of product market visibility and continuous expansion of target hospital coverage.

In China, we have established a comprehensive regional distributor network for the commercialization of Ken-Valve and formulated competitive sales strategies to proactively and promptly respond to market changes, rapidly achieve commercialization objectives, and expand market share. In developing sales channels, we have actively pursued collaborations with various business channel partners. As of the date of this annual report, we have completed the listing process on procurement platforms in 30 provinces across China. Our sales channels already cover most of cities domestically, and our products have been accepted by a cumulative total of hundreds of hospitals for use. Meanwhile, commercial preparation activities primarily focused on LuX-Valve series products are also underway, and LuX-Valve Plus has been officially approved to be included in the Medical Device Catalog of Hong Kong-Macao Medicine and Equipment Connect (港澳藥械通醫療器械目錄), enabling commercial clinical application in designated medical institutions in the mainland of the Greater Bay Area. As for the overseas markets, Ken-Valve and LuX-Valve Plus have successfully obtained the registration approval in New Zealand. Meanwhile, several structural heart disease products have achieved breakthroughs in clinical commercialization in multiple countries and regions around the world. We will further deepen market expansion and expand our sales network. Through our internal teams, operators, and partners, we are gaining in-depth understanding of target markets to accelerate commercialization in all aspects.

We have established a highly efficient commercialization team which will prioritize market access for our Core Products, procedure training, and marketing and promotion. Our treatment promotion and technical support team possesses both profound medical expertise and proven surgical procedural proficiency. Leveraging standardized clinical support and data feedback, the team strives to establish a globalized and standardized procedure training system. Meanwhile, our marketing team is steadily expanding its global market presence, continuously reinforcing our domestic and international channel construction and our brand influence. These efforts will collectively fortify the Company's international commercial operations and accelerate the conversion of our technological efforts into market success.

We have also established a comprehensive internal and external training system to deliver professional, systematic and full-process training covering product characteristics, procedural techniques, imaging applications, perioperative management, and complex case handling skills, thereby accelerating the efficient promotion and provision of procedural education both internally and externally. We have built an "online+offline" integrated academic education system centering on the "Jenscare Academy (健世學苑)", our professional education platform which links to multi-channel digital academic media, and continue to consolidate the brand's influence in academic circles through systematic education on our product portfolio to accelerate the standardized promotion of treatments, and support hospitals in improving the conversion rate of clinical applications.

Online Academic Empowerment	:	A series of online activities of "HeartShare Insight (健享心聲)" were regularly held to focus on the review of challenging operation cases and the breakdown of core operation skills, building a platform for online deep learning and communication among surgeons.
Online Frontier Express	:	Leveraging the WeChat official account column of "Valve-ness ValveLearn Hub (瓣知健學)", we accurately conveyed the cutting-edge academic progress and industry trends in the field of transcatheter valve intervention.
Offline Practical Training	:	We simultaneously held a series of offline training sessions of "ValveCare Journey (健行千里)", established a three-level training system of "Theory in Depth – Live Demonstration – Simulated Practice ", comprehensively promoted the Company's product portfolio and standardized operation techniques, and empowered clinical diagnosis and treatment practice.

In 2025, we have been invited to participate in a number of both domestic and overseas high-profile academic conferences in the field of structural heart diseases, including New York Valves 2025, EuroPCR 2025, PCR London Valves 2025, U.S. TCT 2025, Hong Kong Valves 2025, the 33rd Annual Meeting of the Asian Society for Cardiovascular and Thoracic Surgery (ASCVTS), SYDNEY VALVES 2025, Latin America SOLACI SOCIME 2025, the 6th China Structural Heart Conference (CSHC 2025), West China Minimally Invasive Cardiovascular Congress and the Eighth West China Valve Forum 2025, China Valve (Hangzhou) Conference 2025, the 19th Oriental Congress of Cardiology (OCC 2025), the Greater Bay Area Minimally Invasive Valve Conference (GBA Valve 2025). We will continue to participate in international and domestic top-tier academic exchanges to further consolidate the brand influence of the Company, enhance expert recognition and lay a solid foundation for the marketing and long-term commercial development of the Company's products.

II. FINANCIAL REVIEW

Revenue

During the Reporting Period, our revenue was mainly derived from the sale of interventional products for the treatment of structural heart disease.

During the Reporting Period, our revenue was RMB90.6 million (2024: nil), mainly due to increased sales volume as a result of the continued commercialization of our interventional products for the treatment of structural heart diseases.

Cost of Sales

During the Reporting Period, our cost of sales was mainly related to the production of interventional products for the treatment of structural heart diseases. Our cost of sales amounted to RMB8.1 million (2024: nil), mainly due to the increase in costs of raw materials, staff costs and manufacturing costs as a result of the increase in sales volume.

Gross Profit and Gross Profit Margin

During the Reporting Period, our gross profit was RMB82.5 million (2024: nil), in line with the increase in revenue. Gross profit margin is calculated as gross profit divided by revenue multiplied by 100%. Our gross profit margin for the Reporting Period was 91.1%.

Selling and Distribution Expenses

During the Reporting Period, our selling and distribution expenses were RMB29.0 million (2024: nil), mainly attributable to the continuous increase in the frequency and scale of our marketing campaigns to expand our global footprint.

Other Income and Gains

Our other income and gains primarily consist of (i) gains on financial assets at fair value through profit or loss, representing the realized and unrealized gains from wealth management products; (ii) government grants, primarily including subsidies received from the local governments to support our R&D activities and business operations; (iii) interest income from bank deposits; and (iv) others. Our other income and gains decreased from RMB41.6 million in 2024 to RMB16.6 million in 2025. The decrease was primarily attributable to the decrease in government grants, gains on financial assets at fair value through profit or loss and foreign exchange gains.

Research and Development Expenses

Our R&D expenses primarily consist of (i) share-based compensation expenses; (ii) staff costs, including salaries, bonus and welfare for R&D personnel; (iii) costs of raw materials and consumables used for R&D of our product candidates; and (iv) third-party contracting costs, primarily including payments to contract research organizations, clinical trial sites, and other medical institutions and testing fees incurred for preclinical studies and clinical trials.

Our R&D expenses increased from RMB142.6 million in 2024 to RMB183.6 million in 2025. The increase in our R&D expenses was primarily attributable to the increase in share-based compensation expenses from RMB4.4 million in 2024 to RMB45.1 million in 2025, representing an increase of RMB40.7 million. Other R&D expenses other than share-based compensation expenses increased by RMB0.2 million from RMB138.3 million in 2024 to RMB138.5 million in 2025, primarily attributable to the increase in costs of raw materials and consumables used, partially offset by the decrease in staff costs, depreciation and amortization, and others.

The following table sets forth a breakdown of our R&D expenses in absolute amounts for the periods indicated:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Share-based compensation expenses	**45,120**	4,360
Staff costs	**34,415**	48,982
Costs of raw materials and consumables used	**35,493**	10,381
Third-party contracting costs	**43,409**	43,715
Depreciation and amortization	**5,751**	7,424
Others	**19,421**	27,775
Total	**183,609**	142,637

Administrative Expenses

Our administrative expenses primarily consist of (i) share-based compensation expenses; (ii) staff costs, including salaries, bonus and welfare for administrative personnel; (iii) professional service fees incurred primarily in relation to recruitment, legal and accounting services; (iv) depreciation and amortization; (v) traveling and transportation expenses; and (vi) others.

Our administrative expenses increased from RMB68.2 million in 2024 to RMB99.4 million in 2025. The increase in our administrative expenses was primarily attributable to the increase in share-based compensation expenses from RMB1.3 million in 2024 to RMB50.5 million in 2025, representing an increase of RMB49.2 million. Administrative expenses other than share-based compensation expenses decreased by RMB17.9 million from RMB66.8 million in 2024 to RMB48.9 million in 2025, primarily attributable to the decrease in staff costs and others.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Share-based compensation expenses	**50,508**	1,336
Staff costs	**16,547**	34,025
Professional service fees	**10,794**	10,444
Depreciation and amortization	**7,972**	4,333
Traveling and transportation expenses	**3,467**	3,784
Utilities and office expenses	**1,950**	1,234
Others	**8,177**	13,027
Total	**99,415**	68,183

Other Expenses

Our other expenses mainly consist of: (i) loss on disposals of property, plant and equipment; (ii) impairment of property, plant and equipment; (iii) co-operation termination payments; (iv) the net exchange loss in respect of bank balances and cash denominated in foreign currency; (v) donations expense; and (vi) others.

Our other expenses increased from RMB9.6 million in 2024 to RMB51.6 million in 2025. The increase was primarily attributable to the increase in co-operation termination payments, foreign exchange losses and donations expense.

Impairment Losses on Financial Assets, Net

Our impairment losses on financial assets increased from RMB6.7 million in 2024 to RMB7.4 million in 2025. The increase was primarily attributable to the impairment of trade receivables.

Finance Costs

Our finance costs mainly consist of lease liabilities and borrowings from Shareholders.

Our finance costs increased from RMB289,000 for the year ended 31 December 2024 to RMB867,000 for the Reporting Period. The increase was primarily attributable to the increase in interest on bank and other loans.

Income Tax Expenses

We did not incur any income tax expenses during the Reporting Period.

Loss for the Year and Non-IFRS measures

Based on the factors described above, our net losses amounted to RMB185.8 million and RMB272.7 million in 2024 and 2025 respectively.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss for the year	**(272,704)**	(185,829)
Add:		
Share-based compensation expenses	**96,847**	5,696
Foreign exchange differences, net	**13,469**	(2,906)
Adjusted non-IFRS loss for the year	**(162,388)**	(183,039)

To supplement the Group's consolidated financial statements presented in accordance with IFRS, we use adjusted non-IFRS loss for the year as an additional financial measure. The Company believes that the adjusted non-IFRS financial measure provides useful information to investors and other parties in understanding and evaluating the Group's consolidated statement of profit or loss. However, the Company's adjusted non-IFRS loss for the year cannot and should not be used in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. Shareholders and potential investors should not view the Company's adjusted non-IFRS measures separately, or as a substitute for the results prepared in accordance with IFRS.

Working Capital

We primarily allocate cash to the ongoing commercialization of our interventional products for the treatment of structural heart diseases, research and development of product candidates, and capital expenditures.

Our net cash generated from investing activities was RMB6.0 million for the year ended 31 December 2025, primarily due to the purchase of financial assets at fair value through profit or loss, partially offset by withdrawal of fixed time deposits during the Reporting Period.

Our net cash used in financing activities was RMB20.6 million for the year ended 31 December 2025, primarily due to repayment of bank loans.

As of 31 December 2025, we had cash and cash equivalents of RMB507.4 million, representing a decrease of 16.3% compared to RMB606.0 million as of 31 December 2024.

Our net current assets decreased from RMB621.7 million as of 31 December 2024 to RMB514.7 million as of 31 December 2025, primarily attributable to setting up bank's time deposits, R&D expenses, and administrative expenses incurred during the Reporting Period.

Capital Expenditures

We regularly incur capital expenditures to expand our operations, upgrade our facilities, enhance our development capabilities and increase our operating efficiency. Our capital expenditures primarily consisted of expenditures on properties, machinery and office equipment. We expect the main sources of funding for capital expenditures in 2025 to be from bank and other borrowings, net proceeds from the Global Offering, and capital contributions from our Shareholders.

Our capital expenditures decreased from RMB71.7 million for the year ended 31 December 2024 to RMB5.1 million for the Reporting Period. The decrease was primarily attributable to a decrease in capital expenditures on property, plant and equipment.

Key Financial Ratios

The following table sets forth the key financial ratios as at the dates indicated:

	As of 31 December	
	2025	2024
Current ratio[(1)]	**5.9**	10.7
Quick ratio[(2)]	**5.6**	10.1
Gearing ratio[(3)]	**13.7%**	10.8%

Notes:

(1) Current ratio is calculated based on total current assets divided by total current liabilities.

(2) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(3) Gearing ratio is calculated based on total liabilities divided by total assets and multiplied by 100%.

Indebtedness

As of 31 December 2025, we had total bank and other borrowings of RMB43.8 million as compared to RMB60.3 million as of 31 December 2024. All of these borrowings bear fixed interest rate, with approximately RMB15.8 million due in more than one year and RMB28.0 million are due within one year.

Our lease liabilities decreased from RMB4.1 million as of 31 December 2024 to RMB3.6 million as of 31 December 2025, primarily attributable to repayment of lease payment.

Pledge of Assets

As of 31 December 2025, buildings with a carrying amount of RMB149.5 million and leasehold land with a carrying amount of RMB23.8 million were pledged to secure the bank borrowings of RMB39.3 million.

Contingent Liabilities

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

Significant Investments, Material Acquisitions and Disposals

During the Reporting Period, the Group did not hold any significant investments and we did not conduct any material acquisitions or disposals. Save as disclosed as above, the Group does not have any specific plan on material investments or capital assets as of the date of this annual report.

Foreign Exchange Exposure

During the Reporting Period, we mainly operated in China and a majority of our transactions were settled in RMB, the functional currency of our Company. We are exposed to foreign currency risk mainly arising from exchange rate fluctuations of U.S. dollars against RMB. 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.

Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group as of 31 December 2025.

HUMAN RESOURCES

As of 31 December 2025, the Group had 195 employees (as of 31 December 2024: 211 employees) in total. In strict compliance with the national labor laws and regulations, the Group enters into individual employment contracts with employees that clearly stipulate, among others, contract terms, remuneration, bonuses, employee benefits, safe production, confidentiality obligations, non-competition, and discharge and termination of the contract. In accordance with relevant laws and regulations of the PRC, the Group participates in statutory welfare plans for its employees, including pension insurance, medical insurance, and housing provident funds, for which the amount of contribution is calculated based on the employee's salary and the contribution is made in full pursuant to the local government's specified proportions and requirements.

In terms of talent recruitment, the Group comprehensively evaluates the candidates based on a number of factors, including work experience, educational background and the requirements of relevant position, to select the best-suited candidates. To enhance our talent attraction, we provide competitive remuneration packages, a variety of incentive schemes, and comprehensive fringe benefits packages. Concurrently, through a combination of internal and external training programs, we provide continuing training for management members and all employees. These training programs cover various areas including product knowledge, project development, and team building, thereby continuously enhancing the expertise and overall competence of the employees.

Furthermore, the Group has established a regular performance appraisal mechanism, with the appraisal results being used as a key basis for remuneration adjustments, promotions and career development planning. We believe that a competitive benefits package, positive work environment and ample career development opportunities will contribute to fostering harmonious and stable labor relations, thereby ensuring the overall stability of our workforce.

DIRECTORS

Executive Director

Mr. PAN Fei, aged 41, the chief executive officer of the Group. He joined the Group in January 2021 and has served as an executive Director since May 2021. Mr. Pan has over 16 years of experience in corporate management and investment banking, especially focusing on healthcare industry. He has in-depth understanding and insight in both domestic and overseas healthcare industry. Since joining the Group, Mr. Pan has taken important roles in international business management, business strategy and development, and overall financial management and financing activities. Mr. Pan also acts as a director and/or general manager of certain Group's subsidiaries. Mr. Pan obtained a master's degree from the University of Cambridge in 2010.

Non-executive Directors

Mr. LV Shiwen, aged 57, first joined our Group in January 2013 and has been a Director since April 2018. He was appointed as the chairman of the Board of our Company in August 2020, and was re-designated as our executive Director in May 2021 and was subsequently re-designated as a non-executive Director in March 2025.

Mr. Lv has over 20 years of experience in the medical devices industry, especially in research and development and production. Mr. Lv led and/or participated in the invention of around 100 types of medical devices, covering cardiovascular products, minimally invasive spine products and endoscopic products, etc. He also participated in the process of development for over 200 registered patents. Mr. Lv was also one of the key research team members in a project for the research and development and application of controllable aortic arch type stent entrusted by the Ministry of Science and Technology of the PRC under the National High-tech R&D Program (863 Program) (國家高技術研究發展計劃（863計劃）). Mr. Lv currently is a member of Zhejiang Pharmaceutical Society Medical Device Expert Committee (浙江省藥學會醫療器械專業委員會) and served as an expert member of the implementation and preparation team in Ningbo 13th Five-year Plan on Technology and Innovation Implementation Plan (寧波市「十三五」科技創新重大專項生物醫藥專項實施方案). He is also a mentor of the Center for China Cardiovascular Innovations (中國心血管醫生創新學院(CCI)). From August 2020 to January 2025, Mr. Lv served as the chief executive officer of our Company. From January 2013 to January 2025, Mr. Lv served as the chief technology officer of our Company.

Prior to joining our Group, Mr. Lv served as a manager of quality control department and production department of MicroPort Medical (Shanghai) Co., Ltd. (微創醫療器械（上海）有限公司), a wholly-owned subsidiary of MicroPort Scientific Corporation (a company listed on the main board of the Stock Exchange, stock code: 0853) from May 2000 to November 2001, and he was primarily responsible for quality control and daily management of the production department. He then served as the vice general manager of LifeTech Scientific (Shenzhen) Co., Ltd. (先健科技（深圳）有限公司), a wholly-owned subsidiary of LifeTech Scientific Corporation (a company listed on the main board of the Stock Exchange, stock code: 1302) from January 2003 to February 2009. His main responsibilities were research and development, quality control and production management. From March 2009 to December 2011, Mr. Lv served as the general manager of Beijing Puhui Biomedical Engineering Co., Ltd. (北京市普惠生物醫學工程有限公司), a company principally engaged in the development, manufacturing and sales of biological valves, and he was responsible for its daily operations. Mr. Lv has been appointed as a director of Cryofocus Medtech (Shanghai) Co., Ltd. ("**Cryofocus**") (a company listed on the main board of the Stock Exchange, stock code: 6922) since July 2014 and has been re-designated as a non-executive director of Cryofocus since December 2021.

Mr. Lv obtained his bachelor's degree in machinery manufacture and equipment (機械製造工藝與設備) from Harbin Shipbuilding Engineering Institute (哈爾濱船舶工程學院) (currently known as Harbin Engineering University (哈爾濱工程大學)) in July 1993.

Mr. TAN Ching, aged 61, has been a Director since March 2019, and was re-designated as a non-executive Director in May 2021.

Mr. Tan has extensive experience in corporate governance and investment. He has been the executive director and general manager of Shanghai Jiachen Investment Co., Ltd. (上海甲辰投資有限公司) since November 2012. Since October 2018, he has been a director of BMC Medical Co., Ltd. (北京瑞邁特醫療科技股份有限公司) (formerly known as (in Chinese) 北京怡和嘉業醫療科技股份有限公司, a company listed on the Shenzhen Stock Exchange (stock code: 301367)). Since January 2024, he has been an independent non-executive director of Xunfei Healthcare Technology Co., Ltd. (訊飛醫療科技股份有限公司), a company listed on the main board of the Stock Exchange (stock code: 2506).

Mr. Tan obtained his bachelor's degree in biomedical electronic engineering (生物醫學電子工程) from Xi'an Jiaotong University (西安交通大學) in 1985 and master's degree of science in engineering from the Johns Hopkins University in May 1995. He received an MBA degree from The University of Chicago in March 2000.

Mr. ZHENG Jiaqi, aged 42, has been a Director since October 2020, and was re-designated as a non-executive Director in May 2021.

Prior to joining our Group, Mr. Zheng served as an associate of CICC from June 2007 to August 2010. He joined Primavera Capital Group (春華資本集團) as a founding member of the firm in 2010, and became a managing director in 2015, and subsequently a partner. Mr. Zheng has been serving as the director of LBX Pharmacy Chain Joint Stock Company (老百姓大藥房連鎖股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603883) since January 2020.

Mr. Zheng obtained his bachelor's degree of arts in economics from the University of Manchester in July 2005 and his master's degree of science in finance from the University of Lancaster in November 2006.

Ms. XIE Youpei, aged 56, has been a Director since November 2011, and was re-designated as a non-executive Director in May 2021. Ms. Xie has been our Director since our establishment and she has a thorough understanding of the affairs of our Group. As such and given her experience in financial management, in addition to participating in decision-making in respect of major matters such as corporate and business strategies as with other non-executive Directors, Ms. Xie also provides invaluable supervision and guidance to our Group on financial matters.

Ms. Xie has over 20 years of experience in financial management. She has served as the manager of the finance department of Romon Co., Ltd. (羅蒙集團股份有限公司) since May 2000.

Ms. Xie obtained her bachelor's degree in accounting and finance from Zhoushan Commerce Institute (舟山商業學校) (currently known as Zhejiang Ocean University (浙江海洋大學)) in July 1991 and college diploma in accounting from Zhejiang Institute of Finance & Economics (浙江財經學院) (currently known as Zhejiang University of Finance & Economics (浙江財經大學)) (a distance learning course) in October 1995. Ms. Xie was qualified as an intermediate accountant accredited by the Ministry of Finance (財政部) in May 1999.

Mr. CHEN Xinxing, aged 40, has been a Director since April 2021, and was re-designated as a non-executive Director in May 2021.

Prior to joining our Group. Mr. Chen joined Boston Consulting Group as a consultant from September 2007 to August 2010. He then joined Morgan Stanley as an associate in the China healthcare team of the investment banking department from August 2012 to April 2014. Mr. Chen served as a principal of the China healthcare team of Actis Capital, LLP from April 2014 to May 2018. From September 2018 to March 2020, Mr. Chen served as an executive director of Huaxing Healthcare Fund (華興醫療產業基金). From December 2023 to April 2025, Mr. Chen served as a non-executive director of Shanghai MicroPort MedBot (Group) Co., Ltd. (上海微創醫療機器人（集團）股份有限公司), a company listed on the main board of the Stock Exchange (stock code: 2252). In July 2020, he joined Hillhouse Investment and currently serves as the managing director of Hillhouse Investment.

Mr. Chen obtained his bachelor's degree in finance from Peking University (北京大學) in July 2007 and received the MBA degree from Columbia University in May 2012. Mr. Chen is currently qualified as a Chartered Financial Analyst.

Independent Non-executive Directors

Dr. LIN Shoukang, aged 62, is an independent non-executive Director and responsible for supervising and providing independent judgment and strategic advice to our Board.

Dr. Lin joined Deutsche Bank and served as the head of economic research of the Greater China from January 1998 to May 1999. He served as the deputy director of China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司) (a company listed on main board of the Stock Exchange, stock code: 1359) from May 1999 to October 2000. From November 2000 to November 2018, Dr. Lin served as the head of capital markets department, chief operating officer, head of investment management business, interim chief executive officer, and chairman of management committee respectively during his time in China International Capital Corporation Limited. Since December 2025, Dr. Lin has served as an independent non-executive Director of Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司) (a company listed on main board of the Stock Exchange, stock code: 2899).

Dr. Lin obtained his bachelor's degree in mathematics from Xiamen University in July 1983, master's degree in economics in July 1987 and doctoral degree in monetary economics in May 1990 from Brown University. Dr. Lin obtained the qualification of bond market executive (債券市場高管資質) accredited by the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) in May 2015.

Ms. DU Jiliu, aged 56, is an independent non-executive Director and responsible for supervising and providing independent judgment and strategic advice to our Board.

Ms. Du has extensive experience in accounting and finance. Ms. Du served in CICC from April 2000 to February 2014 as an executive director and successively as the head of finance, during which she gained experience in preparing, reviewing and analysing financial statements of listed companies and listing applicants. She then joined CICC Fund Management Limited as an executive director and later a vice general manager from September 2015 to September 2017, and has been its advisor from October 2017 to December 2021. Ms. Du has also been the director of Zhong Xin Tong Ren Capital Ltd. (中鑫同人資本管理有限公司) since October 2018.

Ms. Du obtained her bachelor's degree in economics from Central Institute of Finance and Banking (中央財政金融學院) (now known as the Central University of Finance and Economics (中央財經大學)) in June 1992. She received her EMBA degree from Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University (上海交通大學上海高級金融學院) in December 2018. She was admitted as a member of China Institute of Internal Audit (中國內部審計師協會) in November 2002 and a fellow of Association of Chartered Certified Accountants in October 2004 and a member of the Chinese Institute of Certified Public Accountant (中國註冊會計師協會) in 1995. Ms. Du obtained a practising qualification in funds (基金從業資格) in November 2014 accredited by Asset Management Association of China (中國證券投資基金業協會).

Dr. MEI Lehe, aged 61, is an independent non-executive Director and responsible for supervising and providing independent judgment and strategic advice to our Board.

Dr. Mei has joined the department of chemistry of Zhejiang University (浙江大學) since August 1988. Since March 2009, Dr. Mei successively served as the dean of the school of biological and chemical engineering, director of scientific research division (科研處處長), vice principal (副院長) and currently serves as a professor of the Ningbo Institute of Technology, Zhejiang University (浙江大學寧波理工學院).

Dr. Mei obtained his bachelor's degree in chemistry in 1985, master's degree in chemical engineering in July 1988 and doctoral degree in biochemicals (生物化工) in June 2000 from Zhejiang University.

SENIOR MANAGEMENT

For full details of senior management who are also our Directors, see "Directors – Executive Director" in this section.

Mr. PAN Fei, is an executive Director and chief executive officer of our Company.

Mr. LI Yibin, aged 40, has been our vice president since February 2016. He is comprehensively responsible for the daily operations and quality management of the Group, covering quality control, system management and system construction. He has a deep background in medical device R&D and quality management, and is familiar with the overall process quality control requirements of products from design and development, verification and validation to mass production. Mr. Li has participated in the R&D and registration application of a number of Core Products, owned a number of medical device-related patents as an inventor and/or co-inventor, and participated in national scientific research projects. With his solid engineering technology background and rich quality management experience, Mr. Li has effectively coordinated R&D, production and quality system coordination to ensure the high-quality and compliant development of the Company's products.

Mr. LI joined our Group in November 2011 and successively served as project principal and manager of the R&D department of our Group. Prior to joining our Group, Mr. LI worked in MicroPort Medical (Shanghai) Co., Ltd. (微創醫療器械（上海）有限公司), a wholly-owned subsidiary of MicroPort Scientific Corporation (a company listed on the main board of the Stock Exchange, stock code: 00853) from October 2010 to August 2011. Mr. LI obtained his bachelor's degree in mechanical manufacturing and automation (機械製造及自動化) from South China University of Technology (華南理工大學) in July 2008 and master's degree in material processing engineering (材料加工工程) from Shanghai Jiao Tong University (上海交通大學) in March 2011.

Mr. LI Yuanyuan, aged 40, was appointed as chief financial officer of the Company on 26 March 2026 and has over 15 years of experience in financial management and planning. Mr. LI joined our Group in December 2020 and has been our director of financial management department since then. Since joining our Group, he has played an active role in driving the Group's financial management, financing activities, commercial operations, supply chain management and public affairs, demonstrating a high level of professionalism and an international perspective. Mr. LI also serves as the director and/or general manager in several subsidiaries of the Group. Mr. LI was appointed as one of the joint company secretaries of the Company on 21 May 2021, with his appointment taking effect upon the listing of the Company. Mr. Li serves as the sole company secretary of the Company with effect from 26 March 2026, after the another joint company secretaries resigned on 26 March 2026. Mr. LI also acts as an authorized representative of the Company for the purpose of Rule 3.05 under the Listing Rules since March 2025.

Mr. LI obtained his bachelor's degree in accounting and finance from the University of Southampton in June 2008 and master's degree in finance from the University of Warwick in November 2009. He was admitted as a fellow of Association of Chartered Certified Accountants (FCCA) in May 2019, a fellow of the Institute of Public Accountants (FIPA) in August 2022, and a fellow of the Institute of Financial Accountants (FIFA) in August 2022.

JOINT COMPANY SECRETARIES

Mr. LI Yuanyuan is the chief financial officer and the company secretary of our Company. For the biography of Mr. LI, see "– Senior Management" in this section.

Mr. WONG Wai Chiu was appointed as one of the joint company secretaries of our Company on 21 May 2021 with his appointment taking effect upon Listing. Mr. Wong is an associate director of SWCS Corporate Services Group (Hong Kong) Limited and has extensive compliance and listed corporate secretarial experience including acting as the company secretary, information technology senior management and senior law enforcement officer in the areas of regulatory compliance and enforcement, internal control, corporate governance, company secretarial work, trust, financial crime investigation and forensics accounting in insurer, the Independent Commission Against Corruption and the Hong Kong Stock Exchange.

Mr. Wong is a fellow member of the Hong Kong Institute of Chartered Secretaries (now known as The Hong Kong Chartered Governance Institute) and The Chartered Governance Institute; Certified Practising Accountant, CPA Australia and Certified Trust Practitioner of the Hong Kong Trustees' Association. Mr. Wong has been admitted the degree of Bachelor of Social Sciences by the University of Hong Kong, granted a Postgraduate Diploma in English and Hong Kong Law (Common Professional Examination) from the Manchester Metropolitan University, awarded a Master of Arts in Arbitration and Dispute Resolution degree from City University of Hong Kong and Master of Applied Science degree from the University of Technology, Sydney.

The Stock Exchange has confirmed that Mr. LI meets the qualification requirements as the company secretary of the Company under Rules 3.28 and 8.17 of the Listing Rules. Accordingly, Mr. WONG has resigned as a joint company secretary of the Company under Rule 3.28 of the Listing Rules, and Mr. LI serves as the sole company secretary, with effect from 26 March 2026. For details, please refer to the announcement of the Company dated 26 March 2026.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the following changes in the information of our Directors have taken place since publication of the annual report of 2024 and up to the date of this annual report:

Mr. CHEN Xinxing has resigned as a non-executive director of Shanghai MicroPort MedBot Co., Ltd. (上海微創醫療機器人(集團)股份有限公司) (a company listed on the main board of the Stock Exchange, stock code: 2252) on 30 April 2025.

Dr. LIN Shoukang has been appointed as an independent non-executive director of Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司) (a company listed on the main board of the Stock Exchange, stock code: 2899) since December 2025.

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

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance. During the Reporting Period, the Company has complied with all applicable code provisions of the CG Code save and except for the following deviation from code provision C.2.1 of Part 2 of the CG Code.

Under paragraph C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although such appointment was not consistent with such paragraph C.2.1, Mr. Lv was our chairman of the Board and the chief executive officer of our Company from the beginning of the Reporting Period and up to 15 January 2025. With extensive experience in the medical devices industry and having served in our Company since January 2013, Mr. Lv was in charge of the overall management of business operation, strategy and corporate development of our Group. Our Board considered that vesting the roles of chairman and chief executive officer in the same person since the beginning of the Reporting Period and up to 15 January 2025 was beneficial to the management of our Group. Upon the resignation of Mr. Lv as the chief executive officer and the appointment of Mr. PAN Fei as the chief executive officer of the Company on 15 January 2025, the Company has complied with all the code provisions as set out in the CG code.

The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and visionary individuals. Our Board currently comprises one executive Director, five non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition. The Board will closely monitor to ensure that there is a diverse set of skills and experiences that are relevant to the organization's strategic objectives and that there are no significant gaps in the collective expertise to maintain a Board skills matrix. The Board will also conduct regular evaluation of the Board's performance from time to time and to continue to review the effectiveness of the corporate governance structure of the Group to ensure compliance with the CG Code.

THE BOARD OF DIRECTORS

Board composition

As at the date of this annual report, the Board consists of one executive Director, namely Mr. PAN Fei, five non-executive Directors, namely Mr. Lv, Mr. TAN Ching, Mr. ZHENG Jiaqi, Ms. XIE Youpei and Mr. CHEN Xinxing, and three independent non-executive Directors, namely Dr. LIN Shoukang, Ms. DU Jiliu and Dr. MEI Lehe. A list of the Directors and their roles and functions is published on the websites of the Stock Exchange and the Company. The overall management and supervision of the Company's operation and the function of formulating overall business strategies were vested in the Board. There are no financial, business, family or other material relationships among members of the Board.

During the Reporting Period, the Board has at all times met the requirements of Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise. The three independent non-executive Directors represent more than one-third of the Board, complying with the requirement under Rule 3.10A of the Listing Rules whereby independent non-executive directors of a listed issuer must represent at least one-third of the board. The Board believes there is sufficient independence element in the Board to safeguard the interest of Shareholders.

Directors' responsibilities

The Board takes the responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitor the performance of the senior executives. The Directors have to make decisions objectively in the interests of the Company. As at the date of this annual report, the Board comprised nine Directors, including one executive Director, five non-executive Directors and three independent non-executive Directors. Their names and biographical details are set out in the "Directors and Senior Management" section of this annual report.

Liability insurance for Directors and senior management of the Company is maintained by the Company with appropriate coverage for certain legal liability which may arise in the course of performing their duties.

Delegation by the Board

The management, consisting of an executive Director along with other senior executives, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day management and operations of the Group. The executive Director and senior executives meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Directors' responsibilities for financial statements

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

Independent non-executive Directors

The independent non-executive Directors play a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. The functions of independent non-executive Directors include bringing an impartial view and judgement on issues of the Company's strategies, performance and control; and scrutinizing the Company's performance and monitoring performance reporting. All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have made positive contributions to the development of the Company through providing their professional advice to the Board. All independent non-executive Directors are appointed for a term of three years, which is renewable upon re-election and re-appointment.

Diversity policy

Our Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Board has adopted a diversity policy, which sets out the objective and approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. 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.

As at the date of this annual report, our Board consists of seven male members and two female members with three Directors of age 40 to 42 years old and six Directors of age 56 to 62 years old. Our Company has reviewed the implementation of the board diversity policy, the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, the experiences and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operation and comply with the requirements under Rule 13.92 of the Listing Rules.

The Nomination Committee will review this diversity policy on an annual basis to ensure its effectiveness.

Gender diversity

As at the date of this annual report, the Board currently has two female Directors. The Nomination Committee will take opportunities to increase female representation on the Board when selecting and recommending suitable candidates for Board appointments in accordance with the Company's diversity policy and nomination policy. The Group will continue to emphasize training of female talent and providing long-term development opportunities for female staff. As at 31 December 2025, the gender ratio in our workforce (including senior management) for male and female employees were 39% and 61%, respectively. For a discussion of the gender ratio in the workforce, please refer to the Environmental, Social and Governance Report in this annual report.

Compensation of Directors and senior management

The emoluments of the Directors of the Group are subject to the Shareholders' approval at the general meeting of the Company, and the emoluments of senior management are decided by the Board, with reference to the recommendation given by the Remuneration and Appraisal Committee, having regard to the Group's operating results, individual performance and comparable market statistics. No Directors or any of their respective associates, were involved in regard to the relevant resolution approving their own remuneration.

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in notes 8 to 9 to the consolidated financial statements on pages 128 to 131 of this annual report. Details of the Executive Directors' and senior management's emoluments are set out in note 8 to the consolidated financial statements on pages 128 to 130 of this annual report.

For the Reporting Period, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the Directors has waived any emoluments for the Reporting Period.

Except as disclosed above, no other payments have been made or are payable, during the Reporting Period, by our Group to or on behalf of any of the Directors.

Directors' training and professional development

Every newly appointed Director has been given a comprehensive, formal and tailored induction on appointment. Subsequently, the Directors will receive updates on the Listing Rules, legal and other regulatory requirements and the latest development of the Group's business and are encouraged to participate in continuous professional development to develop their knowledge and skills.

During the Reporting Period, each of the Directors, namely, Mr. PAN Fei, Mr. LV Shiwen, Mr. TAN Ching, Mr. ZHENG Jiaqi, Ms. XIE Youpei, Mr. CHEN Xinxing, Dr. LIN Shoukang, Ms. DU Jiliu and Dr. MEI Lehe 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, briefing and professional development training to Directors will be arranged whenever necessary. All Directors are encouraged to attend relevant training courses at the Company's expense.

According to the information provided by the Directors, all of the Directors have (i) attended training relevant to the Directors' duties and responsibilities; (ii) read materials relevant to the legal and regulatory updates; (iii) read materials relevant to corporate governance, the Listing Rules and other relevant ordinances, during the Reporting Period.

Board meetings

Code provision C.5.1 of the CG Code stipulates that Board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communications. Apart from regular Board meetings, the Chairman should at least annually hold a meeting with the independent non-executive Directors without the presence of other Directors under the code provision C.2.7 of the CG Code.

During the year ended 31 December 2025, eight Board meetings were held at which the Board considered and approved the annual results announcement, annual report, interim results announcement, interim report and other business affairs of the Group. The Company adopts the practice of holding board meetings regularly, at least four times a year, and at approximately quarterly intervals.

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

	Number of meeting(s) attended/number of meeting(s) held for the year ended 31 December 2025					
Name of Director	**Board**	**Shareholders' General Meeting**	**Audit Committee**	**Remuneration and Appraisal Committee**	**Nomination Committee**	**Strategy Committee**
Executive Director						
Mr. PAN Fei	8/8	4/4	N/A	N/A	N/A	1/1
Non-executive Directors						
Mr. LV Shiwen	8/8	4/4	N/A	2/2	2/2	1/1
Mr. TAN Ching	8/8	4/4	N/A	N/A	N/A	N/A
Mr. ZHENG Jiaqi	8/8	4/4	N/A	N/A	N/A	N/A
Ms. XIE Youpei	8/8	4/4	N/A	N/A	N/A	N/A
Mr. CHEN Xinxing	8/8	4/4	N/A	N/A	N/A	N/A
Independent non-executive Directors						
Dr. LIN Shoukang	8/8	4/4	2/2	2/2	2/2	1/1
Ms. DU Jiliu	8/8	4/4	2/2	2/2	2/2	N/A
Dr. MEI Lehe	8/8	4/4	2/2	N/A	N/A	N/A

The Board intends to meet at least four times per year in the future, and the Chairman intends to hold at least one meeting per year with the independent non-executive Directors without the presence of other Directors. None of the Board or committee meetings were attended by an alternate of the Director.

Nomination policy

The primary responsibilities of the Nomination Committee are to consider and recommend to the Board suitable and qualified candidates as Directors and to review the structure, size and composition (including the skills, knowledge and experience) of the Board and the board diversity policy adopted by the Company on an annual basis.

The Nomination Committee utilizes various methods for identifying candidates for directorship, including recommendations from Board members, management, and professional search firms. In addition, the Nomination Committee will consider candidates for directorship properly submitted by the Shareholders. The evaluation of candidates for directorship by the Nomination Committee may include, without limitation, review of resume and job history, personal interviews, verification of professional and personal references. The Board will consider the recommendations of the Nomination Committee and is responsible for designating the candidates for directorship to be considered by the Shareholders for their election at the general meeting of the Company, or appointing the suitable candidate to act as Director to fill the Board vacancies or as an addition to the Board members, subject to compliance of the constitutional documents of the Company. All appointments of Director should be confirmed by letter of appointment and/or service contract setting out the key terms and conditions of the appointment of Directors.

The Nomination Committee should consider the following qualifications as a minimum to be required for a candidate in recommending to the Board to be a potential new Director, or the continued service of existing Director:

- the highest personal and professional ethics and integrity;
- proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;
- skills that are complementary to those of the existing Board;
- the ability to assist and support management and make significant contributions to the Company's success;
- an understanding of the fiduciary responsibilities that is required for a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities;
- the requirement for the candidates for independent non-executive directorship to meet the "independence" criteria under the Listing Rules and the composition of the Board to be in conformity with the provisions of the Listing Rules.

The Nomination Committee may also consider such other factors as it may deem to be in the best interests of the Company and the Shareholders as a whole.

Mechanism to ensure independent views of Directors

To ensure that the Board can obtain independent views and opinions, our Company has established various formal and informal channels whereby independent non-executive Directors can express their opinions in an open and candid manner, and in a confidential manner, should circumstances require. Independent non-executive Directors provide constructive suggestions to the Board based on objective judgment through formal and informal channels to improve the efficiency and decision-making of the Board.

BOARD COMMITTEES

The Board delegates certain responsibilities to various Board committees. In accordance with the relevant PRC laws and regulations, the Articles of Association and the Listing Rules, we have established our Audit Committee, Remuneration and Appraisal Committee, Nomination Committee and Strategy Committee.

Audit Committee

The Company established an Audit Committee which consists of three independent non-executive Directors, Ms. DU Jiliu, Dr. LIN Shoukang and Dr. MEI Lehe, with Ms. DU Jiliu being the chairwoman of the committee.

The primary function of the Audit Committee is to assist our Board in providing an independent view of our financial reporting process, internal control and risk management system, overseeing the audit process and performing other duties and responsibilities as assigned by our Board which includes, amongst other things:

- proposing to the Board of Directors the appointment and replacement of external audit firms and to consider the proposed audit fees of the auditor;
- supervising the implementation of our internal audit system;
- liaising between our internal audit department and external auditor;
- reviewing our financial information and related disclosures;
- exercising the duties and powers of the board of supervisors as stipulated in the *Company Law of the People's Republic of China* (《中華人民共和國公司法》); and
- performing any other duties as stipulated by laws and regulations, the Articles of Association, and conferred by the Board of Directors.

During the Reporting Period, the Audit Committee convened two meetings. The attendance record of the Directors at meetings of the Audit Committee is set out in the table on page 36. The Audit Committee discussed with the management and the external auditor on the issues concerning accounting policies and practices which might affect the Group, along with financial reporting matters.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee which consists of two independent non-executive Directors, Dr. LIN Shoukang and Ms. DU Jiliu, and one non-executive Director, Mr. LV Shiwen, with Dr. LIN Shoukang being the chairman of the committee.

The primary function of the Remuneration and Appraisal Committee is to develop remuneration policies of our Directors, evaluate the performance, make recommendations on the remuneration of our Directors and senior management and evaluate and make recommendations on employee benefit arrangements which includes, amongst other things:

- establishing, reviewing and making recommendations to our Directors on our policy and structure concerning remuneration of our Directors and senior management;
- determining the terms of the specific remuneration package of each Director and members of senior management;
- reviewing and/or approving matters relating to the share scheme pursuant to Chapter 17 of the Listing Rules;
- reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time; and
- any other duties conferred by the Board.

No Director nor any of his/her associates is involved in determining his/her own remuneration.

During the Reporting Period, the Remuneration and Appraisal Committee convened two meetings. The attendance record of the Directors at meetings of the Remuneration and Appraisal Committee is set out in the table on page 36. The Remuneration and Appraisal Committee reviewed the effectiveness of the remuneration policy for Directors and senior management.

Nomination Committee

We have established a Nomination Committee which consists of two independent non-executive Directors, Dr. LIN Shoukang and Ms. DU Jiliu, and one non-executive Director, Mr. LV Shiwen, with Dr. LIN Shoukang being the chairman of the committee.

The primary function of the Nomination Committee is to make recommendations to our Board in relation to the appointment and removal of Directors which includes, amongst other things:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least once annually, assist the Board in maintaining a Board skills matrix and making recommendations to the Board regarding any proposed changes to complement the Company's corporate strategy;
- identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorships or senior management;
- assessing the independence of our independent non-executive Directors;
- making recommendations to the Board on relevant matters relating to the appointment, re-appointment, succession planning and removal of our Directors;
- developing and reviewing the policy concerning diversity of members of the Board on a regular basis; make recommendations to the board on measurable objectives for achieving diversity of the Board and monitor the progress on achieving the objectives;
- any other duties conferred by the Board; and
- supporting the Company's regular evaluation of the Board's performance.

During the Reporting Period, the Nomination Committee convened two meetings. The attendance record of the Directors at meetings of the Nomination Committee is set out in the table on page 36. The Nomination Committee reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board.

Strategy Committee

We have established a Strategy Committee which consists of one executive Director, Mr. PAN Fei, one non-executive Director, Mr. Lv and one independent non-executive Director, Dr. LIN Shoukang, with Mr. Lv being the chairman of the committee. The primary duties of the Strategy Committee are to study and advise on the long term strategy and operation plans of our Group.

The Strategy Committee will assist the Board, in conjunction with our management, in addressing our Company's overall mission, vision and strategic direction. Areas of focus will include: providing the Board and management, as applicable, with input and recommendations with respect to key strategic initiatives and major R&D programs and partnerships; and assisting management in establishing a strategic planning process, identifying and addressing organizational challenges and evaluating strategic alternatives.

During the Reporting Period, the Strategy Committee convened one meeting. The attendance record of the Directors at meeting of the Strategy Committee is set out in the table on page 36. The Strategy Committee discussed and advised the Board on the long-term development strategies and operation plans of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all the Directors, each of them has confirmed that he/she complied with the Model Code during the Reporting Period.

As required by the Company, relevant officers and employees of the Company are also bound by the Model Code, which prohibits them to deal in securities of the Company at any time when he/she possesses inside information in relation to those securities. No incident of non-compliance of the Model Code by the relevant officers and employees was noted by the Company.

REMUNERATION PAYABLE TO MEMBERS OF SENIOR MANAGEMENT

Pursuant to code provision E.1.5 of Part 2 of the CG Code, the annual remuneration of members of the senior management by band for the Reporting Period is set out below:

Remuneration by band	Number of members of senior management
Nil to HK$1,000,000	1
HK$2,000,001 to HK$3,000,000	1
HK$5,000,001 to HK$6,000,000	1

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties set out in code provision A.2.1 of Part 2 of the CG Code. As at the date of this annual report, the Board has performed the following duties:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to develop, review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness in order to achieve the Company's objectives. The Company adopted a series of internal control policies, measures, and procedures designed to provide reasonable assurance, which include effective standards, efficient operations, reliable financial reporting and compliance with applicable laws and regulations. The internal control system can only provide reasonable but not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives. The Company's risk management and internal control systems are reviewed annually for the Reporting Period, and the Company considers that its risk management and internal control systems are effective and adequate. Below is a summary of the internal control policies, measures, and procedures we have implemented:

- The Company conducted, through its internal audit team, an annual audit of the internal controls of each business department, a review on the effectiveness of the risk management and internal control systems and considered them effective and adequate. The audit included reviewing the management of financial statements, purchasing and payment, fixed assets and intangible assets, human resource, R&D, nature and extent of significant risks (and the Company's ability to respond to such risks and changes).

- The Company published the risk management and internal control policies, measures and procedures to ensure that the Company maintained reasonable and effective internal controls and compliance with applicable laws and regulations. Besides, the Company insisted on monitoring the implementation of internal control policies, measures, and procedures, making sure that they were the most updated version based on the current business model.

- The Company implemented the relevant internal control policies, measures and procedures on the site and making regular inspections about the on-site implementation of such policies, measures, and procedures for each stage of the Company's development process.

- The Company adopted various measures and procedures regarding each aspect of the Company's business operation, such as project management, quality assurance, environmental protection, and occupational health and safety. The Company provided the periodic training for the employees, which was part of Employee Training Program. The Company also required the staff to carry out business activities in accordance with relevant laws, regulations and the Company's policies by regularly communicating updates and reminders through emails and staff meetings.

- The Company has developed internal policies that provide general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to prevent unauthorized access and use of inside information.

- The Company has also developed a risk management process to identify, assess and manage significant risks and to resolve material internal control defects. Senior management of the Group is responsible for the risk reporting process. Risks identified are documented and mitigation plans are devised. The risk assessment is reviewed by certain members of the senior management and presented to the Audit Committee and the Board for their review.

- The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems. For the Reporting Period, the Audit Committee has reviewed the effectiveness of the risk management and internal control systems, including the financial, operational and compliance controls, and considered that such systems are effective and adequate. The review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources, and considered that the internal audit function is effective and adequate.

We are exposed to various risks during our operations and have established risk management systems with relevant policies and procedures that we believe are appropriate for our business operations.

Our policies and procedures relate to the R&D, manufacture and commercialization of our products. To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted, among other things, the following risk management measures:

- the Audit Committee was established to review and supervise our financial reporting process and internal control system;

- various policies have been adopted to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions, anti-corruption and anti-bribery compliance and information disclosure;

- training sessions on relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong have been arranged for our Directors and senior management;

- the Company has also established policies and systems that promote and support anti-corruption laws and regulations. We require our employees to follow our employee manual and code of business conduct and ethics, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanisms, negligence and corruption. We also carry out regular on-the-job compliance training to our senior management and employees to maintain a healthy corporate culture and enhance their compliance perception and responsibility. Our staff can anonymously report any suspected corrupt incident to the Company; and

- the Company has established a whistle-blowing policy and a system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company.

AUDITOR'S REMUNERATION

For the Reporting Period, the remuneration paid or payable to Ernst & Young, the external auditor of the Company, in respect of its audit services were approximately RMB1,800,000. A statement by Ernst & Young about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report on pages 98 to 99.

Details of the fees paid/payable in respect of the audit services provided by Ernst & Young for the Reporting Period are set out in the table below:

Services rendered for the Company	**Fees paid and payable** RMB'000
Audit services	1,800

No non-audit services were provided by Ernst & Young for the Reporting Period.

JOINT COMPANY SECRETARIES

The Directors have access to the services of the joint company secretary to ensure that the Board procedures are followed. During the Reporting Period, the joint company secretaries of the Company were Mr. LI Yuanyuan ("**Mr. LI**") and Mr. WONG Wai Chiu ("**Mr. WONG**").

Mr. WONG is an associate member of The Hong Kong Institute of Chartered Secretaries (now known as The Hong Kong Chartered Governance Institute), and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. In compliance with Rule 3.29 of the Listing Rules, Mr. LI and Mr. WONG have undertaken no less than 15 hours of relevant professional training during the year of 2025. The main contact person of Mr. WONG in the Company is Mr. LI.

The Stock Exchange has confirmed that Mr. LI meets the qualification requirements as the company secretary of the Company under Rules 3.28 and 8.17 of the Listing Rules. Accordingly, Mr. WONG has resigned as a joint company secretary of the Company under Rule 3.28 of the Listing Rules, and Mr. LI serves as the sole company secretary, with effect from 26 March 2026. For details, please refer to the announcement of the Company dated 26 March 2026.

The biographies of Mr. LI and Mr. WONG are set out in the "Directors and Senior Management" section on pages 31 to 32 of this annual report.

DIVIDEND POLICY

The Company has a policy on payment of dividends pursuant to the CG Code as follow:

According to the Articles of Association, the Company may distribute dividends by means of cash, stocks or the combination of cash and stocks, with priority given to cash dividends. The Company may distribute cash dividends provided that the following cash dividend conditions are met, and the specific dividend proportion of each year shall be decided by the Board according to the annual profit status and future fund use plan of the Group:

(1) the Company has made a profit in the financial year and the auditing firm has issued an audit report with unqualified opinions on the Company's financial report of that year;

(2) the Company's capital needs for normal operation and long term development are ensured;

(3) there are no other circumstances in which the Board considers cash dividends are not appropriate.

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting and putting forward proposals

According to the Articles, the Board shall furnish a written reply stating its consent or dissent to convene an extraordinary general meeting within ten days upon receipt of written request from Shareholders individually or jointly holding more than 10% of the Company's Shares to hold the extraordinary general meeting. In the event that the Board consents to convene an extraordinary general meeting, a notice of general meeting shall be issued within five days after passing of a board resolution to that effect. The Board will attend the extraordinary general meeting as far as practicable. Besides, according to the Articles of Association, Shareholders individually or jointly holding more than 1% of the Company's Shares may propose and submit an interim proposal in writing to the convener ten days prior to the date of the meeting. The convener shall dispatch a supplementary notice of the Shareholders' general meeting within two days after receipt of the proposals and announce the contents of such interim proposal.

Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the joint company secretaries of the Company at the Company's principal place of business in Hong Kong at 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong. The Company will not normally deal with verbal or anonymous enquiries.

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. In order to promote effective communication, the Company has adopted a shareholder communication policy that aims at establishing a two-way relationship and communications between the Company and the Shareholders. The Company endeavors to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, the chairman of the Board, the Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries. The external auditor of the Company will also attend the annual general meetings of the Company to answer questions about the conduct of the audit, the preparation and content of the independent auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company maintains a website at **www.jenscare.com**, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

During the Reporting Period, the Board has reviewed the effectiveness of the Company's shareholder communication policy. The Company believes that the Company's shareholder communication policy has facilitated adequate communication with Shareholders and considers the policy to be effective and appropriate.

Shareholders are entitled to supervise the business operations of the Company and put forward recommendations or enquiries in relation thereto. Shareholders and public investors are welcome to make enquiries and put forward suggestions to the Company, and the Board members will attend, to the best of their ability, the general meeting so as to answer the questions of the Shareholders. In addition, Shareholders may send their written concerns and enquiries that need to be brought to the attention of the Board by email to the Company's email address at IR@jenscare.com.

CHANGES IN CONSTITUTIONAL DOCUMENTS

On 15 January 2025, at the 2025 first extraordinary general meeting of the Company, the Shareholders approved the adoption of an amended Articles of Association to reflect the requirements under the latest updates of applicable PRC laws, administrative regulations and normative documents.

On 30 December 2025, at the 2025 third extraordinary general meeting of the Company, the Shareholders approved the adoption of an amended Articles of Association to implement the requirements under the *Company Law of the People's Republic of China* and relevant rules and regulations of China Securities Regulatory Commission.

Save as disclosed above, there were no other change in constitutional documents of the Company during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1 ESG OVERVIEW

1.1 ESG REPORT

1.1.1 Company profile

Jenscare Scientific Co., Ltd. (hereinafter the "Group") is an international medical device company dedicated to the development and offering of innovative solutions for structural heart diseases. Since its inception, the Group has developed a series of therapeutic solutions for various types of structural heart disease, actively driven the research, development, and clinical translation of multiple new products, and has been expanding its pipeline of product candidates, with an aim to provide "heart power" for patients around the world who lack effective treatment. The Group will continue to focus on interventional products for structural heart disease, firmly implement its internationalization strategy, and promote the value of its differentiated core technologies to the global market.

1.1.2 Basis for preparation

The key performance indicators ("KPIs") in this Report have been prepared by reference to the calculation standards and methodologies set out in the Environmental, Social and Governance Reporting Guide, an appendix to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The content is defined and disclosed following the principles of Materiality, Quantitative, Balance and Consistency. The calculation methods and scope of this Report are consistent with those of the annual report, so as to eliminate any potential bias in selection, omission, or presentation that could influence readers' decision-making and judgement. The standards, methodologies, assumptions and calculation tools used for the reporting of emissions and energy consumption are in line with the Reporting Guidance on Environmental KPIs and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

1.1.3 Reporting scope

This Report provides an overview of the Group's ESG performance for the year of 2025, aiming to help stakeholders understand the Group's sustainability philosophy, management approaches, initiatives and related achievements, and articulates the principles, vision, and commitments that guide the Group in fulfilling its social responsibilities. The disclosure scope of this Report includes the Group and its subsidiaries and branches, covering the period from 1 January 2025 to 31 December 2025.

1.1.4 Mission and vision

The Group has an aspiration to be a global leader in innovative solutions for structural heart diseases, providing comprehensive treatment options for all types of structural heart disease through continuous R&D and innovation, and a vision to become China's premier and a globally recognized leader in structural heart disease medical devices.

As a medical technology company with a global vision, the Group is committed to addressing the substantial and pressing needs of patients with structural heart disease worldwide. It accelerates the global application of its core products by integrating clinical insights with innovative technologies, while developing a comprehensive structural treatment portfolio. Focusing on structural heart disease, the Group leverages its core R&D capabilities to pursue strategic partnerships, optimize its product mix, and expand treatment coverage. Driven by the commitment to become an industry leader, it strives to deliver safe and effective medical solutions to patients around the world.

Within the Group's ESG governance structure, the Board of Directors serves as the highest decision-making body, responsible for setting strategic objectives and implementation pathways. By dynamically identifying material ESG issues and risks, it ensures that economic benefits and social values are effectively balanced. ESG management is deeply embedded across the Group's core operations: in product stewardship, a full-cycle management system – spanning R&D, production, and quality control – has been established to safeguard patient safety and therapeutic outcomes; in talent development, the Group fosters an inclusive workplace and provides vocational training programs to unlock employee potential; in community engagement, the Group actively participates in industry conferences at home and abroad to promote its products and operational solutions; in compliance and ethics, robust business conduct and legal risk management systems are maintained to uphold market order. The Board periodically evaluates the effectiveness of the Group's sustainability strategy, driving continuous innovation in green operations. Through advancements in low-carbon technologies and improvements in resource efficiency, the Group strives to harmonize its business activities with the health of the ecological environment.

1.2 MATERIALITY AND STAKEHOLDERS

1.2.1 Stakeholders engagement

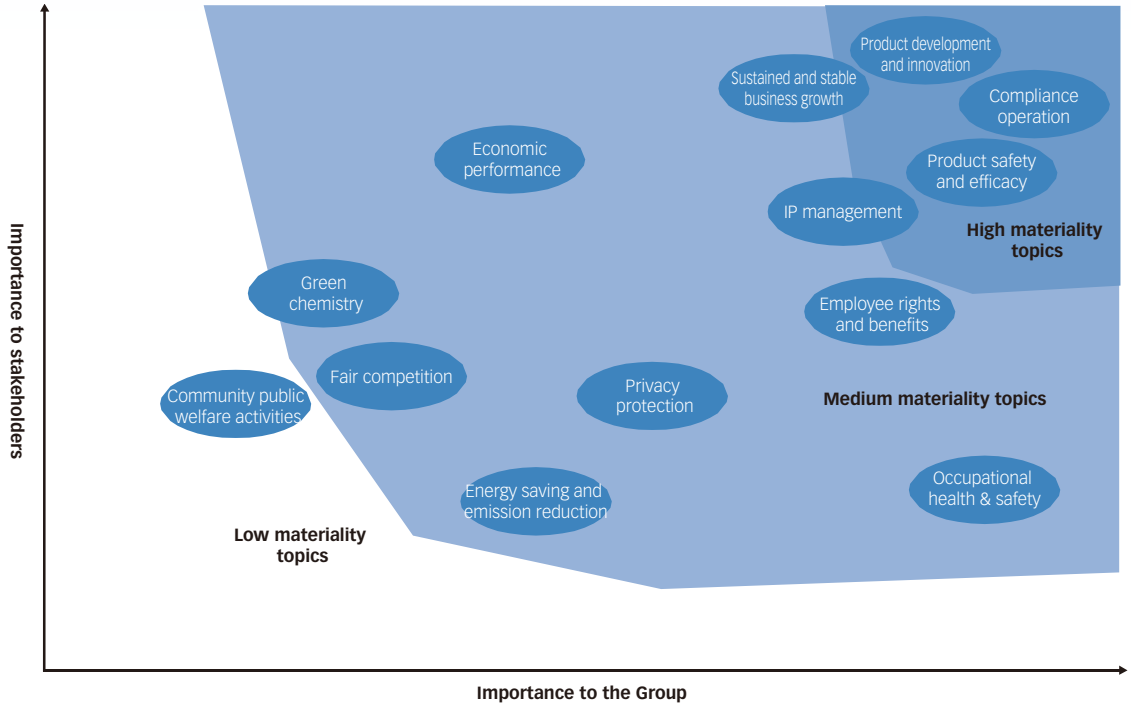
By positioning stakeholder collaboration as the core pillar of its sustainable development strategies, the Group has established institutionalized communication mechanisms to precisely identify the value expectations of diverse stakeholders. The Group has constructed a stakeholder map covering eight dimensions, namely, government & regulators, shareholders & investors, customers & partners, suppliers, employees, community & public, Board members, and trade & industry associations, for each of which tailored communication approaches are crafted.

When developing the strategies, the Group transforms the core concerns of stakeholders derived from periodic demand research, seminars and cooperation feedback into substantive issues of ESG management, to ensure the inclusiveness and accessibility of the sustainable development path. This interactive mode based on value co-creation drives the dynamic alignment of the Group's strategic decisions with stakeholders' expectations, laying the foundation for a win-win sustainable development ecosystem.

Stakeholder	Expectations and requirements	Communication approaches
Government & regulators	National policies & laws and regulations Product safety and efficacy Business ethics & anti-corruption	Institutional engagement and site visits Participation in government projects
Shareholders & Investors	Corporate governance Risk management Return on investment Sustained and stable business growth	Shareholders' meetings Information disclosure Investor meetings and exchanges Official website of the Company/email
Customers	Contract compliance Business integrity Quality products and services	Business communication Customer feedback Domestic and international academic conferences
Suppliers & partners	Compliance in purchasing Win-win cooperation Supply chain sustainability	Business visits and meetings Audit and performance assessment
Employees	Rights, compensations and benefits Occupational health Diversity and equality Career development	Employee representative meetings Information publicity Diversified communication platforms Internal and external trainings
Community & public	Improvement of community environment Participation in public welfare undertakings Transparent information disclosure	Official corporate website Company announcements Interview and exchange
Board members	ESG governance Risk management Industry development and win-win	Board meetings
Trade & industry associations	Fair competition Contribution to industry development	Industry conferences

1.2.2 Materiality evaluation

Based on the environmental and social areas set out in the Environmental, Social and Governance Reporting Guide, and feedback from stakeholders, the Group has developed a materiality matrix through a business materiality assessment, identifying the ESG topics that are of high importance to both our stakeholders and the Group.



2 ENVIRONMENTAL PERFORMANCE ANALYSIS

2.1 EMISSIONS ANALYSIS

By establishing a systematic management and control mechanism, the Group enhances its environmental management system, with emphasis on improving energy efficiency and resource recycling and minimizing the impact of production and operation on the ecological environment, in strict compliance with the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Law of the People's Republic of China on Prevention and Control of Air Pollution* (《中華人民共和國大氣污染防治法》), the *Law of the People's Republic of China on Prevention and Control of Water Pollution* (《中華人民共和國水污染防治法》), the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》), the *Comprehensive Emission Standards for Air Pollutants of the People's Republic of China* (《中華人民共和國大氣污染物綜合排放標準》) and other environmental protection regulations, so as to transform the concept of green development into quantifiable and traceable operational practices.

2.1.1 Emissions indicators analysis

Total air emissions and emission intensity

The air emissions of the Group mainly come from the operation of self-owned vehicles, and the emissions include Nitrogen oxides (NO_x), Sulfur oxides (SO_x) and suspended particulate matter (PM). In 2025, the total air emissions were approximately 316.7 kg, equivalent to an emission intensity of about 1.7 kg per capita.

The following table shows the Group's air emissions and emission intensity by type in 2025:

Type of Air Emissions	Emissions (kg)	Emission Intensity (kg per capita)
Nitrogen oxides (NO_x)	306.4	1.6
Sulfur oxides (SO_x)	10.0	0.1
Suspended particular matter (PM)	0.3	0.0
Total	**316.7**	**1.7**

Notes: (1) Air emissions mainly included exhaust emissions from the Group's self-owned vehicles;

(2) Emission Intensity = Emissions/Total Year-end Headcount, same as below.

Total solid waste discharge and intensity

The Group advocates energy conservation and waste reduction, and regulates the management of solid waste generation and discharge, which is mainly daily office waste. In 2025, 12.0 tons of hazardous waste (waste raw materials, laboratory waste liquids, etc.) and 4.5 tons of non-hazardous waste (1.5 tons of office paper, 3.0 tons of logistics packaging materials) were generated; all wastes were collected and entrusted to qualified hazardous waste treatment companies for disposal.

Below please find the waste discharge and discharge intensity of the Group in 2025 by type:

Type of Waste	Discharge	Discharge Intensity
Hazardous waste		
Waste raw materials, laboratory waste liquids	12.0 tons	61.7 kg per capita
Non-hazardous waste		
Office paper	1.5 tons	7.6 kg per capita
Logistics packaging materials	3.0 tons	15.4 kg per capita

2.1.2 Emission and waste reduction measures and targets

Air emission reduction target and measures

The Group controls air emissions at source in strict accordance with the *Environmental Protection Law of the People's Republic of China*, the *Comprehensive Emission Standards for Air Pollutants*, and other environmental protection regulations: the Administration Department establishes a full cycle management system for vehicles, implements stringent inspection and maintenance, energy consumption monitoring and use registration, reduces empty running rates by optimizing the route planning and implementing the centralized boarding mechanism, gives energy-saving trainings to drivers, and parks the vehicles during holidays; and in daily operation, efforts are made to push for green office practices, control the efficiency of printing equipment and paper use, establish dynamic monitoring of water and electricity energy consumption, and inspect doors, windows and lighting systems every week.

In the future, the Group will continue to improve the equipment energy efficiency upgrade plan, deepen the collaborative innovation of energy saving and emission reduction measures, and achieve a step-by-step reduction of total air emissions through source control and process optimization, so as to minimize the impact of operations on the ecological environment.

How wastes are handled, and the reduction target and measures

The Group strictly abides by the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and other regulations on solid waste management, and develops and updates from time to time its Waste Management Policy specifying the management duties, responsibilities and authorities and disposal procedures. There are six categories of wastes: recyclable wastes, salable items, unsalable items, hazardous wastes, chemical liquid reagent wastes, and waste animal tissues and liquid biological tissue wastes.

Recyclable items (used cartons, plastic waste, etc.) are collected in the waste warehouse and then recycled; and non-recyclable items are placed in the waste area, and then moved to the designated dump area outside the plant every day, with measures taken to prevent the wastes from being reused during workshop cleanups. Hazardous wastes are entrusted to qualified organizations for disposal; chemical liquid reagent waste is disposed by reference to the MSDS (Material Safety Data Sheet), or to the extent that internal disposal is not feasible, hands over to the specialized organization; and waste animal tissues are classified and disposed, with special records fill in to ensure traceability.

The Group continuously monitors its waste disposal, strictly implements environmental protection measures, and constantly optimizes the management processes to improve the efficiency of resource utilization and lower environmental impact.

2.2 USE OF RESOURCES ANALYSIS

2.2.1 Main energy consumption structure

The Group advocates saving resources and energy, reducing the consumption of energy and raw materials, strengthening energy management, improving the level of rational use of energy, thereby reducing the consumption of energy and raw materials, and maximizing the recycling of energy and resources in the production process. In 2025, the Group consumed a total of 5,550.0 liters of gasoline, approximately 1.465 million kWh of electricity and 10,342.0 m^3 of water.

The table below shows the Group's energy consumption by type in 2025:

Type of Energy	Consumption	Consumption Intensity
Gasoline	5,550.0 liters	28.5 liters per capita
Electricity	1.465 million kWh	7,513.6 kWh per capita
Water	10,342.0 m^3	53.0 m^3 per capita

The following table shows the Group's packaging material consumption for finished goods by type in 2025:

Type of Packaging Materials	Unit	Consumption
Plastic	ton	0.8
Cartons	ton	2

2.2.2 Energy use efficiency target and measures

The Group strictly abides by the *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》) and other applicable laws and regulations and develops and implements a series of energy conservation measures: holding regular production energy conservation meetings to analyze any problems and see to their rectification; for lighting, phasing out fluorescent lamps and turning to energy-saving bulbs, controlling the on/off time of lights in different areas, and regularly inspecting the lighting fixtures in corridors and aisles; for air-conditioning, conducting annual maintenance and cleaning thoroughly, and seasonal strategy adjustments for air conditioners, setting temperature standard at 27°C in summer and 25°C in winter, and promoting the use of electric fans; for office equipment, requiring to turn off the power supply after work to avoid standby energy consumption; and for cargo elevators, reducing luminaire wattage.

The Group sets its 2026 energy use efficiency targets against the 2025 baseline, aiming for a 3% saving in electricity and water, a 5% saving in fuel, and an over 5% reduction in both office energy consumption and per capita energy consumption. Progress towards these targets will be continuously monitored, prompting corresponding reviews and optimizations of environmental policies and measures.

2.2.3 Methods for sourcing fit-for-purpose water, target & measures for enhancing water efficiency

The Group always regards the conservation of water resources as an indispensable environmental responsibility in the development of its business, and attaches great importance to the enhancement of water efficiency and the rational use of water resources. To effectively enhance water efficiency and eliminate waste, the Group continuously strengthens the daily maintenance and routine management of its water-using equipment, checks for "water dripping, leaking, bubbling", and carries out regular comprehensive inspections to promptly identify and quickly repair any failures in equipment operation, so as to ensure normal operation of all water-using equipment, and thus curb water waste at source. In terms of promotion and management of water conservation concepts, the Group posts water-saving slogans, conducts water-saving concept education, etc. to guide all staff to consciously develop the good habit of saving water and further strengthen their water-saving awareness, focusing on encouraging them to turn off taps after use and eliminate wasteful practices such as leaving water running continuously. Meanwhile, the Group promotes the widespread installation of water-saving equipment in office areas, translating water efficiency initiatives into tangible practice through equipment upgrades. In 2025, the Group did not have any issue in sourcing water that is fit for purpose.

2.3 ENVIRONMENT AND NATURAL RESOURCES ANALYSIS

2.3.1 Analysis on the significant impact of corporate business activities on the environment and natural resources and related measures

The Group places great emphasis on environmental responsibility, and strictly adheres to national environmental policies and emission standards, by reducing energy consumption and natural resource usage through energy-efficient equipment upgrade, resource utilization efficiency improvement, and reuse of scrap materials; putting in place a waste sorting and recycling program to enhance resource reuse rates; promoting product life cycle management and designing recyclable and biodegradable products; and replacing with energy-saving lamps, conducting lighting equipment inspection, using water-saving equipment, and optimizing the inspection, maintenance and energy consumption management of buses. The Group continuously refines its operational measures, committed to reducing its footprint on the environment and natural resources.

2.4 CLIMATE CHANGE MANAGEMENT ANALYSIS

2.4.1 Governance

The Group establishes a three-tier ESG management system, in which the Board of Directors acts as the highest decision-making body, coordinating environmental management and climate-related strategic planning, and receiving regular reports on the progress of climate management efforts. The Group has established a closed-loop management process of "risk identification – measure implementation – effect evaluation – optimization and iteration", and conducts regular energy-saving self-inspections and compliance reviews to ensure the effective implementation of climate-related management measures.

The Board of Directors and the management enhance their capabilities in handling climate-related affairs through internal training, industry seminars, etc. The selection of Board members prioritizes candidates with backgrounds in environmental management and sustainable development, ensuring that the governance team possesses the corresponding competencies. The Board of Directors regularly reviews progress on climate-related targets, embeds energy and compliance metrics in senior management's performance reviews, and tracks the effectiveness of relevant initiatives.

2.4.2 Strategies

The Group has identified climate-related transformation risks, physical risks and financing risks, and also captured opportunities related to cost optimization, market expansion and supply chain synergies, which are mainly distributed across the entire value chain of the Company's business, and most relevant to production, supply chain, and market operations. The Company has conducted climate resilience analyses based on the TCFD framework's dual-scenario model: a policy-tightening 2°C temperature control scenario, and a frequent extreme climate events scenario. According to the evaluation during the Reporting Period, climate-related risks and opportunities would not have a material impact on the Group's financial position, financing channels, business model, value chain and other aspects, however, the Group still held them in high regard and actively coped with them with forward-looking measures. In low-carbon operations, the Group has intensified its efforts to mitigate and adapt to climate change. Drawing on industry trends and peer best practices, it strengthens energy consumption management, implements energy-saving and emission-reduction measures, adopts energy-efficient equipment, and enhances waste reuse. In supply chain and business continuity, the Group optimizes its business layout and avoids investments in climate-vulnerable regions, such as those prone to sudden extreme weather, to mitigate climate-related operational risks. To enhance climate resilience, the Group reinforces its disaster preparedness by upgrading flood control facilities and deploying high-temperature-resistant equipment. In advancing sustainable development, the Group promotes climate literacy and environmental awareness among employees through targeted campaigns. Initiatives include reducing paper usage and encouraging telecommuting. Additionally, an incentive mechanism has been established to recognize teams or individuals for outstanding contributions to emission reduction and sustainability.

2.4.3 Risk management

The Group identifies key climate-related risks, including excessive carbon emissions, high energy consumption, and supply chain disruptions, through supplier environmental risk screening and dynamic policy tracking. These risks are then assessed and prioritized using a two-dimensional Probability-Impact matrix. Compliance risks and risks to production facility operations have been classified as high-priority and are addressed with targeted countermeasures to effectively mitigate their impact. Climate-related risks are integrated into the Group's enterprise-wide risk management framework, alongside operational and supply chain risks. To ensure effective implementation of response measures, the Board of Directors reviews the risk management report regularly, while management conducts monthly risk investigations.

2.4.4 Indicators and targets

The Group focuses on the disclosure of greenhouse gas (GHG) emissions and discloses information related to Scope 1 (direct emissions) and Scope 2 (indirect energy emissions) GHG emissions; except for Scope 1 and 2 GHG emissions, the Group is unable to disclose other climate-related indicators required by the HKEx guidelines due to objective constraints, which aligns with the HKEx's "Reasonable Information Relief" requirement. And the Group has not yet applied internal carbon pricing in its decision-making or incorporated climate-related considerations into its compensation policies; future plans in this regard will be gradually refined based on actual circumstances.

Total GHG emissions and intensity

The Group's GHG emissions mainly include two scopes: (i) direct emissions from fuel combustion of the Company's vehicles, and (ii) indirect emissions from purchased electricity. In 2025, the total GHG emissions of the Group were approximately 792.3 tCO_2e, equivalent to an emission intensity of about 4,063.2 $kgCO_2e$ per capita, reducing by 5.9% year-on-year compared to that in 2024.

The table below shows the Group's GHG emissions by type and source in 2025:

Direct GHG Emissions

Type of GHG	Emissions (tCO_2e)	Emission Intensity ($kgCO_2e$ per capita)
CO_2	14.7	75.1
CH_4	0.0	0.2
N_2O	0.2	1.1
Total	**14.9**	**76.4**

Indirect GHG Emissions

Type of GHG	Emissions (tCO_2e)	Emission Intensity ($kgCO_2e$ per capita)
Use of power resources	777.4	3,986.7
Total	**777.4**	**3,986.7**

Note: Direct GHG emissions mainly included GHG emissions from the Group's self-owned vehicles.

3 CORPORATE SOCIAL RESPONSIBILITY ANALYSIS

3.1 CURRENT EMPLOYMENT ANALYSIS

3.1.1 Employment principles

The Group is well aware that safeguarding the legitimate rights and interests of employees and building an inclusive and equitable working environment are essential to the long-term development of the Company and the personal growth of employees. During recruitment and employment, the Group strictly complies with core national laws and regulations, including the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), and the *Regulations on Labor Protection for Female Employees* (《女職工勞動保護規定》). Employment practices are further standardized through the Employee Handbook (《員工手冊》), which governs attendance, rewards, and disciplinary actions to ensure full legal compliance. The Human Resources Department assigns specific personnel to oversee policy implementation and has established a formal reporting and appeal mechanism to address labor disputes and employee requests in a timely manner.

The Group maintains a zero-tolerance policy toward discrimination based on gender, race, age, or any other characteristic. Upholding the principles of equality, diversity, and inclusion, it fosters a workplace built on mutual respect and integration, ensuring that every employee experiences a strong sense of belonging. In its employment practices, the Group strictly prohibits child labor and embeds labor protection clauses into its core policies and employment contracts, establishing a robust framework for safeguarding employees' rights. The Group is also committed to building a quality career development platform for its employees. Through well-defined talent training strategies, it has established a comprehensive management mechanism that integrates scientific talent assessment, personalized career planning, fair compensation, and team health evaluation, ultimately driving the coordinated growth of employees and the Company.

3.1.2 Performance management

The Group is committed to establishing a systematic, fair, just, open and transparent performance management system and a multi-dimensional and all-round assessment mechanism that ensure a positive synergy between individual value realization and corporate success. In the scientific design of the assessment cycle, the Group adopts a dynamic management pattern that combines "monthly tracking and supervision, quarterly assessment and adjustment, semi-annual summary and review, and annual comprehensive evaluation". This structured framework forms a closed-loop management system that covers the entire assessment cycle, ensuring that performance management proceeds in an orderly manner and delivers measurable outcomes. At the initiation stage of each assessment cycle, employees work with their line managers to set quantifiable, trackable and attainable performance goals through two-way communication and consensus-building. Supported by a regular coaching mechanism, they continuously refine their working methods and execution paths to ensure efficient goal attainment. Throughout the performance execution process, managers at all levels take proactive ownership of performance coaching, providing real-time feedback and precise guidance to help employees promptly identify bottlenecks and clarify improvement directions. This, in turn, fosters the continuous enhancement of employees' professional capabilities and competencies, empowering their long-term career development. In the performance assessment process, the Group adopts a tiered scoring standard to ensure objective and fair results, and clearly defines multiple application scenarios for these results, covering salary adjustments, job level promotions, training program development, and recognition and rewards, thereby fully leveraging the incentive-oriented role of performance management.

To further strengthen the credibility and authority of the performance management system and protect employees' legitimate rights and interests, the Group has established tiered grievance channels that are both convenient and efficient: employees with concerns about their assessment results may apply for reconsideration sequentially to their line managers and department heads according to established procedures, and if still dissatisfied, they may initiate formal investigation and review through the responsible leaders or the Human Resources Department. All grievances are handled under the strict principles of time-bound closure and timely feedback, ensuring reasonable requests are fully addressed and employees' rights are effectively protected. This sound grievance mechanism not only closes key loops in performance management, but also fosters internal cohesion and a sense of belonging through two-way communication and positive interaction, laying a solid talent management foundation for the smooth achievement of the Group's strategic objectives.

3.1.3 Compensation and benefits

In strict accordance with the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), the *Regulations on the Management of Housing Provident Fund* 《住房公積金管理條例》 and other applicable laws and regulations, the Group establishes a differentiated compensation structure based on job value and contribution. The structure comprises basic salary, job salary and performance salary, etc., ensuring that total compensation remains competitive within the industry.

In terms of benefits, the Group fulfills its statutory obligations by contributing to social insurances and housing provident fund, and provides supplementary medical insurance, paid holidays, and a long-term service recognition program. It offers living subsidies covering accommodation, commuting, catering, and high-temperature operations, as well as personalized benefits such as subsidized rental apartments for talents and flexible working hours. The Group also builds a career development support system that assists with professional title application, talent household registration and government subsidy application, and supports employees' work-life balance through annual health check-ups, holiday care and team-building activities.

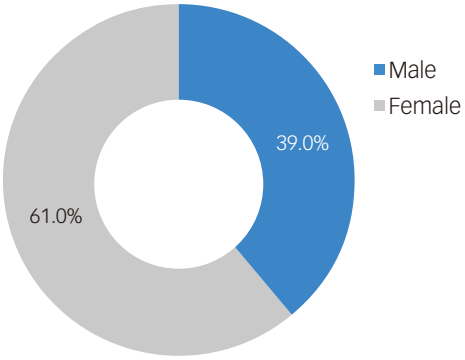
3.1.4 Working hours and holidays

In strict accordance with the applicable provisions of the *Labor Law of the People's Republic of China*, the Group adopts a standard working hour management system, clearly defining a five-day, 40-hour workweek with eight hours per day to ensure employees' average working hours do not exceed 40 hours per week and to effectively guarantee their right to rest. To further standardize overtime management and protect employees' rest right, the Group has established comprehensive overtime procedures in the Employee Handbook. Employees who need to work overtime must submit a written application and obtain approval from the relevant responsible person; unauthorized overtime is strictly prohibited. This institutional control mechanism effectively minimizes non-essential overtime and prevents any form of coerced or illegal overtime work. The Group offers a flexible compensatory leave mechanism. This effectively balances work tasks with personal life needs and supports a dynamic work-life equilibrium. In terms of leave entitlements, the Group fully implements national statutory leave regulations, ensuring employees have access to statutory holidays, marriage leave, maternity leave, paternity leave, breast-feeding leave, funeral leave, and other public holidays. Going beyond statutory requirements, the Group also provides supplementary leave arrangements, including paid annual leave, sick leave, and personal leave, through an internal welfare system tailored to its operational needs. This two-tier leave structure, which guarantees "statutory basic leave + corporate supplementary benefits", not only fulfills the Group's social responsibility but also enhances employees' sense of belonging, happiness, and overall well-being. To further mitigate overtime risks, the Group requires department heads to regularly assess the reasonableness of task allocation, optimize work processes, and allocate manpower efficiently, prioritizing the completion of work goals within normal working hours. This well-established working hours and leave management system strengthens the Group's employment compliance, safeguards employees' labor rights, supports their physical and mental health, and lays a solid foundation for the organization's sustainable development.

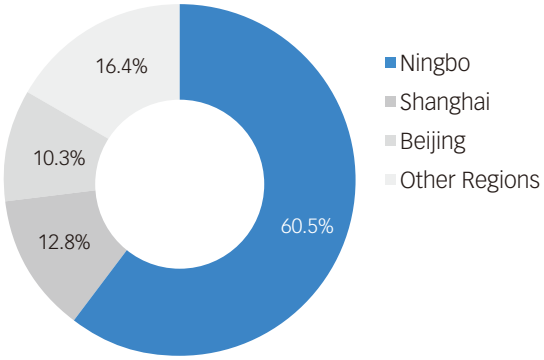
3.1.5 Employee employment status

As of 31 December 2025, the total number of active employees of the Group was 195, of which 118 were based in Ningbo, accounting for 60.5% of the total number of active employees. By gender, the majority of our active employees were female, accounting for 61.0% of the total number of active employees. By age, employees aged 30 and below, 31-40, 41-50 and 51 and above accounted for 28.2%, 54.9%, 16.4% and 0.5%, respectively. By education background, 56.4% of our employees hold a bachelor degree or above, contributing to the relatively high overall educational level of our employees. In addition, all of the 195 employees were full-time employees.

Proportion of the Group's Active Employees by Key Indicators in 2025

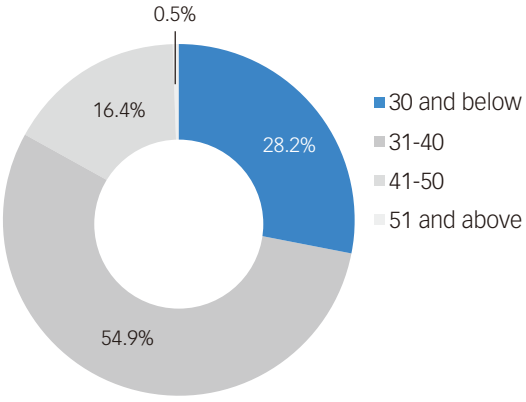


Gender

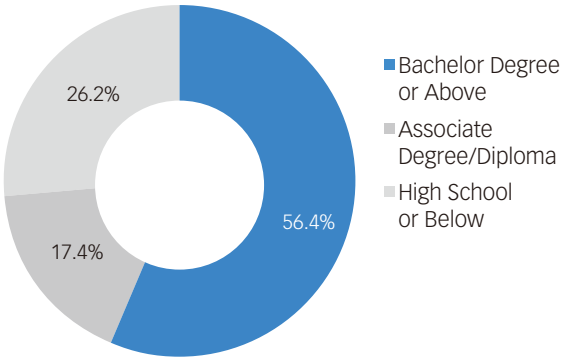


*Note: Other Regions include Hainan, Xi'an, Chongqing, Chengdu and Wuhan

Region



Age



Education

3.1.6 Employee turnover

The following table shows the Group's employee turnover in 2025, following organizational optimization:

Employee turnover	**28.31%**
By gender	
Male	32.14%
Female	25.63%
By age	
30 and below	25.68%
31-40	31.41%
41-50	17.95%
51 and above	66.67%
By geographical region	
Ningbo	29.34%
Shanghai	40.48%
Beijing	13.04%
Other regions	20.00%

Note: Calculation of employee turnover rate: Annual turnover rate of permanent employees = number of permanent employees lost during the year / (number of permanent employees at the end of year + number of permanent employees lost during the year) x 100%.

3.2 OVERVIEW OF EMPLOYEE HEALTH AND SAFETY

Employee health and safety are fundamental to the Group's steady growth and are always accorded high priority. In strict accordance with applicable laws and regulations – including the *Law on Work Safety of the People's Republic of China* (《中華人民共和國安全生產法》), the *Law on Prevention and Control of Occupational Diseases of the People's Republic of China*(《中華人民共和國職業病防治法》), the *Technical Specifications for Occupational Health Surveillance of the People's Republic of China* (《中華人民共和國職業健康監護技術規範》), and the *Fire Protection Law of the People's Republic of China*(《中華人民共和國消防法》). the Group systematically builds a robust occupational health and safety management system that provides comprehensive protection for employees' physical and mental well-being. To strengthen safety management accountability and reinforce senior management's commitment to production safety, the Group has integrated safety-related indicators into its executive compensation assessment system. The selected metric "Number of annual safety accidents", ensures that responsibilities are effectively fulfilled and supports the successful implementation of safety management measures. To standardize safety behaviors across all workplaces and production sites, the Group has clearly defined safety conduct standards in its core institutional documents, including the Employee Handbook and the Production and Operation Guide (《生產作業指導書》). These documents establish a multi-dimensional safety protection system that encompasses job safety risk identification, emergency response protocols, and standardized operating procedures, helping to identify and mitigate potential risks at source and create a safe and reliable working environment for employees. In its safety management practices, the Group implements a differentiated safety education and training mechanism tailored to the risk characteristics of various positions. Special training programs include three-level safety education, standardized handling of hazardous chemicals, and microbial and animal-derived safety protection. Regular refresher courses are provided to continuously enhance employees' safety awareness and operational skills, ensuring that every employee is proficient in the safety knowledge relevant to their role. In terms of occupational health protection, the Group engaged a third-party professional institution to conduct special tests for potential occupational disease hazards in the workplace. All test results met relevant regulatory standards. In addition, regular occupational health check-ups were organized for all employees, with no abnormal indicators related to occupational diseases detected among participants. These measures collectively ensure that employees' occupational health and safety are effectively safeguarded. During 2025, the Group recorded zero work-related fatalities. Through multiple health intervention initiatives, including annual health check-ups, dynamic occupational medical history tracking, and specialized screening for high-risk positions, the Group provides comprehensive, full-cycle protection for employees' physical and mental well-being. During the reporting period, the Group also recorded zero working days lost due to work-related injuries. Looking ahead, the Group will continue to optimize its safety education and training system, strengthen preventive management measures, and reinforce the human resources protection framework to support sustainable development.

3.2.1 Production safety

The Group always places production and operation safety at the core of its management framework. In strict compliance with applicable laws and regulations, it has established a comprehensive and rigorous production safety management system that provides a solid foundation for operational stability. To address safety risks across the entire production process, including chemical management, equipment operation, and process standardization, the Group formulates and strictly enforces standard operating procedures pursuant to the *Law of the People's Republic of China on Work Safety* and other core laws and regulations. It has established a hierarchical risk control mechanism and built a multi-dimensional safety prevention and control system that covers equipment lifecycle management, hazardous chemical storage, and full workflow specifications. These measures are designed to minimize potential risks and effectively eliminate safety incidents. To further strengthen safety accountability and effectively identify and address potential safety hazards, the Group has specially set up a dedicated work safety management team. This team implements dynamic risk control across all processes and stages of production safety, carries out regular and comprehensive inspection over the operation status of production equipment, production process safety assessment, and working environment safety hazard screening, and strictly implements the early risk warning and emergency response mechanism, to ensure rapid response and proper handling in case of safety exception. The Group also places strong emphasis on cultivating employee safety awareness and enhancing operational skills. Regular and systematic emergency drills and safety training programs are conducted, covering safety operation standards, emergency response procedures, and accident prevention. Training effectiveness is routinely evaluated to drive continuous improvement in the safety management system. Through ongoing reinforcement of safety systems, optimization of risk control processes, and enhancement of management capabilities, the Group is committed to creating an intrinsically safe production environment. These efforts promote the systematic, standardized, and efficient development of production safety management, safeguarding employee well-being and corporate assets while laying a solid foundation for the Company's safe operations.

3.2.2 Fire safety

In accordance with the *Fire Protection Law of the People's Republic of China* and other applicable regulations, the Group has established a comprehensive safety protection system that covers all operational scenarios. This includes implementing three-level safety education and maintaining a regular fire training mechanism, with annual programs combining theoretical instruction and hands-on drills, covering fire identification, equipment use, and evacuation procedures. Fire safety drills and hazard screening are also conducted on a regular basis. Based on building structure and operational scenarios, the Group installs appropriate fire protection facilities and has established a periodic risk inspection and equipment maintenance mechanism to ensure the fire protection system remains in effective standby condition, thereby fortifying the Company's safety defense line.

3.3 OVERVIEW OF EMPLOYEE DEVELOPMENT AND TRAINING

The Group deeply recognizes that talent cultivation is a core driver of its sustainable development and an integral part of its corporate strategy. It firmly believes that aligning employees' personal growth with the Company's long-term development is key to achieving mutual value creation. To this end, the Group strives to build a comprehensive and systematic training system, continuously enhancing employees' professional and technical capabilities through multi-dimensional training programs, helping them achieve their career goals while injecting lasting momentum into the Group's steady growth. To ensure employees can continuously expand their knowledge, improve job-specific skills and adapt to the needs of the Group's development and industry shift, the Group specifically formulates an annual training plan covering multiple fields and levels. The core objective is to unlock employees' potential, enhance their self-worth, and guide them to actively contribute to the Group's development. Training content spans a wide range of dimensions, including induction training, job-specific professional skills training, general comprehensive competence training, management capability enhancement training, and quality regulations and legal compliance training. This structure ensures full coverage across all employees and positions. To guarantee effective implementation, the Group builds diversified training channels by integrating internal expertise with external professional resources, ensuring every employee gains substantial value from each training program. The Group also places strong emphasis on tracking and optimizing training outcomes through a whole-process evaluation mechanism. After each training session, feedback is collected via questionnaires, one-on-one interviews, specialized tests, and thematic seminars. Evaluation results are used to promptly adjust training content and optimize training methods, continuously improving the overall quality and relevance of training programs.

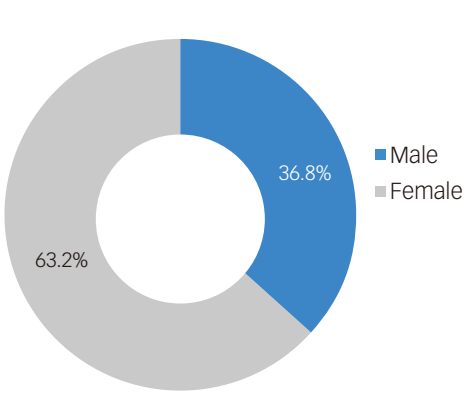
To foster a good atmosphere for studying and promote knowledge sharing and communication and cooperation among employees, the Group organizes regular internal thematic seminars where experienced employees with outstanding professional abilities are invited to share their expertise, job experience and practical skills. These sessions not only provide diverse learning opportunities for employees, but also strengthen interaction, collaboration and team cohesion. In response to the rapid adaptation and growth needs of new employees, the Group has established a comprehensive workplace mentoring system. Each new hire is assigned a senior employee as mentor who will follow up on the new employee's onboarding adaptation and skill improvement process, assist them in quickly familiarizing themselves with the Group's culture and management policies and their respective job responsibilities, and together with new employees, formulate personalized career development plans. Such regular guidance, communication and feedback will help timely resolve any confusion of new employees in their work and growth and accelerate their integration and growth. In addition, the Group has built an integrated online-offline learning sharing platform that houses a variety of training materials and resources. This platform enables employees to flexibly arrange their learning schedules and access resources tailored to their job roles and personal development plans, supporting both independent learning and lifelong learning.

In 2025, the Group continued to enhance its training system by introducing qualification requirements and management protocols for Subject Matter Experts, aiming to further standardize its training practices and improve training quality. A total of 41 trainings were conducted throughout the year, covering induction training, quality regulation, job-specific professional skills, general workplace competency and other comprehensive programs. These sessions were delivered through a combination of internal and external training resources to ensure orderly implementation. Induction training for new employees was organized in batches, covering key topics such as company introduction, internal policies, and legal compliance, to facilitate rapid onboarding. Quality regulation training focused on ISO 13485, QMSR and QSR820, MDR and other related requirements to strengthen compliance awareness. Professional skills training centered on product knowledge, production inspection, and laboratory operation to enhance job competence. In addition, trainings on fire safety and production safety were provided to support the comprehensive development of employees' professional abilities, thereby laying a solid foundation for the orderly development of the Company's businesses.

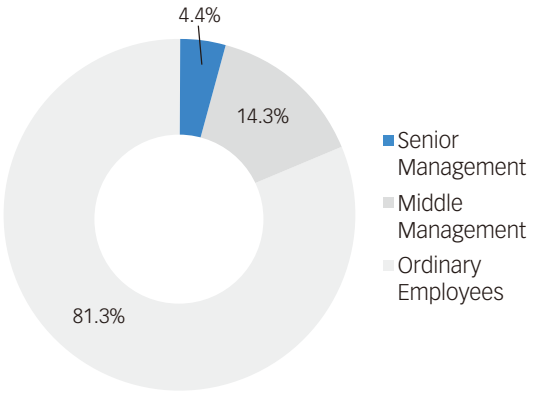
3.3.1 Employees trained

As of 31 December 2025, the total number of employees trained of the Group was 182: by gender, female employees accounted for 63.2% of the total number of employees trained; and by position, ordinary employees accounted for 81.3%.

Employees Trained of the Group in 2025 by Key Indicators



Gender



Position

3.3.2 Average training hours of employees

In 2025, the average training hours for each employee of the Group was 12.6 hours: by gender, it was 16.2 hours for male and 10.5 hours for female; by position, it was 11.4 hours for ordinary employees, 16.6 hours for middle management and 21.4 hours for senior management.

The following table shows the average training hours of the Group's employees in 2025:

Average training hours per employee	**hours**	**12.6**
By gender		
Male	hours	16.2
Female	hours	10.5
By position		
Senior management	hours	21.4
Middle management	hours	16.6
Ordinary employees	hours	11.4

3.4 PRINCIPLES AND STEPS PREVENTING CHILD AND FORCED LABOR

In strict compliance with relevant national laws and regulations, including the *Law on the Protection of Minors of the People's Republic of China* (《中華人民共和國未成年人保護法》) and the *Regulations on the Prohibition of the Use of Child Labor* (《禁止使用童工規定》) and other key laws and regulations, the Group upholds the principle of legal and compliant employment, firmly opposes any form of child labor or forced labor, and is committed to fulfilling its corporate responsibility for lawful employment practices. The Group strives to build a fair, just, open, and transparent working environment for all employees, ensuring that their legitimate labor rights are fully protected. During the recruitment process, the Human Resources Department implements a rigorous qualification review mechanism. The identity and age documents submitted by each candidate are individually verified to ensure authenticity and legality, thereby eliminating the risk of child labor at source. To further strengthen employment compliance and proactively prevent related risks, the Group also engages a third-party professional agency to conduct background checks on prospective employees, with a focus on verifying legal working age and qualifications – ensuring full alignment with national laws, regulations, and internal management requirements. The Group maintains a zero-tolerance policy toward any violation of employment compliance. Personnel who become aware of any suspected child labor, forced labor, or other employment violations are required to report the matter immediately to Group management and the Human Resources Department. This enables prompt investigation, corrective action, and legal handling of responsible individuals in accordance with applicable regulations. In 2025, the Group strictly adhered to the above guidelines and measures, and recorded zero incidents involving child labor, forced labor, or any other employment compliance violations – effectively fulfilling its corporate social responsibility for lawful employment.

3.5 CURRENT OPERATION AND MANAGEMENT ANALYSIS

3.5.1 Supplier overview

The following table shows the regional distribution of the Group's suppliers in 2025:

Total number of suppliers	**Suppliers**	**530**
By geographical region		
PRC	%	85.5%
Outside the PRC	%	14.5%

3.5.2 Supplier management

The Group has established a systematic supplier management framework that strictly complies with the *Tendering and Bidding Law of the People's Republic of China* (《中華人民共和國招標投標法》) and the Supplier Management Policy (《供應商管理制度》) formulated by the Group, and is certified under ISO 13485:2016 for medical device quality management systems. Suppliers are managed through a tiered and categorized approach, with differentiated evaluation criteria covering key aspects such as licenses and qualifications, quality systems, inspection reports, and delivery capabilities.

During the supplier selection phase, the Group implements a multi-departmental collaborative review mechanism. The Quality Department, together with relevant functional departments, conducts preliminary inspections of samples submitted by potential suppliers, and prepares a detailed evaluation report based on the results, which serves as a key basis for supplier admission. For suppliers whose samples pass inspection, the Purchasing Department proceeds with a qualification audit, focusing on key indicators such as production and operating conditions, validity of related qualification certificates, and overall operational capabilities. This ensures strict control over the admission threshold and that selected suppliers fully meet the Group's standards and requirements. Concurrently, the R&D Department assesses suppliers' technical capabilities from the perspective of product-technology compatibility to confirm their technical feasibility in meeting the Group's product development and production needs, while the Quality Department continues to verify whether the suppliers' quality control systems can uphold product quality standards. During the on-site audit phase, the audit team evaluates core elements such as the suppliers' production and working environment, as well as pollution prevention and control measures, to comprehensively assess whether their production conditions and operational processes align with the Group's management requirements. All audit activities are documented through standardized written records to ensure full traceability. Special attention is given to the management of clean rooms (areas), where the Group carefully inspects the planning of personnel flow and materials flow, air cleanliness indicators, and implementation of disinfection and sterilization measures. This rigorous approach aims to eliminate the risk of cross-contamination and ensure that suppliers' production environment fully complies with relevant medical device industry standards.

To ensure suppliers' ongoing compliance and supply chain stability, the Group has established a comprehensive and dynamic supplier management mechanism. Purchasing personnel regularly monitor and review the qualification documents of active suppliers. Any change in a supplier's qualifications found immediately triggers a re-evaluation process to determine whether the supplier still meets the required standards, enabling timely adjustments to supplier management strategies. In addition, the Group conducts an annual re-evaluation of all active suppliers, taking into account factors such as historical delivery quality, on-time delivery rate, and after-sales service, and generates a comprehensive re-evaluation report. Suppliers with high annual scores and excellent cooperation performance may be considered for deeper collaboration and diversified partnership models. Suppliers that fail to meet re-evaluation targets are required to complete corrective actions within a specified period; if they still fall short after remediation, the cooperative relationship will be terminated in accordance with applicable laws, thereby safeguarding overall supply chain quality. Furthermore, through enhanced use of the ERP system, the Group continuously improves the utilization of the purchasing module, digitizes the management of supplier qualification files and delivery data, and dynamically updates the list of qualified suppliers. This approach increases transparency and responsiveness, providing strong support for the stable operation of the supply chain.

In 2025, the Group further advanced its supplier management practices by implementing a series of updates and optimizations aimed at strengthening compliance and standardization. It enhanced the mechanisms for supplier screening, regular assessment, and classification, with corresponding revisions made to relevant evaluation forms. In alignment with international regulatory requirements, the Group integrated the regulatory requirements into its core management systems and control mechanisms. Specifically, the Purchasing Control Procedure (《採購控制程序》) was updated to embed these regulatory requirements into the processes for supplier screening, regular evaluation, and classification, accompanied by corresponding optimizations to the Purchasing Control Procedures and its supporting documentation. These enhanced management policies have been applied to all 530 active suppliers.

3.5.3 Purchasing management

In strict compliance with the *Tendering and Bidding Law of the People's Republic of China*, the Group has established a purchasing management system centered on the Purchasing Control Procedure which is supported by the Purchasing Management Regulations and clearly defines departmental responsibilities, process standards, and material classification rules – categorizing materials into Classes A, B, and C based on their level of impact.

Throughout the entire procurement cycle, the Group strictly implements a multi-departmental collaborative management model with clearly defined responsibilities to strengthen collaborative cooperation and ensure standardized, orderly, and efficient execution: the Purchasing Department is responsible for collecting and verifying basic supplier information, conducting business negotiations, and aligning supplier capabilities with the Group's procurement standards; the R&D Department focuses on the technical level, conducting comprehensive reviews of the technical feasibility of purchased materials and supplier capabilities to ensure high compatibility with the R&D and production needs of the Group's products; while the Quality Department provides end-to-end oversight, supervising the quality compliance of purchased products and controlling material quality at source. During the supplier screening phase, the Group follows a structured end-to-end mechanism that sequentially includes: classified pre-review, verification of qualification documents, sample testing and validation, and on-site evaluation. Each step is strictly aligned with the Group's standards to ensure that only fully compliant suppliers are selected. After procurement, the Group applies a tiered dynamic management system for all active suppliers, with annual re-evaluation as a core component. Key performance indicators, such as on-time delivery rate, product qualification rate, and after-sales service responsiveness, are tracked in real time. Based on evaluation results, the supplier base is continuously optimized: underperforming suppliers are phased out, while partnerships with high-quality suppliers are strengthened. To enhance efficiency and reduce management costs, the Group actively leverages its digital process management system to enable online operations across key procurement activities, including purchasing approvals, contract signing, and order tracking. This digital approach strengthens centralized information management and improves transparency and traceability throughout the procurement process. Furthermore, the Group has reinforced its material full-lifecycle traceability system through supporting policies such as the Document Control Procedure and the Identification and Traceability Control Procedure (《標誌和可追溯性控制程序》). These policies define traceability processes and responsibilities, ensuring end-to-end visibility and control from sourcing to final use, thereby building a robust supply chain foundation for product quality and safety.

In 2025, the Group updated the Identification and Traceability Control Procedure and completed corresponding revisions to the Document Control Procedure. These updates further standardize the entire process of supplier admission, evaluation, and management, while clarifying the classification standards and management requirements for both suppliers and materials. By strengthening system development, supplier lifecycle control, and material identification traceability, the Group has enhanced its supplier quality control and improved the standardization, refinement, and international compliance of its supplier management practices, laying a solid foundation for supply chain stability and product quality assurance.

3.6 PRODUCT RESPONSIBILITY OVERVIEW

3.6.1 Health and safety of products and services

As a core provider of innovative solutions in the field of structural heart diseases, the Group consistently prioritizes patient safety above all else in its business development. Through a rigorous and comprehensive quality management and safety control system, it ensures the safety and reliability of its products and services across all dimensions. The Group has established a quality management structure in strict accordance with applicable laws and regulations, including the *Medical Devices – Quality Management Systems – Requirements for Regulatory Purposes (GB/T 42061 – 2022/ISO 13485:2016) (《醫療器械質量管理體系用於法規的要求》)*, the *Good Manufacturing Practice for Medical Devices (《醫療器械生產質量管理規範》)* and its Appendices, i.e., *Sterile Medical Devices (《無菌醫療器械》)* and *Implantable Medical Devices (《植入性醫療器械》)*, the *Guidelines for On-site Inspection of Sterile Medical Devices of Good Manufacturing Practice for Medical Devices (《醫療器械生產質量管理規範無菌醫療器械現場檢查指導原則》)* and the *Guidelines for On-site Inspection of Implantable Medical Devices of Good Manufacturing Practice for Medical Devices (《醫療器械生產質量管理規範植入性醫療器械現場檢查指導原則》)* issued by the National Medical Products Administration, as well as the EU Medial Device Regulation 2017/745. In 2025, building on its existing implementation of core domestic and international quality standards and regulations, the Group further incorporates the quality standards and regulatory requirements of multiple overseas countries, thus forming a standardized quality management system covering the whole process. This system clearly defines the operation norms and implementation standards for key processes, including product development, manufacturing, and quality inspection. The Group conducts regular comprehensive monitoring of system implementation, alongside systematic evaluations of the quality management system's effectiveness, enabling timely identification of issues and continuous optimization to ensure the system remains applicable and effective. To further strengthen the product quality assurance and consolidate its quality management foundation, the Group has obtained ISO 13485 Medical Device Quality Management System certification, the EU MDR Certification and the Production License for Medical Device in China, and other relevant certifications. Through standardized process control and a forward-looking risk prevention mechanism, the Group achieves end-to-end quality control across the entire product lifecycle, from raw material purchase and inbound inspection, through production and manufacturing, to final terminal delivery, ensuring full compliance with regulatory requirements and industry standards at every stage. This comprehensive approach safeguards patients' legitimate rights and interests, upholds fair competition order in the market and fulfills the Group's responsibility and commitment as a medical device company.

3.6.2 Qualification process

The Group puts product quality at the core of its development, resolutely fulfilling its commitments to providing patients with safe and reliable treatment solutions. Across the entire product qualification process, the Group has established and strictly implements standardized management norms that fully cover three key stages, i.e., incoming inspection, in-process inspection and outgoing inspection. This end-to-end control ensures that each quality checkpoint is up to standard and controllable, thereby strengthening the bottom line of product quality and safety. In the incoming inspection stage, the Group conducts comprehensive and meticulous inspection on all purchased and incoming raw materials and related goods, and verifies core indicators such as product specifications and quality standards item by item, according to the established Inspection Work Instructions (檢驗作業指導書), to ensure raw material safety and compliance at source, preventing substandard raw materials from entering the production process. In the in-process inspection stage, the Group strictly adheres to the requirements of the detailed Work Instructions, monitoring the production environment, operating procedures and process parameters in real time across all dimensions. Quality details are controlled throughout the production process to ensure full compliance with all quality management norms and industry standards. In the outgoing inspection stage, the Group focuses on key quality indicators – including microbial limits, product sterility, and bacterial endotoxin levels, by verifying product quality item by item. This ensures that all the outgoing products fully comply with the Group's internal quality management system and relevant standard requirements, guaranteeing the safe use of products upon delivery.

The Group regards the continuous and effective operation, optimization, and upgrading of its quality management system as a key operational priority. It regularly reviews its quality management processes and addresses gaps in management details to ensure that the entire system remains in Multiple Overseas Countries fully aligned with applicable laws, regulations, and industry requirements both domestically and internationally. In parallel, the Group continuously refines its quality control documentation. The formulation, update, and implementation of these documents are driven by a core objective: to further enhance product safety and compliance, and to deliver more reliable medical products to patients around the world. In addition, the Group actively monitors the latest regulatory developments in the medical device field, adjusts its quality management strategies in a timely manner, and ensures that its quality management practices remain synchronized with industry evolution and regulatory requirements.

3.6.3 Product recall management

The Group has always placed the health and life safety of patients at the core of product management. To further strengthen end-to-end quality control and ensure timely and effective response to potential product safety hazards, the Group has specially formulated the Product Recall Management Policy. This Policy defines the management requirements, execution processes and division of responsibilities related to product recalls, ensuring that each stage of the process is handled in a standardized, orderly, and efficient manner, enabling timely and proper resolution of any product safety concerns. The Policy also outlines the specific responsibilities and core authorities of the product recall team, and comprehensively covers the entire closed-loop process, including: assessment of product recall triggering conditions, determination of recall level, control of disposal timeframe, investigation and assessment of safety hazards, verification of recall implementation effect, and standardized disposal of the recalled products. With this systematic and structured recall management process, the Group is able to ensure that the product recall work is efficiently promoted and implemented, and the bottom line of patient safety is effectively maintained. In 2025, the Group did not have any product recalls due to product safety and health issues.

In 2025, the Group optimized the Product Recall Management Policy (《產品召回管理制度》) by updating relevant requirements in line with applicable regulations and incorporating the recall control procedures in various overseas countries, thereby strengthening the Group's regional product recall management and control capabilities.

3.6.4 Customer complaint management

Continuously meeting core customer needs and responding to reasonable requests has always been a key driver of the Group's strategic planning and long-term development. Guided by its core business philosophy, the Group takes the delivery of safe, reliable, and efficacious medical device products and related solutions as both the starting point and ultimate goal of its work. To achieve high-quality business development while safeguarding customers' legitimate rights and interests, and to strike an optimal balance between the two, the Group has steadily increased investment in product development and service optimization. It continuously refines its product quality control system and enhances service response efficiency, ensuring that customers' reasonable needs are fully addressed and effectively met throughout the entire product use and service experience.

In 2025, the Group formulated the Medical Device Incident Reporting Control Procedure in various overseas countries and updated the Customer Feedback and After-sales Surveillance Control Procedure (《顧客反饋和售後監督控制程序》). In parallel, the Group enhanced the Post-Market Surveillance Control Procedure, optimized the Post-Market Surveillance Plan form, and introduced a periodic safety report form. These improvements establish the standardized, end-to-end management across customer feedback, incident report and post-market surveillance activities.

The Group adopts a proactive and responsive approach to customer complaints. While ensuring the smooth operation of relevant business activities, it conducts professional evaluations of the issues raised and implements practical and effective remedial measures. On one hand, the Group optimizes product identification-related design and incorporates key information to enhance usability from the customer side; on the other hand, it strengthens quality control requirements from the production side – addressing product usage issues by tightening raw material technical standards and refining product structural designs – thereby driving product optimization and quality improvement at source.

3.6.5 Intellectual property management

Improving intellectual property (IP) management efficiency is essential for strengthening independent R&D and innovation capabilities, thereby reinforcing an enterprise's core technological advantages. As a medical device company specializing in innovative solutions for structural heart diseases, the Group has consistently prioritized the strategic planning and standardized management of IP. The core objective is to ensure effective protection and standardized application of its key technologies, further solidifying the foundation for innovation-driven growth. The Group strictly complies with applicable laws and regulations, including the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) and *the Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), and has developed an Intellectual Property Management Manual (《知識產權管理手冊》). This Manual is regularly updated and continuously optimized in response to industry developments, regulatory changes, and evolving business needs, ensuring the long-term relevance and effective implementation of the IP management system. The Group has also set up a separate Intellectual Property Management Department taking full responsibility for strategic planning, registration application, routine maintenance, market operation and risk screening of intellectual property of the Group. The Intellectual Property Management Department not only proactively promotes the patenting of the Group's core technologies with comprehensive coverage of all types of innovative achievements, but also builds a robust patent operation system, to strengthen IP protection, prevent potential IP-related risks, and ensure turning innovations of the Group into tangible market competitiveness. In 2023, we established the Ningbo Trade Secret Demonstration Point and successfully obtained certification for the GB/T 29490-2023. We would continue to refine our intellectual property protection framework to support the Company's global business expansion. To further inspire innovation enthusiasm and initiative of all employees and constantly enhance overall corporate R&D capabilities and innovation level, the Group has specially developed the Intellectual Property Incentive Management Policy, which clearly defines the reward criteria, application procedures, and distribution rules for innovations. This robust incentive mechanism harnesses the enthusiasm of employees for invention and technological innovation. In 2025, the Group revised the Intellectual Property Incentive Management Policy to further optimize employee innovation incentives, enhancing the mechanism's practicality and adaptability. With a focus on key patent innovation scenarios, the updates streamline incentive processes and refine rule design, further stimulating employees' enthusiasm for technological innovation. In addition, the Group has conducted systematic and comprehensive patent mapping and planning for its entire R&D pipelines, covering every aspect and segment of its core technologies. This ensures that all key technologies are fully protected by IP, providing a solid foundation for long-term innovation and development.

3.6.6 Customer data protection and privacy policy

The Group attaches great importance to information security, business data confidentiality, and the protection of customer personal privacy. It strictly abides by applicable laws and regulations such as the *Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》), the *Data Security Law of the People's Republic of China* (《中華人民共和國數據安全法》) and the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》), and has integrated customer privacy and data security into its core compliance management framework. To effectively safeguard the security and integrity of all sorts of information, the Group has established and rigorously implements a full-process information security management specification. This covers the entire data lifecycle, including collection, storage, transmission, use, and destruction, ensuring that the information security of each stage is effectively protected through systematic management and control means, and firmly guarding against risks such as data leakage and misuse. As of 2025, the Group has successfully passed the annual audits for ISO 27001 (Information security management system) and ISO 27701 (Privacy information management system) certifications. This demonstrates that the Group has reached a leading standard in information security infrastructure and privacy protection system development, and possesses robust data security management and control capabilities.


DNV

管理体系认证证书

兹证明

宁波健世科技股份有限公司

信息安全管理体系符合：

ISO/IEC 27001:2022标准

此证书对下列范围有效：

信息安全管理覆盖心脏三尖瓣、二尖瓣和主动脉瓣治疗产品的研发、制造、销售和技术服务。与1.0版本的适用性声明相一致


DNV

管理体系认证证书

兹证明

宁波健世科技股份有限公司

隐私信息管理体系符合：

ISO/IEC 27701:2019标准

此证书对下列范围有效：

隐私管理覆盖心脏三尖瓣、二尖瓣和主动脉瓣治疗产品的研发、制造、销售和技术服务，PII 管理角色为控制者和处理者。与 1.0 版本的适用性声明相一致

To further standardize information security practices and enhance employees' confidentiality awareness and sense of responsibility, the Group has developed a series of supporting procedural documents, including the Information Security and Privacy Management System Operation Manual (《信息安全及隱私管理體系運行手冊》), the Employee Information Security Guide Book (《員工信息安全指導手冊》), the Information Asset Management Regulations (《信息資產管理規定》), and the Data Security Management Regulations (《數據安全管理規定》). These documents define employees' confidentiality obligations and the scope of accessible information, and provide clear, detailed requirements on information security classification, specific confidentiality measures, full-process control specifications, and the management of external personnel's access to information. Furthermore, the Group regularly organizes information security-related training and assessments for employees to ensure that each individual fully understands their responsibilities, behavioral boundaries, and confidentiality requirements – effectively embedding information security management into daily work practices. For new hires, the Group has strict confidentiality management rules. Upon entry, each new employee is required to sign the Employee Confidentiality and Non-Compete Agreement (《員工保密和競業限制協議》), which clearly sets forth the specific standards and requirements for the use, storage and archiving of data files, safeguarding data security and integrity from the very beginning. The Group maintains a strict disciplinary policy for employees who violate information confidentiality regulations or cause corporate data loss or information breaches, resolutely preventing any form of confidentiality breach.

The Group has always regarded confidentiality education and daily supervision as essential components of information security management, and continuously strengthens information security awareness among all employees. At least three information security training sessions are conducted annually for all staff through online thematic training, email campaigns, in-plant posters, or other communication channels. These sessions emphasize the scope of confidentiality, codes of conduct and the consequences of confidentiality breaches, ensuring that every employee fully understands and embraces the importance of information security. In parallel, the Group conducts regular comprehensive inspections and maintenance of its information security management system, supported by a proactive security risk screening mechanism. This enables timely identification of system loopholes or operational issues, followed by prompt corrective actions to ensure the continuous and effective operation of the information security management system. When collaborating with external partners – whether in clinical trials, technical cooperation, or service outsourcing, the Group incorporates clear data security and personal privacy protection clauses into cooperation agreements, or enters into separate Non-disclosure Agreements (NDAs) as necessary. These agreements specify the confidentiality duties and obligations of both parties and include strict liability provisions for breach of contract, ensuring comprehensive protection of information security throughout the collaboration. In addition, for documents requiring declassification prior to external distribution, the Group has established and strictly enforces a management policy governing the declassification process. Relevant department heads review and verify the reasonableness and necessity of each document decryption, while the Administration Department regularly audits the decryption operation logs to ensure full traceability and controllability of the entire information confidentiality management process, effectively ensuring the security of all information.

3.6.7 Brief analysis of anti-corruption measures

The Group upholds honesty, integrity and fairness as the core principles of corporate operation, principles that are embedded in Board decision-making, the full spectrum of operational management, and the code of all employees, thereby establishing a solid ideological and institutional foundation for compliance. In all business activities, the Group strictly abides by applicable laws and regulations including the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》) and the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不當競爭法》). It firmly adheres to a legal and compliant business philosophy, and maintains a zero-tolerance policy toward any form of corruption, commercial bribery, money laundering and unfair competition. To further strengthen the corporate compliance culture and continuously cultivate integrity awareness among all employees, the Group has developed a series of supporting policy documents, including the Anti-Bribery and Anti-Fraud Management Policy (《反賄賂、反舞弊管理制度》) and the Code of Conduct for Interaction and Communication with Healthcare Organizations and Professionals (《與醫療機構及專業人士互動交流行為準則》). These documents define compliance requirements and behavioral boundaries at each stage, forming a systematic anti-corruption and anti-fraud management framework. The Group organizes periodic specialized training on anti-corruption and anti-commercial bribery, covering Board members and all frontline employees. Through systematic explanations of regulations and case analyses, we aim to continuously enhance legal awareness, and compliance mindset, and professional ethics, guiding everyone to consciously adhere to compliance requirements. To ensure the effectiveness of anti-corruption measures and timely identification and handling of potential non-compliance risks, the Group has established a standardized and accessible internal reporting mechanism. Clear whistleblowing policies and process specifications are defined, and complaint and feedback channels are made available to encourage all employees to proactively participate in internal monitoring and report potential violations in a timely manner. For any confirmed violation of laws or regulations, the Group imposes tiered disciplinary measures in strict accordance with relevant internal rules, ranging from termination of employment to referral to judicial authorities, maintaining an unwavering zero-tolerance stance with no exceptions. In 2025, a total of 10 middle and senior managers and 51 employees of the Group participated in trainings related to legal knowledge, compliance management, and employee codes of conduct, accumulating an aggregate of 35.5 training hours. During the Reporting Period, neither the Group nor any of its employees were involved in any legal case regarding corrupt practices.

3.7 Overview of Community Investment

The Group recognizes that sustainable development is inseparable from the active practice of social responsibility. Leveraging its technological strengths and business expertise in the field of structural heart disease, the Group consistently engages in public welfare initiatives to reciprocate the support and trust of the community. With a core focus on healthcare, the Group contributes to the optimization of the healthcare industry ecosystem and promotes technological innovation by supporting community healthcare development, funding academic research projects, and establishing technical exchange platforms. The Group remains steadfast in its mission to deliver high-quality, safe medical device products to patients worldwide, fulfilling the fundamental responsibilities of a healthcare enterprise. In the specific process of practice, the Group has identified enhancing the safety and clinical efficacy of structural heart disease treatment solutions as a key pathway to giving back to society and creating social value. Through sustained investment in product R&D and technological innovation, coupled with continuous optimization of its quality management systems, the Group systematically elevates clinical medical services, delivers more reliable treatment options and lasting health value to patients. The following are the major achievements of the Group in community investment and public welfare practice in 2025:

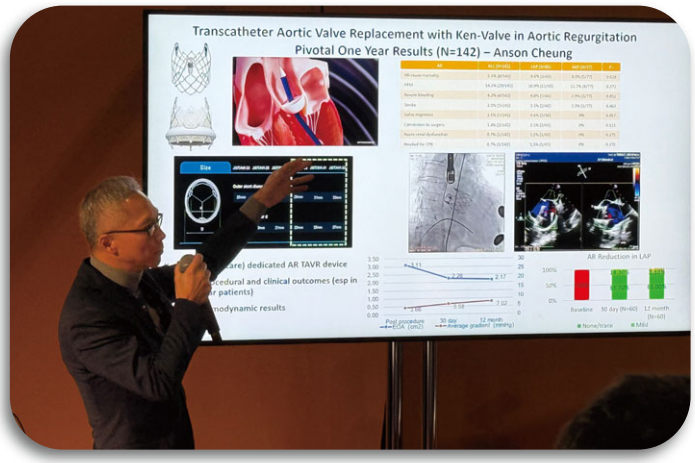
LuX-Valve Plus:

In 2025, the Group carried out global multi-dimensional academic promotion centered around the LuX-Valve Plus transcatheter tricuspid valve replacement system. Follow-up results from each stage of the LuX-Valve Plus TRINITY study were successively presented at the EuroPCR 2025, the New York Valves 2025, the TCT 2025, and the PCR London Valves 2025. The findings demonstrated favorable safety and efficacy profiles, with sustained improvement in patients' quality of life and a low incidence of safety events, attracting significant attention and acclaim from global professionals and potential business partners. In parallel, multiple clinical experience sharing sessions and live operational demonstrations further highlighted the excellent therapeutic effect and broad applicability of LuX-Valve Plus. The above fully underscores the comprehensive advantages of LuX-Valve Plus in terms of safety, efficacy, and operational innovation, and systematically showcases the latest progress and international cooperation achievements of domestically developed innovative devices in the field of structured solutions for structural heart diseases.

The results of the 6-month follow-up from the LuX-Valve Plus TRINITY study in patients with large-annular tricuspid regurgitation were presented at the PCR London Valves 2025.

Ken-Valve:

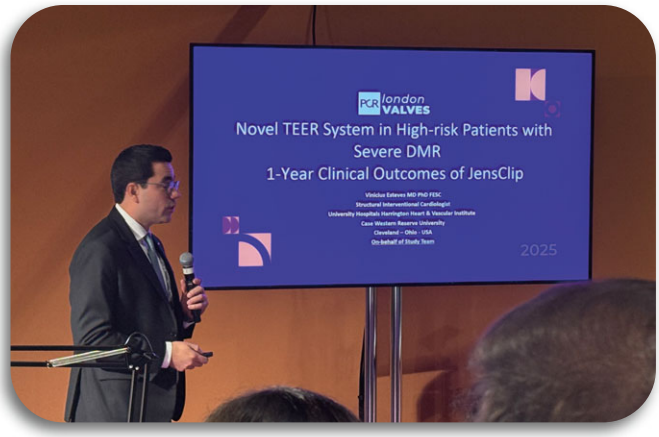
In April 2025, one-year clinical follow-up data of the Ken-Valve transcatheter aortic valve system was released at the 6th China Structural Heart Disease Conference (CSHC 2025). Clinical data demonstrated high device success rates and favorable patient survival. Valve function remained stable within one year post-procedure, with improvements in both regurgitation severity and cardiac function indicators compared to baseline. During the conference, experts' academic content sharing, which highlighted the clinical outcomes and technical strengths of Ken-Valve, especially its treatment effectiveness and operational techniques in real-world practice, drew significant attention from both the attending experts and the audience. In addition, Ken-Valve also made an appearance at the PCR London Valves 2025 during which experiences in interventional treatment for patients with simple regurgitation (or combined aortic stenosis) of large annulus were shared. At the 2025 West China Minimally Invasive Cardiovascular Conference and the 8th Western China Valve Forum, there were multiple live surgeries using Ken-Valve, in which, transcatheter aortic valve replacement was performed in several patients with complex anatomical structures, among others, including large aortic annulus and severe horizontal heart. The design features, operational advantages, and scope of application of Ken-Valve received heated discussion and attention from experts attending the conference.



The presentation titled "Transcatheter Aortic Valve Replacement with Ken-Valve in Aortic Regurgitation: One-Year Outcomes in Large Annulus Patients (LAP)" was presented at PCR London Valves 2025.

JensClip:

In 2025, the Group presented the one-year follow-up results for the product's clinical study at the EuroPCR 2025 and the PCR London Valves 2025, demonstrating favorable clinical data and confirming its stable safety and efficacy profile.



The one-year follow-up results of JensClip were presented in detail at the PCR London Valves 2025.

DIRECTORS' REPORT

The Board is pleased to present their report together with the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company is an international medical device company dedicated to the development of interventional products for the treatment of structural heart diseases. A summary of the corporate information and particulars of its subsidiaries are set out in note 1 to the consolidated financial statements of the Group.

An analysis of the Group's operating results for the Reporting Period by its principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and in the consolidated statement of profit or loss and other comprehensive income on page 100 of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business, is set out in the sections headed "Chief Executive Officer's Statement" and "Management Discussion and Analysis" of this annual report respectively. These discussions form part of this annual report. Events affecting the Company that have occurred since the end of the financial year are set out in the section headed "Important Events After the Reporting Period" in this annual report. An account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and a discussion of the Company's environmental policies and performance are set out in the "Environmental, Social and Governance Report".

PRINCIPAL RISKS AND UNCERTAINTIES

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

Risks Relating to our Financial Position and Need for Additional Capital

- We have incurred significant operating losses since our inception, and expect to continue to incur operating losses for the foreseeable future. As a result, you may lose substantially all your investments in us given the high risks involved in the medical device business.

- We had net cash outflows from our operating activities in the past and we will need to obtain additional financing to fund our operations.

Risks Relating to the Development of our Product Candidates

- Our future growth depends substantially on the successful development of our product candidates to commercialization. We may be unable to successfully complete clinical development, obtain regulatory approval and commercialize our product candidates, or experience significant delays in doing so.
- The initial or interim results of clinical trials may not be predictive of the final clinical trial results and may be subject to adjustments.
- If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results in a timely manner or at all, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.
- If we encounter difficulties or delays in enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.
- We may not be successful in developing, enhancing or adapting to new technologies and methodologies.
- Our employees, collaborators, service providers, independent contractors, principal researchers, consultants, vendors, contract research organizations and site management organizations may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could result in delay or failure to develop our products.

Risks Relating to the Commercialization of Our Product Candidates

- Our product candidates may not be well received by patients, physicians and hospitals, and may face fierce competition against other products upon their commercialization.
- We might not be able to price our products competitively as compared to similar products in the market or other alternative treatment options, and our products might fail to achieve broad market acceptance.
- Even if we are able to commercialize any of our product candidates, our pricing strategy and downward pricing of our future products may have a material adverse effect on our business and results of operations.
- Even if we are able to commercialize any product candidates, our sales may be affected by the level of medical insurance reimbursement patients receive for treatments using our products.
- The actual market size of our Core Products may be smaller than we anticipate, which could render them ultimately unprofitable even if commercialized.

Risks Relating to Extensive Government Regulations

- The research, development and commercialization of our product candidates are heavily regulated in all material aspects, and any changes in regulatory requirements may adversely affect our business.
- The regulatory approval processes are lengthy, expensive and inherently unpredictable, and we may not be able to obtain, or experience delays in obtaining, required regulatory approvals.

Risks Relating to Manufacture and Supply of Our Product Candidates

- The manufacture of our product candidates is a highly exacting and complex process and subject to strict quality controls. Our business could suffer if our product candidates are not produced in compliance with all the applicable quality standards.
- We may face damage to, destruction of or interruption of production at our facilities.
- We may be exposed to potential product liability claims, and our insurance coverage may be inadequate to protect us from all the liabilities we may incur.
- If we are unable to obtain and maintain patent protection for our product candidates through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

Risks Relating to Our Operations

- We have entered into collaborations and may form or pursue any other collaborations or strategic alliances or enter into licensing arrangements in the future; however, there is no guarantee that we may be able to realize the benefits of such collaborations, alliances, or licensing arrangements.
- Acquisitions or strategic partnerships may increase our capital requirements and dilute our Shareholders' equity, cause us to incur debt or assume contingent liabilities, and subject us to other risks.
- If we fail to successfully integrate our recently acquired subsidiary or any future targets into our operations, our post-acquisition performance and business prospects may be adversely affected.

Risks Relating to International Expansion of our Business

We expect to expand further into international markets, and may be subject to the following risks:

- challenges in providing products, services and support, in recruiting personnel in international markets, and in managing sales channels and distribution networks effectively;
- challenges in commercializing our products in new markets where we have limited experience with the local market dynamics and no existing or developed sales, distribution and marketing infrastructure;
- difficulties in dealing with regulatory regimes, regulatory bodies and government policies with which we may be unfamiliar, in order to obtain permits, licenses and approvals necessary to manufacture, market and sell products in or to various jurisdictions;
- inability to effectively enforce contractual or legal rights; and
- changes in laws, regulations and policies, including trade policies, as well as political, economic and market instability or civil unrest in the relevant countries and jurisdictions may adversely affect or result in our inability to sustain our expansion in international and cross-border operations.

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

It is our corporate and social responsibility to promote a sustainable and environmental-friendly corporate environment. The Group is committed to fulfilling social responsibility, promoting employee benefits and development, and strives to minimize our environmental impact and build our corporation in a sustainable way. The Group is subject to environmental protection and occupational health and safety laws and regulations in China. For the Reporting Period, the Group has complied with the relevant environmental and occupational health and safety laws and regulations in China and we did not have any incidents or complaints, which had a material and adverse effect on our business, financial condition or results of operations. Further details of the Company's environmental policies and performance, please refer to the section headed "Environmental, Social and Governance Report" of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors and senior management are aware, the Group has complied in all material aspects with the 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.

FINANCIAL 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 of this annual report.

FINAL DIVIDENDS

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Thursday, 28 May 2026. The notice of the AGM and all other relevant documents will be published and despatched to the Shareholders in due course.

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of shares will be registered. All transfer documents of the Company accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 21 May 2026. The record date for determining the eligibility to attend the AGM will be on Thursday, 28 May 2026.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the Group's five largest suppliers accounted for 20.2%, as compared to 15.3% of the Group's total purchases for the year ended 31 December 2024. The Group's single largest supplier accounted for 5.9% of the Group's total purchase for the Reporting Period, as compared to 5.2% for the year ended 31 December 2024.

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 total issued Shares of the Company) had any interest in the Group's five largest suppliers.

During the Reporting Period, the Group's five largest customers accounted for 50.6% of the Group's total sales, and the single largest customer of the Group accounted for 15.0% of the Group's total sales.

During the Reporting Period, none of the Directors, their close associates or any shareholders (who to the best knowledge of the Directors own more than 5% of the Company's total issued shares) had any interest in the Group's five largest customers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 13 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Group during the Reporting Period are set out in note 26 to the consolidated financial statements of this annual report.

RESERVES

Details of movements in the reserves of the Group during the Reporting Period are set out in the consolidated statement of changes in equity of this annual report.

DISTRIBUTABLE RESERVES

As of 31 December 2025, the Company did not have any distributable reserves.

DEBENTURES

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

FINANCIAL STATEMENTS

The results of the Group for the Reporting Period and the Group's financial position as at that date are set out in the consolidated financial statements on pages 100 to 104 of this annual report.

DIRECTORS

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

Executive Director

Mr. PAN Fei

Non-executive Directors

Mr. LV Shiwen *(re-designated from executive Director to a non-executive Director on 21 March 2025)*
Mr. TAN Ching
Mr. ZHENG Jiaqi
Ms. XIE Youpei
Mr. CHEN Xinxing

Independent non-executive Directors

Dr. LIN Shoukang
Ms. DU Jiliu
Dr. MEI Lehe

The biographical information of the Directors are set out in the section headed "Directors and Senior Management" in this annual report.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to the requirements of the Articles, all Directors (including non-executive Directors) shall be elected or appointed at the Shareholders' general meeting for a term of three years. A Director shall be eligible for re-election upon the expiry of each term. The Company has implemented a set of effective procedures for appointment of new Directors. The nomination of new Directors shall be first deliberated by the Nomination Committee and then submitted to the Board, subject to approval by election at the general meeting of the Company.

Each of the executive Director, non-executive Directors and independent non-executive Directors has entered into a service contract or a letter of appointment with the Company with a specific term. Such term is subject to his/her retirement and re-election at the general meeting of the Company in accordance with the Articles of Association.

A Director may serve consecutive terms if re-elected. A Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected Director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of Directors results in the number of Directors being less than the quorum.

Save as disclosed above, the Company did not sign any relevant unexpired service contract or letter of appointment which is not determinable within a year without payment of any compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each independent non-executive Director should inform our Company as soon as possible if there is any change of circumstances which may affect his/her independence pursuant to Rule 3.13 of the Listing Rules. No such notification was received during the Reporting Period. Meanwhile, the Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the Reporting Period. The Company considers all of the independent non-executive Directors are independent.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director of the Company or an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no other contract of significance was entered into among the Company or any of its subsidiaries and the substantial shareholders or any of their subsidiaries, whether for the provision of services or otherwise, during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were 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 to be notified to the Company and the Stock Exchange pursuant to Model Code are as follows:

Long Positions in the Shares or Underlying Shares of the Company

Name of Director/ chief executive	Capacity/nature of interest	Class of Shares	Number of Shares[1]	Approximate percentage of shareholding in the Company[1] (%)
Mr. Lv[2][3][4][5]	Beneficial owner; interest in a controlled corporation; interest held jointly with another person	Domestic Shares H Shares	44,383,788 (L) 71,311,483 (L)	10.64 17.09
Mr. PAN Fei[6]	Beneficial owner; interest in a controlled corporation	Domestic Shares H Shares	16,363,620 (L) 63,544,279 (L)	3.92 15.23
Ms. DU Jiliu	Beneficial owner	H Shares	10,600 (L)	0.01

Notes:

(1) The letter "L" denotes the person's long position in the Shares. The calculation is based on the total number of 417,167,290 Shares in issue as at 31 December 2025 (excluding treasury shares, if any).

(2) On 16 March 2021, Mr. Lv and Ms. Li entered into a concert party agreement to confirm that they have acted in concert in the management, decision-making and all major decisions of our Group. As such, each of the Concert Parties are deemed to be interested in the Shares each other is interested in.

Ningbo Linfeng Biotechnology Co., Ltd ("**Ningbo Linfeng**") beneficially owns 15,500,000 H Shares of our Company and is owned as to 65.00% by Shanghai Shidi Industrial Development Co., Ltd ("**Shanghai Shidi**"), which in turn is wholly-owned by Ms. Li. As such, under the SFO, each of Ms. Li and Shanghai Shidi is deemed to be interested in the equity interests held by Ningbo Linfeng.

Shanghai Shidi beneficially owns 11,810,448 Domestic Shares and 1,388,112 H Shares of our Company and is wholly-owned by Ms. Li. As such, under the SFO, Ms. Li is deemed to be interested in the equity interests held by Shanghai Shidi.

Ms. Li beneficially owns 19,374,400 H Shares of our Company.

(3) Mr. Lv beneficially owns 19,627,920 Domestic Shares and 220,000 H Shares of our Company.

(4) Each of Hainan Maidi Enterprise Management L.P. (Limited Partnership) ("**Hainan Maidi**") and Ningbo Sangdi Investment Management L.P. (Limited Partnership) ("**Ningbo Sangdi**") is a limited partnership established in the PRC and one of our ESOP Platforms. Hainan Maidi beneficially owns 22,422,375 H Shares of our Company. Ningbo Sangdi beneficially owns 5,907,496 H Shares of our Company. Ningbo Dixiang Venture Capital Co., Ltd ("**Ningbo Dixiang**") is the executive partner of each of Hainan Maidi and Ningbo Sangdi and is owned as to 98% by Mr. Lv.

As such, under the SFO, each of Ningbo Dixiang and Mr. Lv is deemed to be interested in the equity interests held by Hainan Maidi and Ningbo Sangdi.

(5) Each of Ningbo Mukang Venture Capital Partnership (Limited Partnership) ("**Ningbo Mukang**") and Ningbo Kefeng Investment Management L.P. (Limited Partnership) ("**Ningbo Kefeng**") is a limited partnership established in the PRC. Ningbo Mukang beneficially owns 12,945,420 Domestic Shares and 20 H Shares of our Company. Ningbo Kefeng beneficially owns 6,499,080 H Shares of our Company. Ningbo Dixiang is the executive partner of each of Ningbo Mukang and Ningbo Kefeng and is owned as to 98% by Mr. Lv.

As such, under the SFO, each of Ningbo Dixiang and Mr. Lv is deemed to be interested in the equity interests held by Ningbo Mukang and Ningbo Kefeng.

(6) Hainan Hualing Investment L.P. (Limited Partnership) ("**Hainan Hualing**") is one of our ESOP Platforms, a limited partnership established in the PRC, and beneficially owns 16,363,620 Domestic Shares and 16,363,620 H Shares of our Company.

Hainan Huahui Investment L.P. (Limited Partnership) (海南華暉投資合夥企業(有限合夥)) ("**Hainan Huahui**") is a limited partnership with Hainan Yize Medical Technology Co., Limited (海南一則醫療科技有限公司) ("Hainan Yize") as its sole general partner, and beneficially owns 14,716,059 H Shares of our Company.

Hainan Yize is the executive partner of each of Hainan Hualing and Hainan Huahui and is owned as to 99% by Mr. PAN Fei.

As such, under the SFO, each of Hainan Yize and Mr. PAN Fei is deemed to be interested in the equity interests held by Hainan Hualing and Hainan Huahui.

Onez International Limited, which beneficially owns 30,091,800 H Shares of our Company, is a company incorporated in the British Virgin Islands and wholly-owned by Mr. PAN Fei. Mr. PAN Fei is therefore deemed to be interested in the equity interest held by Onez International Limited.

Mr. PAN beneficially owns 2,372,800 H Shares of our Company.

Save as disclosed above and to the best knowledge of the Directors and chief executive of the Company, as of 31 December 2025, none of the Directors or the 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, (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 they are 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 in the register referred to therein or (iii) which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) or entities had an interest or a short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholders	Capacity/nature of interest	Class of Shares	Number of Shares[1]	Approximate Percentage of shareholding in the Company[1] (%)
Ms. Li[2][3][4][5]	Beneficial owner; interest in a controlled corporation; interest held jointly with another person	Domestic Shares H Shares	44,383,788 (L) 71,311,483 (L)	10.64 17.09

Name of substantial shareholders	Capacity/nature of interest	Class of Shares	Number of Shares[1]	Approximate Percentage of shareholding in the Company[1] (%)
Shanghai Shidi[2]	Beneficial owner; Interest in a controlled corporation	Domestic Shares H Shares	11,810,448 (L) 16,888,112 (L)	2.83 4.05
Ningbo Linfeng[2]	Beneficial owner	H Shares	15,500,000 (L)	4.01
Ningbo Dixiang[3][4]	Interest in a controlled corporation	Domestic Shares H Shares	12,945,420 (L) 34,828,971 (L)	3.10 8.35
Hainan Maidi[3]	Beneficial owner	H Shares	22,422,375 (L)	5.37
Ningbo Sangdi[3]	Beneficial owner	H Shares	5,907,496 (L)	1.42
Ningbo Kefeng[4]	Beneficial owner	H Shares	6,499,080 (L)	1.56
Ningbo Mukang[4]	Beneficial owner	Domestic Shares	12,945,420 (L)	3.10
Hainan Yize[6]	Interest in a controlled corporation	Domestic Shares H Shares	16,363,620 (L) 31,079,679 (L)	3.92 7.45
Hainan Hualing[6]	Beneficial owner	Domestic Shares H Shares	16,363,620 (L) 16,363,620 (L)	3.92 3.92
Hainan Huahui[6]	Beneficial owner	H Shares	14,716,059 (L)	3.53
Onez International Limited[6]	Beneficial owner	H Shares	30,091,800 (L)	7.21
Hillhouse Investment Management V, L.P.[7]	Interest in a controlled corporation	Unlisted Foreign Shares H Shares	10,875,000 (L) 31,725,000 (L)	2.61 7.60
Hillhouse Fund V, L.P.[7]	Interest in a controlled corporation	Unlisted Foreign Shares H Shares	10,875,000 (L) 31,725,000 (L)	2.61 7.60
Hillhouse Investment Management, Ltd.[7]	Investment Manager	Unlisted Foreign Shares H Shares	10,875,000 (L) 31,725,000 (L)	2.61 7.60
AUT-VII Holdings Limited[7]	Interest in a controlled corporation	Unlisted Foreign Shares H Shares	10,875,000 (L) 10,875,000 (L)	2.61 2.61

Name of substantial shareholders	Capacity/nature of interest	Class of Shares	Number of Shares[1]	Approximate Percentage of shareholding in the Company[1] (%)
AUT-II Holdings Limited[7]	Interest in a controlled corporation	Unlisted Foreign Shares	10,875,000 (L)	2.61
		H Shares	10,875,000 (L)	2.61
AUT-VII HK Holdings Limited[7]	Beneficial owner	Unlisted Foreign Shares	10,875,000 (L)	2.61
		H Shares	10,875,000 (L)	2.61
TNY Holdings Limited[7]	Beneficial owner	H Shares	20,850,000 (L)	5.00
Eric Li[8]	Interest in a controlled corporation	H Shares	15,720,876 (L)	3.77
Boundless Plain Holdings Limited[8]	Interest in a controlled corporation	H Shares	15,720,876 (L)	3.77
Grandiflora Hook GP Limited[8]	Interest in a controlled corporation	H Shares	15,720,876 (L)	3.77
Lionet Fund, L.P.[8]	Interest in a controlled corporation	H Shares	15,720,876 (L)	3.77
Duckling Fund, L.P.[8]	Beneficial owner	H Shares	15,720,876 (L)	3.77
Shenzhen Gao Ling Tiancheng III Investment Co., Ltd.[9]	Interest in a controlled corporation	Domestic Shares	9,309,060 (L)	2.23
Zhuhai Yuheng Equity Investment L.P. (Limited Partnership)[9]	Beneficial owner	Domestic Shares	9,309,060 (L)	2.23

Notes:

(1) The letter "L" denotes the person's long position in the Shares. The calculation is based on the total number of 417,167,290 Shares in issue as at 31 December 2025.

(2) On 16 March 2021, Mr. Lv and Ms. Li entered into a concert party agreement to confirm that they have acted in concert in the management, decision-making and all major decisions of our Group. As such, each of the Concert Parties is deemed to be interested in the Shares each other is interested in.

Ningbo Linfeng beneficially owns 15,500,000 H Shares of our Company and is owned as to 65.00% by Shanghai Shidi, which in turn is wholly-owned by Ms. Li. As such, under the SFO, each of Ms. Li and Shanghai Shidi is deemed to be interested in the equity interests held by Ningbo Linfeng.

Shanghai Shidi beneficially owns 11,810,448 Domestic Shares and 1,388,112 H Shares of our Company and is wholly-owned by Ms. Li. As such, under the SFO, Ms. Li is deemed to be interested in the equity interests held by Shanghai Shidi.

Ms. Li beneficially owns 19,374,400 H Shares of our Company.

(3) Each of Hainan Maidi and Ningbo Sangdi is a limited partnership established in the PRC and one of our ESOP Platforms. Hainan Maidi beneficially owns 22,422,375 H Shares of our Company. Ningbo Sangdi beneficially owns 5,907,496 H Shares of our Company. Ningbo Dixiang is the executive partner of each of Hainan Maidi and Ningbo Sangdi and is owned as to 98% by Mr. Lv.

As such, under the SFO, each of Ningbo Dixiang and Mr. Lv is deemed to be interested in the equity interests held by Hainan Maidi and Ningbo Sangdi.

(4) Each of Ningbo Mukang and Ningbo Kefeng is a limited partnership established in the PRC. Ningbo Mukang beneficially owns 12,945,420 Domestic Shares and 20 H Shares of our Company. Ningbo Kefeng beneficially owns 6,499,080 H Shares of our Company. Ningbo Dixiang is the executive partner of each of Ningbo Mukang and Ningbo Kefeng and is owned as to 98% by Mr. Lv.

As such, under the SFO, each of Ningbo Dixiang and Mr. Lv is deemed to be interested in the equity interests held by Ningbo Mukang and Ningbo Kefeng.

(5) Mr. Lv beneficially owns 19,627,920 Domestic Shares and 220,000 H Shares of the Company.

(6) Hainan Hualing is one of our ESOP Platforms, a limited partnership established in the PRC, and beneficially owned 16,363,620 Domestic Shares and 16,363,620 H Shares of our Company.

Hainan Huahui is a limited partnership established in the PRC with Hainan Yize as its sole general partner, and beneficially owns 14,716,059 H Shares of the Company. Hainan Yize is the executive partner of each of Hainan Hualing and Hainan Huahui and is owned as to 99% by Mr. PAN Fei.

As such, under the SFO, each of Hainan Yize and Mr. PAN Fei is deemed to be interested in the equity interests held by Hainan Hualing and Hainan Huahui.

Onez International Limited beneficially owns 30,091,800 H Shares of our Company, is a company incorporated in the British Virgin Islands and wholly-owned by Mr. PAN Fei. Mr. PAN Fei is therefore deemed to be interested in the equity interest held by Onez International Limited.

Mr. PAN beneficially owns 2,372,800 H Shares of our Company.

(7) AUT-VII HK Holdings Limited beneficially owns 10,875,000 Unlisted Foreign Shares and 10,875,000 H Shares of the Company and is a limited company incorporated in Hong Kong and is owned as to 100% by AUT-VII Holdings Limited, which is wholly owned by AUT-II Holdings Limited. AUT-VII HK Holdings Limited is an investment vehicle ultimately managed by Hillhouse Fund V, L.P..

TNY Holdings Limited beneficially owns 20,850,000 H Shares of the Company and is a limited company incorporated in the Cayman Islands and is owned as to 100% by Hillhouse Investment Management V, L.P., which is ultimately controlled by Hillhouse Fund V, L.P..

Therefore, Hillhouse Investment Management, Ltd. is deemed to be interested in Hillhouse Fund V, L.P. in capacity of investment manager. As such, each of Hillhouse Fund V, L.P., Hillhouse Investment Management V, L.P. and Hillhouse Investment Management, Ltd. is deemed to be interested in the equity interests held by AUT-VII HK Holdings Limited and TNY Holdings Limited.

(8) Duckling Fund, L.P., which owns 15,720,876 H Shares of the Company, is wholly owned by Lionet Fund, L.P., which is controlled by Grandiflora Hook GP Limited, as its general partner. Grandiflora Hook GP Limited is wholly owned by Boundless Plain Holdings Limited, which in turn is wholly owned by Mr. Eric Li. As such, each of Mr. Eric Li, Boundless Plain Holdings Limited, Grandiflora Hook GP Limited, Lionet Fund, L.P. is deemed to be interested in the equity interests held by Duckling Fund, L.P.

(9) Zhuhai Yuheng Equity Investment L.P. (Limited Partnership) beneficially owns 9,309,060 Domestic Shares of the Company and is controlled by Shenzhen Gao Ling Tiancheng III Investment Co., Ltd.

Save as disclosed above, as at 31 December 2025, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) or entities who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended 31 December 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Reporting Period, none of the Directors 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 of the Company and/or its subsidiaries.

NON-COMPETITION UNDERTAKING

Our substantial shareholders (Mr. Lv and Ms. Li) provided a deed of non-competition (the "**Non-Competition Undertaking**") in favour of the Company, pursuant to which our substantial shareholders undertook not to, and to procure their respective close associate(s) (as appropriate) (other than our Group) not to, either directly or indirectly, compete with our business, which includes innovative products for the treatment of structural heart diseases ("**Restricted Activities**") and granted our Group the option for new business opportunities. Our substantial shareholders have further irrevocably undertaken in the Non–Competition Undertaking that, during the term of the Non-Competition Undertaking, they will not, and will also procure their respective close associate(s) (as appropriate) (other than our Group) not to, alone or with a third party, in any form, directly or indirectly, engage in, participate in, support to engage in or participate in any business that competes, or is likely to compete, directly or indirectly, with the Restricted Activities. Details of the Non-Competition Undertaking are set out in the section headed "Relationship with our Controlling Shareholders – Non-competition Undertaking" in the Prospectus.

During the Reporting Period, no written notice of any New Business Opportunity (as defined in the Non-Competition Undertaking) had been received by the Company. Our substantial shareholders confirmed that they have complied with the Non-Competition Undertaking (the "**Confirmation**") for the Reporting Period. The independent non-executive Directors have reviewed the Confirmation as part of the annual review process. In view of the above, the independent non-executive Directors have confirmed that, as far as they can ascertain, there is no breach of any non-competition undertakings under the Non-Competition Undertaking given by the substantial shareholders.

RETIREMENT BENEFITS SCHEME

The Group's employees in the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. There are no provisions under the scheme whereby forfeited contributions may be used to reduce future contributions. The employees in the PRC are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the state-managed retirement benefits scheme.

CONNECTED TRANSACTIONS

During the Reporting Period, details of the Group's continuing connected transactions are as follows:

Fully Exempt Continuing Connected Transactions

3D Printing Services Agreement

On 16 September 2022, the Company entered into a 3-dimensional printing services agreement with Ningbo Trandomed 3D Medical Technology Co., Ltd ("**TrandoMed**") (the "**3D Printing Services Agreement**"), which is effective from the Listing Date to 31 December 2024, pursuant to which we may engage TrandoMed for its 3-dimensional printing services. TrandoMed specializes in developing, manufacturing and sales of 3-dimensional printed silicone medical simulators. Such silicone medical simulators are required as we will make use of such simulators for the research and development activities and clinical trials of our Group.

The service fees will be charged at rates no less favorable to our Company than rates at which our Company pays independent third parties and other connected persons for comparable transactions, and will be determined by our Company and TrandoMed through arm's length negotiation with reference to a number of factors applicable to all service providers, including but not limited to the nature, complexity, and value of tasks completed by TrandoMed under each work order, the applicable technology, the market rates, quantity and sourcing of materials, the time and method of delivery and delivery costs, the fees charged for historical transactions of similar nature and the then prevailing market rates by obtaining and comparing against fee quotes provided by other third-party companies.

In view of the expiry of the 3D Printing Services Agreement, the Company renewed the existing 3D Printing Services Agreement on 1 January 2025, effective from 1 January 2025 for a term of three years. The Company and TrandoMed will enter into separate individual agreements or work orders which will set out the specific terms and conditions according to the principles in the renewed 3D Printing Services Agreement.

TrandoMed is a wholly-owned subsidiary of Ningbo Linfeng, which in turn is a non-wholly-owned subsidiary of Shanghai Shidi. Shanghai Shidi is wholly owned by Ms. Li, a substantial shareholder and a connected person of the Company. Accordingly, TrandoMed is a connected person of the Company under the Listing Rules, and the transactions under the renewed 3D Printing Service Agreement constitute continuing connected transactions of the Company. As each of the relevant percentage ratios in respect of the transactions under the renewed 3D Printing Service Agreement is less than 5% and less than HK$3 million, such transactions are exempt from all reporting, announcement, and independent shareholders' approval requirements under the Listing Rules.

Sterilization Services Agreement

On 16 September 2022, the Company entered into a sterilization services agreement with Ningbo Shidi Medical Technology Co., Ltd. ("**Ningbo Shidi**") (the "**Sterilization Services Agreement**"), which is effective from the Listing Date to 31 December 2024, pursuant to which we may engage Ningbo Shidi for its sterilization services. Ningbo Shidi provides sterilization services for medical devices and our Group requires such services for the sterilization of our medical devices.

The service fees will be charged at rates no less favorable to our Company than rates at which our Company pays independent third parties and other connected persons for comparable transactions, and will be determined by our Company and Ningbo Shidi through arm's length negotiation based on factors applicable to all service providers, including but not limited to the nature, complexity, and value of tasks completed by Ningbo Shidi under each work order, the market rates, the fees charged for historical transactions of similar nature and the then prevailing market rates by obtaining and comparing against fee quotes provided by other third-party companies.

In view of the expiry of the Sterilization Services Agreement, the Company renewed the existing Sterilization Services Agreement on 1 January 2025, effective from 1 January 2025 for a term of three years. The Company and Ningbo Shidi will enter into separate individual agreements or work orders which will set out the specific terms and conditions according to the principles in the renewed Sterilization Services Agreement.

Ningbo Shidi is a wholly-owned subsidiary of Ningbo Linfeng, which in turn is a non-wholly-owned subsidiary of Shanghai Shidi. Shanghai Shidi is wholly owned by Ms. Li, a substantial shareholder and a connected person of the Company. Accordingly, Ningbo Shidi is a connected person of the Company under the Listing Rules, and the transactions under the renewed Sterilization Services Agreement constitute continuing connected transactions of the Company. As each of the relevant percentage ratios in respect of the transactions under the renewed Sterilization Services Agreement is less than 5% and less than HK$3 million, such transactions are exempt from all reporting, announcement, and independent shareholders' approval requirements under the Listing Rules.

Master Lease Agreement

On 16 September 2022, the Company entered into a master lease agreement with Ningbo Linfeng (for and on behalf of itself and its subsidiaries), which is effective from the Listing Date to 31 December 2024 (the "**Master Lease Agreement**"), pursuant to which we may lease from Ningbo Linfeng properties in the Linfeng Medical Technology Campus (麟澧醫療科技產業園) located at No. 777, Binhai 4th Road, Hangzhou Bay New District, Ningbo for use as plants and staff quarters.

The Master Lease Agreement was entered into (i) in the ordinary and usual course of business of our Company; (ii) on arm's length basis; and (iii) on normal commercial terms with the rent being determined by our Company and Ningbo Linfeng with reference to, among other, the prevailing market rates of similar properties located in the vicinity and the term of the lease. The Master Lease Agreement is on normal commercial terms. The rental was determined by our Company and Ningbo Linfeng through arm's length negotiation based on a number of factors, including but not limited to prevailing market rent of similar property located in the vicinity and the term of the lease.

In view of the expiry of the Master Lease Agreement, the Company renewed the existing Master Lease Agreement on 1 January 2025, effective from 1 January 2025 for a term of three years. The Group and Ningbo Linfeng and/or its subsidiaries will enter into separate lease agreements which will set out the specific terms and conditions according to the principles in the renewed Master Lease Agreement.

Ningbo Linfeng is a non-wholly owned subsidiary of Shanghai Shidi, and Shanghai Shidi is wholly owned by Ms. Li, a substantial shareholder and a connected person of the Company. Accordingly, Ningbo Linfeng is a connected person of the Company under the Listing Rules, and the transactions under the renewed Master Lease Agreement constitute continuing connected transactions of the Company. As each of the relevant percentage ratios in respect of the transactions under the renewed Master Lease Agreement is less than 5% and less than HK$3 million, such transactions are exempt from all reporting, announcement, and independent shareholders' approval requirements under the Listing Rules.

Medical Devices Accessories Purchase Agreement

On 16 September 2022, the Company entered into a medical devices accessories purchase agreement with Ningbo Linstant Polymer Materials Co., Ltd. ("**Linstant**"), which is effective from the Listing Date to 31 December 2024 (the "**Medical Devices Accessories Purchase Agreement**"), pursuant to which we may purchase from Linstant certain polymer accessories such as sheaths. Linstant is principally engaged in the manufacturing of polymer accessories for medical devices.

In order to ensure that the terms of transactions under the Medical Devices Accessories Purchase Agreement are fair and reasonable and in line with market practices, and that the terms of transactions will be no less favorable to our Company than the terms of transactions between our Company and Independent Third Parties, we have adopted the following measures:

(i) to have regular contact with the suppliers of our Group (including Linstant) to keep abreast of market developments and the price trend of products; and

(ii) to assess, review and compare the quotations or proposals taking into account various factors including quality, payment, flexibility and after-sales services to ensure that the proposed transactions will be consistent with the interest of our Group and our Shareholders as a whole.

The fees will be charged at rates no less favourable than those paid by the Company to independent third parties for comparable transactions.

In view of the expiry of the Medical Devices Accessories Purchase Agreement, the Company renewed the existing Medical Devices Accessories Purchase Agreement on 1 January 2025, effective from 1 January 2025 for a term of three years. The Company and Linstant will enter into separate individual agreements or work orders which will set out the specific terms and conditions according to the principles in the renewed Medical Devices Accessories Purchase Agreement.

Linstant is a non-wholly owned subsidiary of Ningbo Linfeng, which in turn is a non-wholly owned subsidiary of Shanghai Shidi. Shanghai Shidi is wholly owned by Ms. Li, a substantial shareholder and a connected person of the Company. Accordingly, Linstant is a connected person of the Company under the Listing Rules, and the transactions under the renewed Medical Devices Accessories Purchase Agreement constitute continuing connected transactions of the Company. As each of the relevant percentage ratios in respect of the transactions under the renewed Medical Devices Accessories Purchase Agreement is less than 5% and less than HK$3 million, such transactions are exempt from all reporting, announcement, and independent shareholders' approval requirements under the Listing Rules.

Partially Exempt Connected Transactions

Loan Agreement relating to the Repurchase of Interests in ESOP Platform

In order to facilitate the repurchase of interests in the ESOP Platforms from exiting participants of the Employee Incentive Plans by Hainan Yize Medical Technology Co., Limited ("**Hainan Yize**") or its designated party, the Company entered into a loan agreement dated 9 August 2024 (with effect from the date when the Company first advances any loan amount) with Hainan Yize (the "**Loan Agreement**"), pursuant to which the Company may advance interest-bearing loans to Hainan Yize in order to facilitate the repurchase of interests in certain of the Company's ESOP platforms from exiting participants for a period of up to three years from the Loan Agreement's effective date. The Loan Agreement became effective and was first advanced to Hainan Yize on 13 August 2024. Please refer to the Company's announcement dated 9 August 2024 and 3 September 2024 for further details regarding the Loan Agreement.

The total maximum outstanding balance, including principal amount and accrued interest, owed by Hainan Yize shall not exceed RMB12,105,500 at any time throughout the period of the Loan Agreement, which constitutes the annual caps for each financial year during the term of the Loan Agreement. The annual interest rate shall be calculated with reference to the interest rate of loan for the same period published by the People's Bank of China. Interest shall accrue from the date on which the Company makes the payment to the designated bank account of Hainan Yize for each drawdown and shall be calculated based on the actual number of days that the loan remains outstanding, on the basis of 365 days per annum. For the year of 2025, the outstanding balance, including principal amount and accrued interest, owed by Hainan Yize is RMB7,243,000.

Hainan Yize is owned as to 99% by Mr. PAN Fei, our executive Director and connected person. Accordingly, Hainan Yize is a connected person of the Company under the Listing Rules, and the transactions under the Loan Agreement constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios in respect of the annual caps under the Loan Agreement calculated in accordance with Rule 14.07 of the Listing Rules exceeds 0.1% but below 5%, the transactions contemplated thereunder are only subject to the reporting, annual review and announcement requirements but are exempt from the circular (including the appointment of an independent financial adviser) and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Confirmation from Independent Non-Executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, all the independent non-executive Directors have reviewed the aforesaid continuing connected transactions conducted by the Group for the Reporting Period (the "**Agreements**"), and confirmed the Agreements have been entered into: (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation of the External Auditor

The Company's external auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The Company's external auditor has issued an unqualified letter containing the findings and conclusions in respect of the above mentioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

The external auditor of the Company has informed the Board and confirmed nothing has come to their attention that cause them to believe that the continuing connected transactions:

i. have not been approved by the Board;

ii. were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

iii. have exceeded the annual cap as set by the Company.

In respect of the above mentioned non-exempt continuing connected transactions, the Directors also confirmed that the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

Save as disclosed above and disclosed as fully exempt and partially exempt continuing connected transactions as disclosed in the Prospectus, (i) none of the related party transactions constituted a connected transaction or continuing connected transaction; and (ii) there was no connected transaction nor continuing connected transaction of the Group which has to be disclosed in accordance with the Chapter 14A of the Listing Rules during the Reporting Period. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the aforementioned transactions (if applicable). Details on exempt related party transactions for the Reporting Period are set out in note 31 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding the Company's securities.

CONTINUING DISCLOSURE OBLIGATIONS UNDER RULES 13.20, 13.21 AND 13.22 OF THE LISTING RULES

The Company did not have any continuing obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules during the Reporting Period.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1) of the Listing Rules ("**Waiver from Compliance with Public Float Requirement**"). In accordance with the Waiver from Compliance with Public Float Requirement, the Company shall maintain the minimum percentage of public float of at least 17.32% of our issued share capital.

Pursuant to information available for public and as far as Directors are aware, during the Reporting Period and as of the date of this annual report, the Company has maintained the public float in accordance with the Listing Rules and the Waiver from Compliance with Public Float Requirement.

SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2025 are set out in note 1 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he may incur or sustain in or about the execution of his duties in his office. The Company has arranged appropriate insurance cover in respect of legal action against its Directors during the Reporting Period.

EQUITY-LINKED AGREEMENTS

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 Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into by the Company during the year or subsisted at the end of the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares). The Company does not have any treasury shares (as defined under Listing Rules) as at 31 December 2025.

EMPLOYEE INCENTIVE PLANS

The Employee Incentive Plans do not constitute a share scheme under Chapter 17 of the Listing Rules and during the Reporting Period, were carried out through the Employee Incentive Platforms, which did not involve the Company directly issuing new Shares of the Company or granting existing Shares to the participants. The participants of the Employee Incentive Plans (the "Participants") become direct/indirect limited partners of the Employee Incentive Platforms upon registration of their interests. In effect, the Participants do not have any voting rights in the Company, but they are beneficially interested in the Shares through their released partnership interests in the Employee Incentive Platforms, and the voting power of the Shares held by the Employee Incentive Platforms were exercisable by the respective general partners of the Employee Incentive Platforms, namely, Hainan Yize Medical Technology Co., Ltd. (海南一則醫療科技有限公司) and Ningbo Dixiang Venture Capital Co., Ltd. (寧波迪翔創業投資有限公司), which are owned as to 99% and 98% respectively by Mr. PAN Fei and Mr. Lv.

As of 31 December 2025, all of the restricted partnership interests in the Employee Incentive Platforms have been granted to certain eligible Participants of the Company under the Employee Incentive Plans.

THE H SHARE SCHEME

The H Share Scheme was adopted by the Company by way of special resolution at the extraordinary general meeting of the Company convened on 15 December 2023 and was subsequently amended by the ordinary resolution of the Company on 19 September 2024. The H Share Scheme involves no issue of new shares or granting of options for any new securities of the Company. Thus, it does not constitute a share scheme involving issue of new shares as defined and regulated under Chapter 17 of the Listing Rules. The H Share Scheme constitutes a share scheme involving the grant of existing shares under Chapter 17 of the Listing Rules and shall therefore be subject to the applicable requirements under Rule 17.12 of the Listing Rules. Any grant of an award under the H Share Scheme to any connected person of the Company will be subject to compliance with Chapter 14A of the Listing Rules unless otherwise exempted under the Listing Rules.

Pursuant to the requirements under Rule 17.12 of the Listing Rules, the paragraphs below set out certain details of the H Share Scheme:

(a) Purposes of the H Share Scheme

The purposes of the H Share Scheme are:

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

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

(iii) to (a) recognize the contributions of the leadership of the Company including the Directors; (b) 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 by aligning their interests with those of the Shareholders and the Group as a whole.

(b) Duration and Remaining Life of the H Share Scheme

Subject to any early termination of the H Share Scheme pursuant to the H Share Scheme Rules, the H Share Scheme shall be valid and effective for five years commencing from 15 December 2023, being the date on which the H Share Scheme was approved by the Shareholders at the extraordinary general meeting of the Company on 15 December 2023 (after which no further Awards under the H Share Scheme shall be granted), and thereafter for so long as there are any non-vested Award Shares granted under the H Share Scheme prior to the expiration of the H Share Scheme, or otherwise as may be required in accordance with the rules governing the operation of the H Share Scheme (the "H Share Scheme Rules"), the H Share Scheme shall remain in effect in order to give effect to the vesting of such Award Shares. The remaining life of the H Share Scheme is around 2 years and 8 months.

(c) Source of Award Shares and Acquisition of H Shares

The source of the Award Shares under the H Share Scheme shall be H Shares to be acquired by the trustee appointed by the Company through on-market transactions at the prevailing market price in accordance with the instructions of the Company and the relevant provisions of the H Share Scheme Rules. The Board may specify in the instructions given with respect to the acquisition of H Shares any conditions or terms, including without limitation, the specified price or range of prices for the acquisition, the maximum amount of funds to be used for the acquisition, and/or the maximum number of H Shares to be acquired.

The Company shall as soon as reasonably practicable, for the purposes of satisfying the grant of Awards, transfer the necessary funds and give instructions to acquire H Shares through on-market transactions at the prevailing market price, and as soon as reasonably practicable thereafter the acquisition of such number of H Shares as instructed by the Company on-market at the prevailing market price shall proceed.

The Company shall give instructions whether or not to apply any Award Shares that failed to be vested and/or are lapsed ("Returned Shares") to satisfy any grant of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Company shall, as soon as reasonably practicable, for purposes of satisfying the Awards granted, transfer the necessary funds and give instructions to acquire further H Shares through on-market transactions at the prevailing market price.

(d) H Share Scheme Limit

Subject to the H Share Scheme Rules, the H Share Scheme Limit shall be the maximum number of H Shares that will be acquired through on-market transactions by the trustee from time to time at the prevailing market price, and in any case not more than 31,030,620 H Shares.

The maximum number of H Shares that can be purchased for the purpose of the H Share Scheme constitute 10% of the total number of issued H Shares and approximately 7.44% of the Company's total number of issued Shares (excluding treasury shares, if any) as of the date of this annual report. The ultimate number of H Shares underlying the H Share Scheme will depend on the actual implementation of the acquisition of H Shares but in any case being not more than 31,030,620 H Shares (the "H Share Scheme Limit"). The total number of unvested Awards granted to each selected participant under the H Share Scheme ("Selected Participant(s)") shall not exceed the H Share Scheme Limit.

The Company shall not make any further grant of Award which will result in the aggregate number of all underlying H Shares granted pursuant to the H Share Scheme (excluding Award Shares that have been forfeited in accordance with the H Share Scheme) to exceed the H Share Scheme Limit without Shareholders' prior approval. The H Share Scheme Limit shall not be subject to any refreshment.

(e) Selected Participants of the H Share Scheme

Eligible participants who may participate in the H Share Scheme include any full-time PRC or non-PRC employee of any member of the Group, who is a Director, senior management, key operating team member or employee of the Group ("Eligible Participant(s)").

The Board and/or the Delegatee(s) may, from time to time, select any Eligible Participant to be a Selected Participant under the relevant scheme in accordance with the H Share Scheme Rules.

The Selected Participants are determined in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and other applicable laws, regulations and regulatory documents, and the relevant provisions of the Articles of Association, together with the Company's actual circumstances and matters including the present and expected contribution of the relevant Selected Participant to the Group.

No one should be considered as a Selected Participant of the H Share Scheme if he/she:

(a) has been publicly reprimanded or deemed as an inappropriate candidate for similar award schemes or share incentive plans of a listed company by any securities regulatory bodies with authority in the last 12 months;

(b) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the last 12 months;

(c) is in breach of relevant national laws and regulations or the Articles of Association; or

(d) has caused losses to the Company during his/her term of service due to soliciting bribes, corruption and theft, disclosure of the operation and technology secrets of the Company, infringement of company interest through connected transactions and any acts which cause damage to the reputation and image of the Company, which can be proven with sufficient evidence by the Company.

The Selected Participant shall undertake that if any of the above provisions occur during the implementation of the H Share Scheme which would prevent him/her from being considered as a Selected Participant, he/she shall give up his/her rights to participate in the H Share Scheme and shall not be given any compensation.

(f) Grant of Awards

The Board and/or the Delegatee(s) may grant Awards to Selected Participants during the Award Period conditional upon fulfillment of terms and conditions of the Awards and performance targets as the Board and/or the Delegatee(s) determines from time to time. Each grant of an Award to any connected person of the Group shall be subject to the Listing Rules and any applicable laws and regulations.

No grant of any Award Shares to any Selected Participant may be made and no directions or recommendations shall be given 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 H Share 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 H Share Scheme Limit;

(v) after the expiry of the Award Period or after the earlier termination of the H Share Scheme;

(vi) where any Director is in possession of unpublished inside information (as defined under Part XIVA of 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 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 date of the annual results announcement of the Group or, if shorter, the period from the end of the relevant financial year up to the date of such results announcement; and

(viii) during the period of 30 days immediately preceding the date of the quarterly or half-year results announcement of the Group or, if shorter, the period from the end of the relevant quarterly or half-year period up to the date of such results announcement.

(g) Grant of Awards

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

(A) Vesting Schedule

Subject to the vesting criteria and conditions set out in the H Share Scheme Rules, the vesting periods for all Awards under the H Share Scheme shall be determined by the Board and/or the Delegatee(s). The specific commencement and duration of each vesting period (the "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 and/or the Delegatee(s).

The Vesting Periods of the Awards granted under the H Share Scheme or the Awards to be satisfied by the application of any Returned Shares shall be determined by the Board and/or the Delegatee(s) 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 Awards granted under the H Share Scheme is subject to the conditions of the performance indicators of the Company and any other applicable vesting criteria and conditions as set out in the Award Letter.

The details of the performance indicators of the Company shall be determined by the Board and/or the Delegatee(s) 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 fulfill the vesting criteria and 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 lapsed or forfeited with respect to such Selected Participant.

(h) Transfer and Sale of Award Shares

For the purpose of vesting of the Award, the Board and/or the Delegatee(s) may either:

(a) direct and procure the Award Shares to be released to the Selected Participants by transferring the number of Award Shares to the Selected Participants in such manner as determined by them from time to time; or

(b) to the extent that, at the determination of the Board and/or the Delegatee(s), it is not practicable for the Selected Participant to receive the Award in H Shares solely due to legal or regulatory restrictions with respect to the ability to give effect to any such transfer to the Selected Participant or the Selected Participant's ability to receive the Award in H Shares, the Board and/or the Delegatee(s) will direct and procure the sale, on-market at the prevailing market price, of the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale based on the actual selling price of such Award Shares as set out in the vesting notice.

During the Reporting Period, an aggregate of 63,200 H Shares representing approximately 0.01% of the total share capital of the Company (excluding treasury shares, if any) as at the end of the Reporting Period has been purchased for use as Award Shares for selected participants of the H Share Scheme at a total consideration of HK$390,040 (equivalent to RMB360,000).

As at 1 January 2025 and 31 December 2025, the number of awards available for grant under the H Share Scheme was 31,030,620 and 938,820, respectively. There is no service provider sublimit under the H Share Scheme.

The table below sets outs particulars of the Awards granted pursuant to the H Share Scheme:

		Number of Awards					
Grantee	Date of Grant	Unvested as of 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested as of 31 December 2025
Mr. PAN Fei[1]	7 April 2025	–	30,091,800	30,091,800	–	–	–
Total	–	–	30,091,800	30,091,800	–	–	–

Note:

1. The Awards were vested to Mr. PAN immediately following the grant, 9,233,435 awarded Shares are nevertheless subject to a lock-up for up to three years, and may only be unlocked at the expiration of the certain time period of grant subject to the fulfillment of certain company performance indicators at the relevant time. The closing price per Share immediately before the date of grant and immediately before the date on which the Awards were vested and the fair value per Share of the Awards at the date of the grant was all at HK$3.65. The accounting standard and policy adopted to estimate the fair value of the Awards at the date of grant per Share is the same as that of the year ended 31 December 2025. The fair values of the Awards granted during the Reporting Period were determined using the closing price of each share on the grant date.

USE OF NET PROCEEDS FROM LISTING

On 10 October 2022, the Company was successfully listed on the Stock Exchange. The net proceeds received by the Group from the Global Offering (after deducting underwriting fees and relevant expenses) amounted to HK$206.4 million.

On 22 May 2025, the change in the use of the net proceeds from the Global Offering was approved by the Shareholders by way of an ordinary resolution at the annual general meeting of the Company. For details, please refer to the announcements of the Company dated 21 March 2025 and 22 May 2025, and the circular of the Company dated 23 April 2025.

The change to the intended use of the net proceeds from the Global Offering and its expected timeline for full utilization is based on the best estimation of future market conditions made by the Company and subject to changes in accordance with our actual business operation.

The table below sets out the planned applications of the net proceeds from the Global Offering and actual usage up to the date of 31 December 2025:

Business objective as stated in the Prospectus	Percentage of total net proceeds	Allocation of net proceeds (HK$ million)	Unutilized net proceeds as of 31 December 2024 (HK$ million)	Revised business objective	Revised allocation of unutilized net proceeds (HK$ million)	Utilized net proceeds during the Reporting Period (HK$ million)	Unutilized net proceeds as of 31 December 2025 (HK$ million)	Expected timeline for full utilization of unutilized net proceeds
To fund the R&D, manufacturing and commercialization of LuX-Valve and Ken-Valve	65.0%	134.1	119.7	To fund the R&D, manufacturing and commercialization of LuX-Valve, LuX-Valve Plus and Ken-Valve	129.5	24.6	104.9	30 June 2028
For use relating to LuX-Valve	33.3%	68.7	56.7	For use relating to LuX-Valve and LuX-Valve Plus	77.5	11.7	65.8	By 30 June 2028
For use relating to Ken-Valve	31.7%	65.4	63.0	For use relating to Ken-Valve	52.0	12.9	39.1	By 30 June 2028
To fund the R&D, clinical trials and product registration of other product candidates in our pipeline, including LuX-Valve Plus, KenFlex and mitral valve products	25.0%	51.6	25.3	To fund the R&D, clinical trials and product registration of other product candidates in our pipeline, including KenFlex and JensClip	15.5	5.7	9.8	By 30 June 2028
For use relating to LuX-Valve Plus	17.0%	35.0	16.3	–	–	–	–	–
For use relating to KenFlex	4.0%	8.3	7.7	For use relating to KenFlex and Transcatheter Aortic Valve Products	2.7	1.4	1.3	By 30 June 2028
For use relating to mitral valve products	4.0%	8.3	1.3	For use relating to JensClip and mitral valve product	12.8	4.3	8.5	By 30 June 2028
Working capital and general corporate purposes	10.0%	20.7	9.9	Working capital and general corporate purposes	9.9	0.9	9.0	By 31 December 2027
Total	100%	206.4	154.9		154.9	31.2	123.7	

Save as disclosed, there are no other changes to the intended use of the net proceeds from the Global Offering as of the date of this annual report.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, 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.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group did not hold any significant investments and we did not conduct any material acquisitions or disposals of subsidiaries, associates and joint ventures. Save as disclosed in the Prospectus, the Group does not have any specific plan on material investments or capital assets as of the date of this annual report.

FOREIGN EXCHANGE EXPOSURE

During the Reporting Period, we mainly operated in Chinese Mainland and a majority of our transactions were settled in RMB, the functional currency of our Company. We are exposed to foreign currency risk mainly arising from exchange rate fluctuations of U.S. dollars against RMB. 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 AND CAPITAL ASSETS

Save as disclosed in this annual report, we do not have other plans for material investments and capital assets as at 31 December 2025 and up to the date of this annual report.

EMPLOYEES AND REMUNERATION POLICIES

As of 31 December 2025, we had 195 employees (2024: 211 employees) in total. 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. To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries and opportunity to participate in employee incentive plans to our employees. We believe our benefits, working environment and development opportunities for our employees have contributed to good employee relations and employee retention.

Our Company has adopted Employee Incentive Plans on 30 October 2020 and 27 April 2021 (details of which are set forth in the section headed "Employee Incentive Plans" in this annual report, in the Company's circular dated 6 December 2022, and in our Prospectus).

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration of the Directors and senior management of the Group are determined by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of the remuneration of the Directors and five highest paid individuals during the Reporting Period are set out in notes 8 to 9 to the consolidated financial statements. No Directors have waived or agreed to waive any emoluments during the Reporting Period.

Except as disclosed above, no other payments have been made or are payable to any Directors, for the Reporting Period, by the Group to or on behalf of any of the Directors.

REVIEW OF ANNUAL REPORT BY THE AUDIT COMMITTEE

The Board has established the Audit Committee which comprises three independent non-executive Directors, namely Ms. DU Jiliu, Dr. LIN Shoukang and Dr. MEI Lehe. Ms. DU Jiliu serves as the chairperson of the Audit Committee, who has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules. The primary duties of the Audit Committee are to provide an independent view of the Company's financial reporting process, internal control and risk management system, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

The Audit Committee, together with the management and external auditor of the Company, has reviewed the annual results and the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the condensed consolidated financial statements of the Group for the year ended 31 December 2025) of the Group, and is of the view that the annual results of the Group are prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

CHARITABLE DONATIONS

During the year ended 31 December 2025, the Group made charitable donations totaling RMB239,000.

AUDITOR

The financial statement has been audited by Ernst & Young. The Company has not changed its auditor during the year ended 31 December 2025 or any of the preceding three years.

Ernst & Young will retire at the AGM and, being eligible, will offer itself for re-appointment as auditor of the Company. A resolution for the re-appointment of Ernst & Young as auditor of the Company will be proposed at the AGM.

On behalf of the Board
Mr. PAN Fei
Executive Director and chief executive officer

Hong Kong, 26 March 2026

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

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Independent auditor's report
To the shareholders of Jenscare Scientific Co., Ltd.
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Jenscare Scientific Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 100 to 156, 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 ("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 ("HKSAs") 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.

KEY AUDIT MATTERS *(cont'd)*

Key audit matter	How our audit addressed the key audit matter
Measurement of research and development costs The Group incurred significant research and development ("R&D") costs of RMB183,609,000, as disclosed in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025, mainly consisting of staff costs, costs of materials and consumables, and service fees paid to contract research organisations, clinical site management operators and clinical trial centres (collectively referred to as the "Outsourced Service Providers"). We identified the measurement of R&D costs as a key audit matter due to the significant amount involved and the risk of not recording R&D costs incurred in the appropriate financial reporting periods. The Group's disclosures about R&D costs are included in note 2.4 *MATERIAL ACCOUNTING POLICIES* and note 3 *SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES* to the financial statements.	Our procedures to assess the measurement of R&D costs included the following: 1. We obtained an understanding of and evaluated the key controls over the R&D process; 2. We inquired with management and R&D project managers about the progress of the major R&D projects; 3. We evaluated the accrual and allocation of R&D-related staff costs by checking the working time records maintained by the R&D project management department; 4. We evaluated the R&D-related costs of materials and consumables by inspecting, on a sampling basis, materials and consumables purchase orders, payment slips and other supporting documents; 5. For the service fees paid/payable to the Outsourced Service Providers, we, on a sampling basis, reviewed the key terms set out in the agreements with the Outsourced Service Providers, evaluated the completion status of the R&D projects with reference to the progress reported by the project managers based on inputs such as number of patient enrolments, time elapsed and milestones achieved, and inspected the supporting documents to evaluate whether the service fees were properly recorded in the appropriate financial reporting periods based on the respective contract terms, progress and/or the milestones achieved; 6. We obtained external confirmation from major Outsourced Service Providers, to check the amount of the R&D service fees incurred for the year ended 31 December 2025 and the amounts payable under Contract Research Organisation ("CRO")/Site Management Organisation ("SMO") agreements as of 31 December 2025; and 7. We tested the R&D expenses by comparing the subsequent milestone billings and payments with the accrued R&D expenses to evaluate whether the R&D expenses were recorded in the appropriate financial reporting periods.

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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(cont'd)*

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is KONG Choi Yi (practising certificate number: P07873).

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	**90,587**	–
Cost of sales		**(8,071)**	–
Gross profit		**82,516**	–
Other income and gains	5	**16,596**	41,559
Research and development expenses		**(183,609)**	(142,637)
Administrative expenses		**(99,415)**	(68,183)
Selling and distribution expenses		**(29,021)**	–
Impairment losses on financial assets, net		**(7,355)**	(6,662)
Other expenses		**(51,549)**	(9,617)
Finance costs	7	**(867)**	(289)
LOSS BEFORE TAX	6	**(272,704)**	(185,829)
Income tax expenses	10	**–**	–
LOSS FOR THE YEAR		**(272,704)**	(185,829)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**4,522**	(2,043)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**4,522**	(2,043)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(268,182)**	(187,872)
Loss attributable to:			
Owners of the parent		**(271,229)**	(177,510)
Non-controlling interests		**(1,475)**	(8,319)
		(272,704)	(185,829)
Total comprehensive loss attributable to:			
Owners of the parent		**(266,707)**	(179,553)
Non-controlling interests		**(1,475)**	(8,319)
		(268,182)	(187,872)
LOSS per share ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic and diluted			
– For loss for the year (in RMB per share)		**(0.64)**	(0.43)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**164,390**	165,820
Other intangible assets	14	**5,191**	4,010
Right-of-use assets	15	**27,325**	28,422
Time deposits	21	**72,559**	101,539
Other non-current assets	16	**6,158**	41,919
Total non-current assets		**275,623**	341,710
CURRENT ASSETS			
Inventories	17	**27,115**	35,653
Trade receivables	18	**6,842**	–
Prepayments, other receivables and other assets	19	**59,247**	44,211
Financial assets at fair value through profit or loss	20	**20,000**	–
Cash and cash equivalents	21	**507,405**	605,991
Total current assets		**620,609**	685,855
CURRENT LIABILITIES			
Trade payables	22	**25,150**	12,097
Other payables and accruals	23	**50,596**	34,096
Interest-bearing bank and other borrowings	25	**28,041**	16,015
Lease liabilities	15	**2,084**	1,993
Total current liabilities		**105,871**	64,201
NET CURRENT ASSETS		**514,738**	621,654
TOTAL ASSETS LESS CURRENT LIABILITIES		**790,361**	963,364
NON-CURRENT LIABILITIES			
Lease liabilities	15	**1,473**	2,119
Interest-bearing bank and other borrowings	25	**15,762**	44,292
Total non-current liabilities		**17,235**	46,411
Net assets		**773,126**	916,953
EQUITY			
Equity attributable to owners of the parent			
Share capital	26	**417,167**	417,167
Treasury shares	26	**(360)**	(132,292)
Reserves	27	**372,603**	646,887
		789,410	931,762
Non-controlling interests		**(16,284)**	(14,809)
Total equity		**773,126**	916,953

Mr. PAN Fei
Director

Mr. LV Shiwen
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

Year ended 31 December 2024

	Attributable to owners of the parent								
	Share capital (note 26) RMB'000	Treasury shares (note 26) RMB'000	Share premium (note 27) RMB'000	Share-based arrangement (note 27) RMB'000	Exchange fluctuation reserve (note 27) RMB'000	Accumulated losses (note 27) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	417,167	(5,038)	1,237,661	872,627	16,367	(1,305,911)	1,232,873	(6,619)	1,226,254
Loss for the year	–	–	–	–	–	(177,510)	(177,510)	(8,319)	(185,829)
Other comprehensive loss for the year:									
Exchange differences on translation of foreign operations	–	–	–	–	(2,043)	–	(2,043)	–	(2,043)
Total comprehensive loss for the year	–	–	–	–	(2,043)	(177,510)	(179,553)	(8,319)	(187,872)
Contribution by non-controlling shareholders	–	–	–	–	–	–	–	129	129
Share-based arrangement	–	–	–	5,696	–	–	5,696	–	5,696
Shares repurchased	–	(127,254)	–	–	–	–	(127,254)	–	(127,254)
At 31 December 2024	417,167	(132,292)	1,237,661*	878,323*	14,324*	(1,483,421)*	931,762	(14,809)	916,953

Year ended 31 December 2025

	Attributable to owners of the parent								
	Share capital (note 26) RMB'000	Treasury shares (note 26) RMB'000	Share premium (note 27) RMB'000	Share-based arrangement (note 27) RMB'000	Exchange fluctuation reserve (note 27) RMB'000	Accumulated losses (note 27) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025	417,167	(132,292)	1,237,661	878,323	14,324	(1,483,421)	931,762	(14,809)	916,953
Loss for the year	–	–	–	–	–	(271,229)	(271,229)	(1,475)	(272,704)
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	–	–	–	–	4,522	–	4,522	–	4,522
Total comprehensive loss for the year	–	–	–	–	4,522	(271,229)	(266,707)	(1,475)	(268,182)
Share-based arrangement	–	132,292	(104,424)	96,847	–	–	124,715	–	124,715
Shares repurchased	–	(360)	–	–	–	–	(360)	–	(360)
At 31 December 2025	417,167	(360)	1,133,237*	975,170*	18,846*	(1,754,650)*	789,410	(16,284)	773,126

* These reserve accounts comprise the consolidated reserves of RMB372,603,000 (2024: RMB646,887,000) 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			
Loss before tax		**(272,704)**	(185,829)
Adjustments for:			
Finance costs	7	**867**	289
Bank interest income	5	**(13,819)**	(11,253)
Gains on financial assets at fair value through profit or loss	5	**(1,748)**	(10,841)
Depreciation of property, plant and equipment	13	**11,084**	9,198
Amortisation of other intangible assets	14	**651**	543
Depreciation of right-of-use assets	15	**2,411**	3,103
Impairment of trade receivables	18	**1,970**	–
Impairment of prepayments, other receivables and other assets	19	**5,385**	6,662
Write-down of inventories to net realisable value	17	**1,007**	4,683
Impairment of property, plant and equipment	13	**292**	6,694
Impairment of other intangible assets	14	**–**	12
Loss on disposal of items of property, plant and equipment	6	**36**	86
Loss from termination of a lease	15	**231**	–
Foreign exchange differences, net	6	**13,469**	(2,906)
Share-based arrangement	28	**96,847**	5,696
Decrease/(increase) in inventories		**7,531**	(12,210)
Increase in trade receivables		**(8,812)**	–
Decrease/(increase) in prepayments, other receivables and other assets		**42,261**	(30,543)
Increase/(decrease) in trade payables		**13,053**	(4,235)
Increase/(decrease) in other payables and accruals		**12,426**	(6,335)
Cash used in operations		**(87,562)**	(227,186)
Interest received		**12,558**	9,634
Net cash flows used in operating activities		**(75,004)**	(217,552)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	13	**(3,239)**	(71,261)
Additions to other intangible assets	14	**(1,832)**	(425)
Purchase of financial assets at fair value through profit or loss		**(340,128)**	(135,183)
Disposal of financial assets at fair value through profit or loss		**320,128**	298,406
Investment income from disposal of financial assets at fair value through profit or loss		**1,748**	14,056
Advances of loans to a related party		**(712)**	–
Withdrawal of time deposits with maturities over three months		**30,000**	–
Placement of time deposits with maturities over three months		**–**	(100,000)
Net cash flows from investing activities		**5,965**	5,593

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		**–**	15,205
Repayment of bank loans	25	**(16,659)**	–
Interest paid on bank loans		**(1,284)**	–
Loans from non-controlling shareholders		**–**	3,200
Loans from related parties		**–**	1,030
Contribution by non-controlling shareholders		**–**	129
Principal portion of lease payments	15	**(2,179)**	(2,891)
Interest paid on lease liabilities	15	**(125)**	(163)
Repurchase of shares	26	**(360)**	(127,254)
Net cash flows used in financing activities		**(20,607)**	(110,744)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(89,646)**	(322,703)
Cash and cash equivalents at beginning of year		**605,991**	927,826
Effect of foreign exchange rate changes, net		**(8,940)**	868
CASH AND CASH EQUIVALENTS AT END OF YEAR		**507,405**	605,991

1. CORPORATE AND GROUP INFORMATION

Jenscare Scientific Co., Ltd. (the "Company") was established in the People's Republic of China (the "PRC") on 8 November 2011 as a limited liability company. On 23 March 2021, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office of the Company is located at No. 777 Binhai Forth Road, Hangzhou Bay New District, Ningbo, Zhejiang, the PRC.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 10 October 2022.

During the year, the Company and its subsidiaries (the "Group") were mainly engaged in the sales, research and development of interventional products for the treatment of structural heart diseases and other related medical products.

Information about subsidiaries

The Company's subsidiaries are as follows:

Name*	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Ningbo Diochange Medical Technology Co., Ltd. ("Diochange") (寧波迪創醫療科技有限公司)	Chinese mainland	Renminbi ("RMB") 30,000,000	100%	–	Research and development
Jenscare (Hainan) Venture Capital Co., Ltd. (健世(海南)創業投資有限公司)	Chinese mainland	RMB10,000,000	100%	–	Consulting and investment
Shanghai Xuanmai Medical Technology Co., Ltd. ("Shanghai Xuanmai") (上海炫脈醫療科技有限公司)	Chinese mainland	RMB10,000,000	55%	–	Research and development
Jenscare Scientific (Netherlands) B.V.	Netherlands	Euro ("EUR") 17,500,000	100%	–	Research and development
Jenscare International Co. Ltd.	Hong Kong	Hong Kong Dollar ("HKD") 109,830,000	100%	–	Sales operations
Jenscare Scientific (Wuhan) Co., Ltd. (健世科技(武漢)有限責任公司)	Chinese mainland	RMB10,000,000	100%	–	Research and development
Jenscare Innovation Inc.	United States	United States Dollar ("USD") 300,000	100%	–	Research and development

* The English names of these companies represent the best effort made by the directors of the Company (the "Directors") to translate the Chinese names as these companies have not been registered with 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 fair value through profit or loss which have been measured at fair value. 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 (collectively referred to as the "Group") 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).

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 interest 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 in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

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

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 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 and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income 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.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(cont'd)*

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(cont'd)*

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures certain financial instruments at fair value 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, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are 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 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.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Impairment of non-financial assets *(cont'd)*

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.

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.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, 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 property, 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 property, 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.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Buildings	20 years
Plant and machinery	5 years
Motor vehicles	4 years
Office equipment	5 years
Leasehold improvements	Over the shorter of the lease terms and 5 years

Where parts of an item of property, 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 methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, 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 are stated at cost less any impairment losses, and are not depreciated. It is reclassified to the appropriate category of property, 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.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 to 10 years.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Intangible assets (other than goodwill) *(cont'd)*

Research and development costs

All research and development costs 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.

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:

Office premises and buildings	2 to 7 years
Leasehold land	50 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.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Leases *(cont'd)*

Group as a lessee (cont'd)

(b) Lease liabilities (cont'd)

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.

(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 office premises (that is those leases that have a lease term of 12 months 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.

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.

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.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Investments and other financial assets *(cont'd)*

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.

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.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Impairment of financial assets *(cont'd)*

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 90 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.

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

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Impairment of financial assets *(cont'd)*

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 the end of the reporting period. The Group has established a provision matrix that is based on the Group's historical 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 financial liabilities at fair value through profit or loss, loans and borrowings or 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, accruals, interest-bearing bank and other borrowings and lease liabilities.

Subsequent measurement

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

Financial liabilities at amortised cost (trade and other payables, and borrowings)

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 the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

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.

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 at banks.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at banks.

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.

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, 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.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Income tax *(cont'd)*

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.

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

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.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services 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 or services.

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.

(a) Sale of interventional products for the treatment of structural heart disease

Revenue from the sale of interventional products for the treatment of structural heart disease is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the goods by the customers.

(b) Consulting service

Revenue from the consulting service is recognised at the point in time when the performance obligation is satisfied, which occurs when service has been completed and the customer has formally accepted and confirmed receipt of the service.

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).

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Share-based payments

The Group operates a share option scheme. 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 at which they are granted. During the reporting period, the fair value of the restricted share under the Scheme as at the date of grant was determined based on closing price per Share immediately before the date of grant, further details of which are given 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 grant are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the grant 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 grant is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the grant is recognised immediately. This includes any grant where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new grant is substituted for the cancelled grant, and is designated as a replacement award on the date that it is granted, the cancelled and new grants are treated as if they were a modification of the original grant, as described in the previous paragraph.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their 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.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the note 11 to the financial statements.

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 consolidated 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.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2.4 MATERIAL ACCOUNTING POLICIES *(cont'd)*

Foreign currencies *(cont'd)*

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.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

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 expenses

All research expenses 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. Determining the amounts of development expense to be capitalised requires the use of judgements and estimation.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(cont'd)*

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at 31 December 2025 was RMB1,371,906,000 (2024: RMB1,143,818,000). Further details are contained in note 10 to the financial statements.

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.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present values of those cash flows.

Impairment of other receivables

The Group has applied the general approach to provide for expected credit losses for other receivables and considered the default event, historical loss rate and adjusted for forward-looking macroeconomic data in calculating the expected credit loss rate, details of which are set out in note 19 to the financial statements.

4. OPERATING 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

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
Chinese mainland	**48,996**	–
Other countries/regions	**41,591**	–
Total revenue	**90,587**	–

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

4. OPERATING SEGMENT INFORMATION *(cont'd)*

Geographical information *(cont'd)*

(b) Non-current assets

Since nearly all of the Group's non-current assets were located in Chinese mainland during the reporting period, no further geographical information is presented.

Information about major customers

Revenue from operations of approximately RMB22,820,000 in total (2024: Nil) was derived from sales of the interventional products for the treatment of structural heart disease segment to two customers.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	**90,587**	–

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of goods or services		
Sale of interventional products for the treatment of structural heart diseases	**89,102**	–
Consulting services	**1,485**	–
Total	**90,587**	–
Geographical markets		
Chinese mainland	**48,996**	–
Other countries/regions	**41,591**	–
Total	**90,587**	–
Timing of revenue recognition		
Goods transferred at a point in time	**89,102**	–
Services provided at a point in time	**1,485**	–
Total	**90,587**	–

5. REVENUE, OTHER INCOME AND GAINS *(cont'd)*

Revenue from contracts with customers *(cont'd)*

(a) Disaggregated revenue information (cont'd)

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

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of interventional products for the treatment of structural heart diseases	**1,284**	–
Total	**1,284**	–

(b) Performance obligations

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

Sale of interventional products for the treatment of structural heart diseases
The performance obligation is satisfied upon delivery of the interventional products for the treatment of structural heart diseases, and payment in advance is normally required. Some contracts provide customers with a right of return and incentives which give rise to variable consideration subject to constraint.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	**6,514**	1,284

All amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Other income		
Government grants	**108**	6,719
Bank interest income	**13,819**	11,253
Others	**921**	9,840
Total other income	**14,848**	27,812
Gains		
Foreign exchange differences, net	**–**	2,906
Gain on financial assets at fair value through profit or loss	**1,748**	10,841
Total gains	**1,748**	13,747
Total other income and gains	**16,596**	41,559

6. LOSS BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold*		**8,071**	–
Depreciation of items of property, plant and equipment**	13	**11,084**	9,198
Depreciation of right-of-use assets**	15	**2,411**	3,103
Amortisation of intangible assets	14	**651**	543
Research and development expenses		**183,609**	142,637
Government grants	5	**(108)**	(6,719)
Lease payments not included in the measurement of lease liabilities	15	**2,059**	2,033
Auditor's remuneration		**1,800**	1,813
Bank interest income	5	**(13,819)**	(11,253)
Fair value gains, net:			
Financial assets at fair value through profit or loss	5	**(1,748)**	(10,841)
Loss on disposal of items of property, plant and equipment		**36**	86
Staff cost (excluding directors' and chief executive's remuneration (note 8)):			
Wages and salaries		**46,321**	61,105
Pension scheme contributions		**8,249**	13,290
Staff welfare expenses		**1,298**	1,938
Share-based arrangement		**22,894**	(6,015)
Total		**78,762**	70,318
Foreign exchange differences, net		**13,469**	(2,906)
Impairment of property, plant and equipment	13	**292**	6,694
Impairment of other intangible assets	14	**–**	12
Impairment losses on financial assets, net		**7,355**	6,662
Write-down of inventories to net realisable value	17	**1,007**	4,683

* The amounts disclosed for cost of inventories sold included write-down of inventories to net realisable value.

** The depreciation of property, plant and equipment and depreciation of right-of-use assets is included in "Cost of sales", "Administrative expenses", "Research and development expenses" and "Selling and distribution expenses" in the consolidated statements of profit or loss and other comprehensive income.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank and other loans	1,439	1,507
Interest on lease liabilities (note 15)	125	163
Total interest expense on financial liabilities not at fair value through profit or loss	1,564	1,670
Less: Interest capitalised	697	1,381
Total	867	289

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' 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:

	Group	
	2025 RMB'000	2024 RMB'000
Fees	2,033	500
Other emoluments:		
Salaries, allowances and benefits in kind	3,174	4,634
Performance related bonuses	2,085	1,214
Share-based arrangements	73,953	11,711
Pension scheme contributions	187	326
Total fees and other emoluments	81,432	18,385

During the year ended 31 December 2025, certain restricted shares were granted to Mr. PAN Fei in respect of the service to the Group, 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 set out in the above directors' and supervisors' remuneration disclosures.

8. DIRECTORS' AND SUPERVISORS' REMUNERATION *(cont'd)*

(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
Ms. DU Jiliu	**200**	200
Dr. LIN Shoukang	**163**	150
Dr. MEI Lehe	**150**	150
Total	**513**	500

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

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

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Equity-settled share compensation expense RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2025						
Executive directors:						
Mr. PAN Fei*	–	2,692	2,085	73,953	153	78,883
Non-executive directors:						
Mr. LV Shiwen*	1,520	482	–	–	34	2,036
Mr. CHEN Xinxing	–	–	–	–	–	–
Mr. TAN Ching	–	–	–	–	–	–
Mr. ZHENG Jiaqi	–	–	–	–	–	–
Ms. XIE Youpei	–	–	–	–	–	–
Subtotal	1,520	482	–	–	34	2,036
Total	1,520	3,174	2,085	73,953	187	80,919

8. DIRECTORS' AND SUPERVISORS' REMUNERATION *(cont'd)*

(b) Executive directors, non-executive directors and the supervisors *(cont'd)*

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Equity-settled share compensation expense RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2024						
Executive directors:						
Mr. LV Shiwen*	–	1,930	–	–	136	2,066
Mr. PAN Fei*	–	2,584	1,188	11,711	154	15,637
Subtotal	–	4,514	1,188	11,711	290	17,703
Non-executive director:						
Mr. TAN Ching	–	–	–	–	–	–
Mr. ZHENG Jiaqi	–	–	–	–	–	–
Ms. XIE Youpei	–	–	–	–	–	–
Mr. CHEN Xinxing	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Supervisors:						
Mr. TANG Hao	–	–	–	–	–	–
Ms. XU Jing	–	–	–	–	–	–
Mr. HU Bo	–	120	26	–	36	182
Subtotal	–	120	26	–	36	182
Total	–	4,634	1,214	11,711	326	17,885

* Mr. LV Shiwen resigned as the chief executive of the Company, and Mr. PAN Fei was appointed as the chief executive of the Company on 15 January 2025.

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

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director (2024: one director), details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining four (2024: four) highest paid employees, who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances, and benefits in kind	**3,291**	3,126
Performance related bonuses	**3,650**	3,312
Equity-settled share compensation expense	**10,080**	17,102
Pension scheme contributions	**549**	590
Total	**17,570**	24,130

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

	Number of employees	
	2025	2024
HKD3,000,001 to HKD3,500,000	**2**	–
HKD3,500,001 to HKD4,000,000	**1**	–
HKD4,000,001 to HKD5,000,000	**–**	3
HKD8,000,001 to HKD8,500,000	**1**	–
HKD12,000,001 to HKD13,000,000	**–**	1
Total	**4**	4

In prior years, restricted shares were granted to three non-directors 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 restricted 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 and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

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

(a) Pursuant to the Corporate Income Tax Law of the PRC (the "CIT Law") and the respective regulations, the applicable tax rate of the Company and its subsidiaries in Chinese mainland is 25%. No provision for Chinese mainland income tax was made as the Group's entities in the PRC had no estimated assessable profits during the year.

(b) No provision for Hong Kong profits tax was made at a rate of 16.5% (2024: 16.5%) as the Group's entity in Hong Kong had no estimated assessable profits during the year.

(c) No provision for Netherlands income tax was made at a rate of 25.8% (2024: 25.8%) as the Group's entity in the Netherlands had no estimated assessable profits during the year.

(d) No provision for United States income tax was made at a rate of 29.8% (2024: 29.8%) as the Group's entity in the United States had no estimated assessable profits during the year.

(e) 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
Loss before tax	**(272,704)**	(185,829)
Tax at the statutory tax rate (25%)	**(68,176)**	(46,457)
Effect of different tax rate of subsidiaries operating in other jurisdictions and tax concession	**(377)**	306
Additional deductible allowance for qualified research and development expenses	**(25,594)**	(22,840)
Expenses not deductible for tax	**25,215**	4,058
Deductible temporary difference and tax losses not recognised	**68,932**	64,933
Tax charge at the Group's effective rate	**–**	–

Deferred tax assets have not been recognised in respect of the following items:

	2025 RMB'000	2024 RMB'000
Unused tax losses	**1,371,906**	1,143,818
Deductible temporary differences	**18,504**	12,112
Total	**1,390,410**	1,155,930

Deferred tax assets have not been recognised in respect of the above tax losses and deductible temporary differences as it is not considered probable that taxable profits will be available against which the tax losses can be utilised in the foreseeable future.

11. DIVIDENDS

No dividend was paid or declared by the Company during the year.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss attributable to owners of the parent, and the weighted average number of ordinary shares of 425,369,026 (2024: 408,947,000) in issue during the year.

The Group had potential dilutive shares throughout the year related to the shares held for the share compensation plan. Due to the Group's negative financial results during the year, shares held for the share compensation plan have an anti-dilutive effect on the Group's loss per share. Thus, diluted loss per share is equivalent to the basic loss per share.

Since December 2024, the Company started to purchase its shares on the Hong Kong Stock Exchange, as further detailed in note 26. Since then, the weighted average number of such shares considered as treasury shares has been included in the calculation of basic loss per share.

The calculations of basic and diluted loss per share are based on:

	2025 RMB'000	2024 RMB'000
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculations	**(271,229)**	(177,510)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculations	**425,369,026**	408,947,000

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025:							
Cost	–	39,348	564	5,583	15,054	147,269	207,818
Accumulated depreciation	–	(25,097)	(519)	(3,661)	(12,340)	(381)	(41,998)
Net carrying amount	–	14,251	45	1,922	2,714	146,888	165,820
At 1 January 2025, net of accumulated depreciation	–	14,251	45	1,922	2,714	146,888	165,820
Additions	4,203	2,069	–	190	1,019	2,501	9,982
Depreciation provided during the year	(3,593)	(5,025)	–	(847)	(1,619)	–	(11,084)
Impairment	–	(292)	–	–	–	–	(292)
Transfer	148,865	–	–	–	–	(148,865)	–
Disposals	–	(17)	–	(19)	–	–	(36)
At 31 December 2025, net of accumulated depreciation and impairment	149,475	10,986	45	1,246	2,114	524	164,390
At 31 December 2025:							
Cost	153,068	40,943	564	5,701	16,073	524	216,873
Accumulated depreciation and impairment	(3,593)	(29,957)	(519)	(4,455)	(13,959)	–	(52,483)
Net carrying amount	149,475	10,986	45	1,246	2,114	524	164,390

	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024						
At 1 January 2024:						
Cost	35,917	564	5,362	13,797	80,861	136,501
Accumulated depreciation	(14,066)	(414)	(2,361)	(9,482)	–	(26,323)
Net carrying amount	21,851	150	3,001	4,315	80,861	110,178
At 1 January 2024, net of accumulated depreciation	21,851	150	3,001	4,315	80,861	110,178
Additions	3,674	–	281	81	67,584	71,620
Depreciation provided during the year	(6,524)	(105)	(937)	(1,632)	–	(9,198)
Impairment	(4,687)	–	(400)	(1,226)	(381)	(6,694)
Transfer	–	–	–	1,176	(1,176)	–
Disposals	(63)	–	(23)	–	–	(86)
At 31 December 2024, net of accumulated depreciation and impairment	14,251	45	1,922	2,714	146,888	165,820
At 31 December 2024:						
Cost	39,348	564	5,583	15,054	147,269	207,818
Accumulated depreciation and impairment	(25,097)	(519)	(3,661)	(12,340)	(381)	(41,998)
Net carrying amount	14,251	45	1,922	2,714	146,888	165,820

13. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

At 31 December 2025, certain of the Group's buildings with a net carrying amount of approximately RMB149,475,000 (2024: Nil) were pledged to secure bank borrowings granted to the Group.

During the year ended 31 December 2025, the management and the Board of Directors of the Company decided to further optimize the Company's product pipeline, strategically concentrate its resources on key core products. The Company's directors reviewed the property, plant and equipment and concluded that a full impairment provision was required for certain assets of non key products. Consequently, an impairment loss of RMB292,000 (2024: RMB6,694,000) on property, plant and equipment was recognised, determined based on their value in use.

14. OTHER INTANGIBLE ASSETS

	Software RMB'000
31 December 2025	
Cost at 1 January 2025	
net of accumulated amortisation	**4,010**
Additions	**1,832**
Amortisation provided during the year	**(651)**
At 31 December 2025	**5,191**
At 31 December 2025:	
Cost	**7,391**
Accumulated amortisation and impairment	**(2,200)**
Net carrying amount	**5,191**
31 December 2024	
Cost at 1 January 2024	
net of accumulated amortisation	4,140
Additions	425
Amortisation provided during the year	(543)
Impairment during the year	(12)
At 31 December 2024	4,010
At 31 December 2024:	
Cost	5,559
Accumulated amortisation and impairment	(1,549)
Net carrying amount	4,010

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold land, office premises and buildings used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with a lease period of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of office premises and buildings generally have lease terms between 2 and 7 years. Other rental agreements generally have lease terms of 12 months or less and are individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

15. LEASES *(cont'd)*

The Group as a lessee *(cont'd)*

(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:

	Leasehold land RMB'000	Office premises and buildings RMB'000	Total RMB'000
As at 1 January 2024	24,849	3,522	28,371
Additions	–	3,682	3,682
Depreciation charge	(515)	(3,103)	(3,618)
Exchange differences on translation of foreign operations	–	(13)	(13)
As at 31 December 2024 and 1 January 2025	24,334	4,088	28,422
Additions	**–**	**2,288**	**2,288**
Early termination of a lease	**–**	**(782)**	**(782)**
Depreciation charge	**(515)**	**(2,110)**	**(2,625)**
Exchange differences on translation of foreign operations	**–**	**22**	**22**
As at 31 December 2025	**23,819**	**3,506**	**27,325**

As at December 31, 2025, leasehold land with a carrying amount of approximately RMB23,819,000 (2024: RMB24,334,000) was pledged to secure general banking loans of the Group (note 25).

(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	**4,112**	3,329
New leases	**2,288**	3,682
Accretion of interest recognised during the year	**125**	163
Termination of a lease	**(693)**	–
Payments	**(2,304)**	(3,054)
Exchange differences on translation of foreign operations	**29**	(8)
Carrying amount at 31 December	**3,557**	4,112
Analysed into:		
Current portion	**2,084**	1,993
Non-current portion	**1,473**	2,119

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

15. LEASES *(cont'd)*

The Group as a lessee *(cont'd)*

(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	**125**	163
Depreciation charge of right-of-use assets	**2,411**	3,103
Expense relating to short-term leases and leases of low-value assets	**2,059**	2,033
Total amount recognised in profit or loss	**4,595**	5,299

16. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Advance payment for property, plant and equipment	**3,207**	5,107
Deductible input value-added tax	**2,951**	36,812
Total	**6,158**	41,919

17. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	**13,232**	24,436
Work in progress	**3,453**	1,049
Finished good	**10,430**	10,168
Total	**27,115**	35,653

18. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	**6,842**	–

The Group usually requires advance payment from distributors for the sales of goods. For a limited number of customers, the Group grants credit period of one month to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

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

	2025 RMB'000	2024 RMB'000
Within 3 months	**6,842**	–
Over 3 months	**–**	–
Net carrying amount	**6,842**	–

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

	2025 RMB'000	2024 RMB'000
At beginning of year	**–**	–
Impairment losses, net (note 6)	**1,970**	–
Amount written off as uncollectible	**(1,970)**	–
At end of year	**–**	–

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects, as appropriate, the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions.

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Due from related parties (note 31)	**38,127**	9,306
Deposits and other receivables	**13,671**	16,816
Prepayment to suppliers	**19,817**	25,250
Others	**446**	268
	72,061	51,640
Impairment allowance	**(12,814)**	(7,429)
Total	**59,247**	44,211

In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data.

As at 31 December 2025, the Group estimated the expected credit losses for other receivables to be RMB12,814,000 (31 December 2024: RMB7,429,000).

The movements in provision for impairment of other receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	**7,429**	767
Impairment losses, net (note 6)	**5,385**	6,662
At end of year	**12,814**	7,429

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Structured deposit	**20,000**	–

The above structured deposit was issued by licensed bank in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

21. CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	**507,364**	587,380
Time deposits	**72,559**	101,539
Deposit for repurchase of shares	**41**	18,611
Subtotal	**579,964**	707,530
Less: Time deposits with original maturity more than three months when acquired	**72,559**	101,539
Cash and cash equivalents	**507,405**	605,991
Denominated in:		
RMB	**168,682**	223,255
USD	**313,847**	304,176
HKD	**21,349**	73,682
Canadian Dollar ("CAD")	**3,348**	4,534
EUR	**179**	344
	507,405	605,991

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, 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. The bank balances are deposited with creditworthy banks with no recent history of default.

22. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Trade payables		
Within 1 year	**24,239**	9,821
Over 1 year	**911**	2,276
Total	**25,150**	12,097

Included in the trade payables were an amount due to related parties of RMB1,782,000 as at 31 December 2025 (2024: RMB578,000), which was repayable within 60 days, representing credit terms similar to those offered by the related party to its major customers.

23. OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
Amount due to related parties (note 31)		**455**	412
Amount due to non-controlling shareholders		**169**	–
Payables for purchase of property, plant and equipment and decoration		**4,509**	577
Contract liabilities	(a)	**6,514**	1,284
Payroll and welfare payable		**13,504**	12,678
Government grants		**12,000**	12,000
Other payables	(b)	**13,445**	7,145
Total		**50,596**	34,096

(a)

	2025/12/31 RMB'000	2024/12/31 RMB'000	2024/1/1 RMB'000
Short term advances received from customers sales of interventional products for the treatment of structural heart disease	**6,514**	1,284	–
Total	**6,514**	1,284	–

Contract liabilities were short-term advances received to deliver interventional products for the treatment of structural heart disease. The increase in contract liabilities in 2025 and 2024 was mainly due to the increase in short-term advances received from customers at the end of the year.

(b) Other payables and accruals are unsecured, non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables and accruals as at the end of the year approximated to their fair values due to their short-term maturities.

24. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Right-of-use assets RMB'000
At 1 January 2025	**1,028**
Deferred tax credited to profit or loss during the year	**(139)**
Gross deferred tax liabilities at 31 December 2025	**889**
At 1 January 2024	832
Deferred tax charged to profit or loss during the year	196
Gross deferred tax liabilities at 31 December 2024	1,028

Deferred tax assets

	Lease liabilities RMB'000
At 1 January 2025	**1,028**
Deferred tax charged to profit or loss during the year	**(139)**
Gross deferred tax assets at 31 December 2025	**889**
At 1 January 2024	832
Deferred tax charged to profit or loss during the year	196
Gross deferred tax assets at 31 December 2024	1,028

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.

Net deferred tax recognised in the consolidated statement of financial position

	2025 RMB'000	2024 RMB'000
Net deferred tax assets/liabilities in respect of continuing operations	**–**	–

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025 RMB'000	2024 RMB'000
Current		
Due to the substantial shareholder (note 31)	**1,101**	1,064
Due to non-controlling shareholders	**3,409**	3,292
Current portion of long-term bank loans – unsecured	**–**	11,659
Current portion of long-term bank loans – secured*	**23,531**	–
Total – current	**28,041**	16,015
Non-current		
Bank loans – unsecured	**–**	28,530
Bank loans – secured*	**15,762**	15,762
Total – non-current	**15,762**	44,292
Total	**43,803**	60,307

The effective interest rates and maturities of the borrowings are as follows:

	2025 Effective interest rate (%)	2025 Maturity	2024 Effective interest rate (%)	2024 Maturity
Due to shareholders	**3.40-3.90**	**2026**	3.40-3.90	2025
Bank loans – unsecured	**–**	**–**	2.40-2.65	2025-2026
Bank loans – secured*	**2.10-2.30**	**2028**	2.45-2.65	2028

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	**23,531**	11,659
In the second year	**15,762**	28,530
In the third to fifth years, inclusive	**–**	15,762
Subtotal	**39,293**	55,951
Other borrowings repayable:		
Within one year or on demand	**4,510**	4,356
Total	**43,803**	60,307

* The bank loans amounting to RMB39,293,000 were secured by the pledge of the Group's building with a carrying amount of RMB149,475,000 (2024: Nil) and leasehold land with a carrying amount of RMB23,819,000 (2024: RMB24,334,000).

26. SHARE CAPITAL/TREASURY SHARES

A summary of movements in the Company's share capital is as follows:

	Share Capital Total RMB'000	Treasury Shares Total RMB'000
Issued and fully paid as at 1 January 2024	417,167	(5,038)
Shares repurchased (a)	–	(127,254)
As at 31 December 2024	417,167	(132,292)
Issued and fully paid as at 1 January 2025	**417,167**	**(132,292)**
Shares repurchased (a)	**–**	**(360)**
Restricted share granted (b)	**–**	**132,292**
As at 31 December 2025	**417,167**	**(360)**

(a) In December 2024, the Company purchased its shares on the Hong Kong Stock Exchange at a total consideration of HKD139,379,000 (equivalent to approximately RMB127,254,000). During the year, the Company purchased its shares on the Hong Kong Stock Exchange at a total consideration of HK$390,040 (equivalent to approximately RMB360,000). The purchased shares will be used as award shares for the selected participants of a share award scheme.

(b) During the year ended 31 December 2025, 30,091,800 treasury shares were granted at the subscription price of HK$1 per share. Shares vest progressively over the service period and upon achievement of performance targets.

27. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity on pages 102 of the financial statements.

28. SHARE-BASED PAYMENTS

Restricted shares

On 7 April 2025 the Group granted restricted shares of the Company to eligible employees. All of the restricted shares granted shall be subject to certain company performance indicators at the relevant time. The fair values of the restricted shares granted were based on closing price per Share immediately before the date of grant.

The following restricted shares were outstanding under the share-based payment scheme during the year.

	Number of restricted shares
At 1 January 2024	26,938,055
Forfeited during the year	(8,671,005)
Vested during the year	(8,682,704)
At 31 December 2024	9,584,346
At 1 January 2025	**9,584,346**
Granted during the year	**33,573,383**
Forfeited during the year	**(600,000)**
Vested during the year	**(35,051,487)**
At 31 December 2025	**7,506,242**

The fair values of the restricted shares granted was RMB424,294,000, which was estimated as at the date of grant using the market quoted prices, of which the Group recognised an equity-settled share compensation expense of RMB96,847,000 during the year.

29. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2025, the Group had non-cash additions to right-of-use and lease liabilities of RMB2,288,000 (2024: RMB3,682,000), in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

2025

	Bank and other loans RMB'000	Lease liabilities RMB'000
At 1 January 2025	**60,307**	**4,112**
Changes from financing cash flow	**(17,943)**	**(2,304)**
New leases	**–**	**2,288**
Termination of a lease	**–**	**(693)**
Interest expense	**1,439**	**125**
Exchange differences on translation of foreign operations	**–**	**29**
At 31 December 2025	**43,803**	**3,557**

2024

	Bank and other loans RMB'000	Lease liabilities RMB'000
At 1 January 2024	40,746	3,329
Changes from financing cash flow	19,435	(3,054)
New leases	–	3,682
Interest expense	126	163
Exchange differences on translation of foreign operations	–	(8)
At 31 December 2024	60,307	4,112

(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	**2,059**	2,033
Within financing activities	**2,304**	3,054
Total	**4,363**	5,087

30. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Property, plant and equipment	–	44,045

31. RELATED PARTY TRANSACTIONS

(a) Related parties for the years ended 31 December 2024 and 2025 were as follows:

Name	Relationship with the Company
Mr. LV Shiwen	Substantial shareholder of the Company
Mr. PAN Fei	Director of the Company
Ningbo Linstant Polymer Materials Co., Ltd.	Controlled by the Substantial Shareholder
Ningbo Linfeng Biotechnology Co., Ltd.	Controlled by the Substantial Shareholder
Ningbo Shidi Medical Technology Co., Ltd.	Controlled by the Substantial Shareholder
Ningbo Hangzhou Bay New District Muhe Property Co.,Ltd.	Controlled by the Substantial Shareholder
Ningbo Trandomed 3D Medical Technology Co., Ltd.	Controlled by the Substantial Shareholder
Ningbo Chinese Herbal Pieces Co., Ltd.	Controlled by the Substantial Shareholder
Ningbo Muhe Catering Management Co., Ltd.	Controlled by the Substantial Shareholder
Hainan Yize Medical Technology Co., Ltd.	General partner of the Company's Employee Incentive Platforms

(b) The Group had the following transactions with related parties during the year:

	Notes	2025 RMB'000	2024 RMB'000
Rental payment to:			
Ningbo Linfeng Biotechnology Co., Ltd.	(i)	**1,308**	1,516
Purchase of materials from:	(ii)		
Ningbo Linstant Polymer Materials Co., Ltd.		**2,275**	1,978
Ningbo Trandomed 3D Medical Technology Co., Ltd.		**34**	75
		2,309	2,053
Purchase of services from:	(ii)		
Ningbo Hangzhou Bay New District Muhe Property Co., Ltd.		**49**	100
Ningbo Chinese Herbal Pieces Co., Ltd.		**175**	423
Ningbo Shidi Medical Technology Co., Ltd.		**31**	313
Ningbo Muhe Catering Management Co., Ltd.		**274**	596
		529	1,432
Borrowing from a related party:			
Mr. LV Shiwen	(iii)	**37**	1,064
Loan to a related party:			
Hainan Yize Medical Technology Co., Ltd.	(iv)	**953**	6,290

31. RELATED PARTY TRANSACTIONS *(cont'd)*

(b) The Group had the following transactions with related parties during the year: *(cont'd)*

Notes:

(i) Rental expense related to the leases of the offices and employee dormitories from the related party pursuant to the terms of the agreements signed between the Group and the related party.

(ii) The purchases from the related parties were made according to the prices and terms mutually agreed between the parties.

(iii) Amount of Mr. LV Shiwen was the interest of an unsecured one-year-term loan offered to the subsidiary Shanghai Xuanmai with principal of RMB1,030,000, charged with interest rate of 4.98% in 2025 (2024: 4.98%).

(iv) Loan to Hainan Yize Medical Technology Co., Ltd. was an unsecured three-year-term revolving loan used for holding the repurchased interests with the Employee Incentive Plans with principal of RMB712,000 charged with interest rate of 3.35% (2024: 3.35%).

(c) Outstanding balances with related parties:

		2025 RMB'000	2024 RMB'000
Prepayments, other receivables and other assets:			
Ningbo Linstant Polymer Materials Co., Ltd.	(i)	**3,000**	3,000
Hainan Yize Medical Technology Co., Ltd.	(ii)	**7,243**	6,290
Ningbo Shidi Medical Technology Co., Ltd.	(i)	**16**	16
Mr. PAN Fei	(iv)	**27,868**	–
		38,127	9,306
Other payables and accruals:			
Ningbo Linfeng Biotechnology Co., Ltd.	(i)	**393**	336
Ningbo Muhe Catering Management Co., Ltd.	(i)	**62**	34
Ningbo Chinese Herbal Pieces Co., Ltd.	(i)	**–**	42
		455	412
Other borrowing:			
Mr. LV Shiwen	(iii)	**1,101**	1,064
Trade payables:			
Ningbo Shidi Medical Technology Co., Ltd.	(i)	**38**	107
Ningbo Linstant Polymer Materials Co., Ltd.	(i)	**1,744**	471
		1,782	578

Notes:

(i) The Group's balances due from and due to the related parties were trade in nature, unsecured, non-interest-bearing and repayable on demand.

(ii) The balance due from Hainan Yize Medical Technology Co., Ltd. was an unsecured three-year-term loan with 3.35% interest rate.

(iii) The balance due to Mr. LV Shiwen was an unsecured loan expiring in 2025 with 4.98% interest rate.

(iv) The balance due from Mr. PAN Fei was unpaid share subscription amount related to share awards granted in 2025.

31. RELATED PARTY TRANSACTIONS *(cont'd)*

(d) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, allowances, and benefits in kind	**5,687**	7,122
Performance related bonuses	**2,894**	2,062
Pension scheme contributions	**368**	800
Equity-settled share based expense	**74,484**	(7,474)
Total compensation paid to key management personnel	**83,433**	2,510

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

32. 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:

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000
Financial assets at fair value through profit or loss	**20,000**	**–**
Financial assets included in prepayments, other receivables and other assets	**–**	**39,430**
Trade receivables	**–**	**6,842**
Time deposits	**–**	**72,559**
Cash and cash equivalents	**–**	**507,405**
Total	**20,000**	**626,236**

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	**25,150**
Financial liabilities included in other payables and accruals	**30,578**
Interest-bearing bank and other borrowings	**43,803**
Lease liabilities	**3,557**
Total	**103,088**

32. FINANCIAL INSTRUMENTS BY CATEGORY *(cont'd)*

As at 31 December 2024

Financial assets

	Financial assets at amortised cost RMB'000
Financial assets included in prepayments, other receivables and other assets	18,961
Time deposits	101,539
Cash and cash equivalents	605,991
Total	726,491

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	12,097
Financial liabilities included in other payables and accruals	8,134
Interest-bearing bank and other borrowings	60,307
Lease liabilities	4,112
Total	84,650

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments approximate to fair values.

Management has assessed that the fair values of cash and cash equivalents, time deposits, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. 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 Directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(cont'd)*

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 Group invests in structured deposit issued by licensed banks in the Chinese mainland. The Group has estimated the fair value of structured deposit by using the valuation technique based on the sum of principal and interest receivable.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

The above or below structured deposit was issued by licensed banks in the Chinese mainland. The Group has estimated the fair value of the structured deposit by using the valuation technique based on the sum of principal and interest receivable.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	–	20,000	–	20,000

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, time deposits and financial assets at fair value through profit or loss. 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 other receivables 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. 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 rate, with all other variables held constant, of the Group's profit before tax (due to retranslation of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity RMB'000
31 December 2025			
If RMB weakens against USD	**5**	**15,692**	**15,692**
If RMB strengthens against USD	**(5)**	**(15,692)**	**(15,692)**
31 December 2024			
If RMB weakens against USD	5	15,209	15,209
If RMB strengthens against USD	(5)	(15,209)	(15,209)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

Credit risk

The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The table below shows 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.

31 December 2025

	12-month ECLs	Lifetime ECLs		
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Financial assets included in prepayments, other receivables and other assets				
– Normal*	**42,596**	**–**	**–**	**42,596**
– Doubtful*	**–**	**9,648**	**–**	**9,648**
Trade receivables	**6,842**	**–**	**–**	**6,842**
Time deposits	**72,559**	**–**	**–**	**72,559**
Cash and cash equivalents				
– Not yet past due	**507,405**	**–**	**–**	**507,405**
Total	**629,402**	**9,648**	**–**	**639,050**

31 December 2024

	12-month ECLs	Lifetime ECLs		
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Financial assets included in prepayments, other receivables and other assets				
– Normal*	20,044	–	–	20,044
– Doubtful*	–	6,346	–	6,346
Time deposits	101,539	–	–	101,539
Cash and cash equivalents				
– Not yet past due	605,991	–	–	605,991
Total	727,574	6,346	–	733,920

* 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".

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by 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 each of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025				
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	25,150	–	–	–	25,150
Financial liabilities in other payables and accruals	26,069	–	–	–	26,069
Lease liabilities	–	552	1,618	1,532	3,702
Interest-bearing bank and other borrowings	–	4,746	24,028	16,370	45,144
Total	51,219	5,298	25,646	17,902	100,065

	As at 31 December 2024				
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	12,097	–	–	–	12,097
Financial liabilities in other payables and accruals	8,134	–	–	–	8,134
Lease liabilities	–	558	1,534	2,166	4,258
Interest-bearing bank and other borrowings	–	4,628	12,618	45,534	62,780
Total	20,231	5,186	14,152	47,700	87,269

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

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 adjust the dividend payment to shareholders, 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 31 December 2024.

The Group monitors capital using a gearing ratio, which is calculated by dividing total liabilities by total assets, was 13.7% as at 31 December 2025 (31 December 2024: approximately 10.8%). The gearing ratios as at the end of reporting period were as follows:

	2025 RMB'000	2024 RMB'000
Total liability	**123,106**	110,612
Total assets	**896,232**	1,027,565
Gearing ratio	**13.7%**	10.8%

35. EVENT AFTER THE REPORTING PERIOD

No significant events that require additional disclosure or adjustments occurred after the reporting period.

36. 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		
Property, plant and equipment	**164,282**	165,821
Other intangible assets	**5,190**	4,010
Right-of-use assets	**26,727**	26,829
Investments in subsidiaries	**311,642**	339,946
Time deposits	**72,559**	101,539
Other non-current assets	**3,207**	35,510
Total non-current assets	**583,607**	673,655
CURRENT ASSETS		
Inventories	**27,044**	35,653
Prepayments, other receivables and other assets	**158,176**	240,197
Financial assets at fair value through profit or loss	**20,000**	–
Cash and cash equivalents	**303,469**	396,620
Total current assets	**508,689**	672,470
CURRENT LIABILITIES		
Trade payables	**16,573**	4,809
Other payables and accruals	**42,984**	25,155
Interest-bearing bank and other borrowings	**23,531**	11,659
Lease liabilities	**1,794**	1,146
Total current liabilities	**84,882**	42,769
NET CURRENT ASSETS	**423,807**	629,701
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,007,414**	1,303,356
NON-CURRENT LIABILITIES		
Lease liabilities	**1,161**	1,378
Interest-bearing bank and other borrowings	**15,762**	44,292
Total non-current liabilities	**16,923**	45,670
Net assets	**990,491**	1,257,686
EQUITY		
Share capital	**417,167**	417,167
Reserves (note)	**573,684**	840,519
Treasury shares	**(360)**	–
Total equity	**990,491**	1,257,686

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(cont'd)*

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Share-based arrangement RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2024	1,380,251	869,574	(1,182,248)	1,067,577
Total comprehensive loss for the year	–	–	(230,811)	(230,811)
Share-based arrangement	–	3,753	–	3,753
At 31 December 2024 and 1 January 2025	**1,380,251**	**873,327**	**(1,413,059)**	**840,519**
Total comprehensive loss for the year	**–**	**–**	**(261,201)**	**(261,201)**
Share-based arrangement	**(104,424)**	**98,790**	**–**	**(5,634)**
At 31 December 2025	**1,275,827**	**972,117**	**(1,674,260)**	**573,684**

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.